EXECUTIVE AND CONGRESSIONAL NEWS

- On Nov. 30, 2018, George H.W. Bush, the 41st president of the United States, died.
  
  Bush fought in WWII and was elected to the U.S. House of Representatives in 1966. He served
  as CIA director under President Ford and as vice president under President Reagan. In 1988,
  Bush won the U.S. presidential race.
  
  During his presidency, Bush responded to the dissolution of the Soviet Union, oversaw the U.S.
  military’s removal of Panamanian dictator Manuel Noriega from power and built the international
  coalition and leading a military strike to drive Hussein out of Kuwait.

- The House and the Senate passed a two-week extension to the budget by voice vote on
  Dec. 6, 2019, keeping the federal government until Dec. 21, 2018. President Trump is
  expected to sign the measure.

MILITARY HEALTH CARE NEWS

- The TRICARE Open Enrollment period will close on Dec. 10, 2018. For more details, please
  visit: https://tricare.mil/About/Changes/OpenSeason.
During a Senate hearing to examine the nomination of Thomas McCaffery to be the next assistant secretary of defense for health affairs, McCaffery testified that the Defense Health Agency has penalized Health Net for continued major transition challenges. This is reported by Federal News Network.

Health Net Federal Services is the contractor responsible for the West Region, effective Jan. 1, 2018. According to McCaffery, who is currently serving as principle principal deputy in the health affairs office, some of the biggest performance issues have to do with Health Net’s ability to maintain an accurate database of private sector health care providers in the TRICARE system, including up-to-date provider names and addresses.

The Federal News Network article quoted Senator Martin Heinrich (D-N.M.): “Health Net is contractually obligated to maintain 95 percent accuracy in its provider directory, and as of the end of October, they’re not even halfway there: they’re at 42 percent. And when we asked for a plan for how they would achieve 95 percent accuracy, they were completely unwilling to provide one. This level of inaccuracy is not only acceptable, but it's directly impacting the speed and the quality of care for our military families.”


VETERANS AFFAIRS NEWS

The U.S. Department of Veterans Affairs (VA) hosted the Anywhere to Anywhere, Together Summit on Dec. 6, 2018, at the United States Institute of Peace to increase connectivity and access to telemedicine for veterans.

The Anywhere to Anywhere, Together program fosters innovation and facilitates national, partnership-based solutions to promote forward-thinking dialogue and collaboration among world class telehealth and virtual care leadership.

The summit focus was on significantly expanding veteran health care access by collaborating with industry partners to amplify the use of emerging technologies that best meet veteran needs. It also featured discussions with nationally renowned virtual care experts, as well as demonstrations of innovative telehealth tools. In addition, VA highlighted significant industry partnerships that will continue to transform the delivery of health care for veterans.

As the largest integrated health care system in the United States, VA provides telehealth in over 50 areas of specialty care at more than 900 sites nationwide. VA leads the nation in telemedicine with 2.3 million episodes of care last year. The Summit is another example of VA’s efforts to deliver quality health care to Veterans where and when they need it.

Senior VA leadership and event partners from Amazon Web Services, Comcast, Deloitte, EveryoneOn, GE Healthcare, Intel, OptumServe, Philips and T-Mobile attended.

For more information visit: https://www.va.gov/anywheretoanywhere/.

GENERAL HEALTH CARE NEWS

On Dec. 6, 2018, Health and Human Services Secretary Alex Azar announced that John O’Brien, will serve as senior advisor to the Secretary for Drug Pricing Reform.

Previously, O’Brien had served as advisor to the Secretary for health reform and drug pricing, as well as deputy assistant secretary for health policy within the Office of the Assistant Secretary for Planning and Evaluation.
Prior to his time at HHS, O’Brien, a pharmacist, was vice president of public policy for CareFirst BlueCross BlueShield. He has also worked at the Centers for Medicare & Medicaid Services, the Notre Dame of Maryland University College of Pharmacy, and various pharmacy and pharmaceutical organizations.

O’Brien has a master’s degree in public health from the Johns Hopkins Bloomberg School of Public Health, a doctor of pharmacy degree from Nova Southeastern University, and studied pharmacy and public policy at the University of Florida.

- **Progress in reducing exposure to secondhand smoke among U.S. nonsmokers has stalled in recent years, despite longstanding declines over the past three decades.**

An estimated 58 million American nonsmokers (1 in 4) were still exposed to secondhand smoke from burning tobacco products such as cigarettes during 2013–2014, according to new data published by the Centers for Disease Control and Prevention (CDC).

Exposure to secondhand smoke remains high for certain groups, including children ages 3-11 years (38 percent), people living in poverty (48 percent), and people living in rental housing (39 percent), according to findings from the National Health and Nutrition Examination Survey.

During 2011–2014, the percentage of nonsmokers exposed to secondhand smoke did not decline significantly across most demographic subgroups. This lack of decline could be attributable to the slowed adoption of comprehensive smoke-free laws in all workplaces, restaurants and bars at the state and local levels during this period.

Twenty-seven states and the District of Columbia have comprehensive smoke-free laws, but adoption of such laws has slowed in recent years. However, there has been progress at the local level since the data in this study were collected, which could be reflected in future surveys. During 2015–2017, 199 communities adopted comprehensive smoke-free laws, and 21 have implemented such laws as of July 2018.

In addition to policies addressing smoking in public areas, some recent policies have addressed private settings – the main sources of children’s exposure to secondhand smoke. For example, the U.S. Department of Housing and Urban Development adopted a rule requiring public housing to be smoke-free by July 31, 2018.

Despite this recent smoke-free progress, disparities persist:

- Half of black nonsmokers are exposed to secondhand smoke, including 2 of every 3 black children
- More than 3 in 10 nonsmokers with less than a high school education are exposed to secondhand smoke
- More than 7 in 10 nonsmokers living with someone who smokes inside the home are exposed to secondhand smoke

For more information on secondhand smoke, go to [https://www.cdc.gov/tobacco](https://www.cdc.gov/tobacco). For free help quitting tobacco, call 1-800-QUIT-NOW.

- **Overall national health spending grew at a rate of 3.9 percent in 2017, almost 1.0 percentage point slower than growth in 2016, according to a study conducted by the Office of the Actuary at the Centers for Medicare & Medicaid Services (CMS).**

Medicare spending grew at about the same rate in 2017 as in 2016, while Medicaid spending grew at a slower rate in 2017 than in 2016.

According to the report, overall healthcare spending growth slowed in 2017 for the three largest goods and service categories – hospital care, physician and clinical services, and retail prescription drugs. Details from the slower spending growth in these three largest...
goods and service categories are:

- **Hospital spending** (33 percent of total healthcare spending) decelerated in 2017, growing 4.6 percent to $1.1 trillion compared to 5.6 percent growth in 2016. The slower growth in 2017 reflected slower growth in the use and intensity of services, as growth in outpatient visits slowed while growth in inpatient days increased at about the same rate in both 2016 and 2017.

- **Physician and clinical services spending** (20 percent of total healthcare spending) increased 4.2 percent to $694.3 billion in 2017. This increase followed more rapid growth of 5.6 percent in 2016 and 6.0 percent in 2015. Less growth in total spending for physician and clinical services in 2017 was a result of a deceleration in growth in the use and intensity of physician and clinical services.

- **Retail prescription drug spending** (10 percent of total healthcare spending) slowed in 2017, increasing 0.4 percent to $333.4 billion. This slower rate of growth followed 2.3 percent growth in 2016, which was much slower than in 2014, when spending grew 12.4 percent, and in 2015, when spending grew 8.9 percent. These higher rates of growth in 2014 and 2015 were primarily the result of the introduction of new, innovative medicines and faster growth in prices for existing brand-name drugs. Retail prescription drug spending growth slowed in 2017 primarily due to slower growth in the number of prescriptions dispensed, a continued shift to lower-cost generic drugs, slower growth in the volume of some high-cost drugs, declines in generic drug prices, and lower price increases for existing brand-name drugs.

The 3.9 percent growth in healthcare spending was slightly slower than growth in the overall economy (4.2 percent) in 2017. As a result, the healthcare spending share of the economy (17.9 percent) was similar to the share in 2016 (18.0 percent). Growth in overall healthcare spending slowed for the second consecutive year, following elevated rates of growth in 2014 and 2015 that were affected by expanded Medicaid and private health insurance coverage and increased spending for prescription drugs, particularly for drugs used to treat hepatitis C.

Additional highlights from the report regarding the source of funds include:

- **Private health insurance spending** (34 percent of total healthcare spending) increased 4.2 percent to $1.2 trillion in 2017, which was slower than the 6.2 percent growth in 2016. The deceleration was influenced by slower growth in medical benefits and a decline in fees and taxes resulting from the Consolidated Appropriations Act 2016, which suspended collection of the health insurance provider fee in 2017.

- **Medicare spending** (20 percent of total healthcare spending) grew 4.2 percent to $705.9 billion in 2017, which was about the same rate as in 2016 when spending grew 4.3 percent. In 2017, slower growth in fee-for-service Medicare (Medicare FFS) spending (1.4 percent in 2017 compared to 2.6 percent in 2016) offset faster growth in spending for Medicare private health plans (10.0 percent in 2017 compared to 8.1 percent in 2016). The trends in Medicare FFS and Medicare private health plan spending are attributed in part to an increasing share of all Medicare beneficiaries enrolling in Medicare Advantage.

- **Medicaid spending** (17 percent of total healthcare spending) growth slowed in 2017, increasing 2.9 percent to $581.9 billion following growth of 4.2 percent in 2016. The slower growth in total Medicaid expenditures in 2017 was influenced by a deceleration in enrollment growth and a reduction in the net cost of Medicaid health insurance resulting from an increase in recoveries from Medicaid managed care plans for favorable prior period experience. State and local Medicaid expenditures grew 6.4 percent, while federal Medicaid expenditures increased 0.8 percent in 2017. In 2017, states were required to fund 5 percent of the costs of the Medicaid expansion population, while in prior years these costs were funded entirely by the federal government.
Out-of-pocket spending (10 percent of total healthcare spending) includes direct consumer payments such as copayments, deductibles, and spending not covered by insurance. Out-of-pocket spending grew 2.6 percent to $365.5 billion in 2017, which was slower than the 4.4 percent growth in 2016.

Sponsors of Healthcare. In 2017, the federal government’s spending on healthcare slowed, increasing 3.2 percent after 4.9 percent growth in 2016. The deceleration was largely associated with slower federal Medicaid spending due to lower Medicaid enrollment growth, a reduction in the federal government’s share of funding for newly eligible Medicaid enrollees, and a decline in the net cost of insurance for Medicare and Medicaid enrollees in private plans in 2017. Growth in household spending on healthcare also slowed in 2017, increasing 3.8 percent following growth of 4.8 percent in 2016. The slowdown was mainly driven by slower growth in out-of-pocket spending.

The National Health Expenditure estimates have been revised to reflect the most recent and up-to-date source data that is available (and may not have been available for last year’s vintage of the National Health Expenditure Accounts).


REPORTS/POLICIES


HILL HEARINGS

- There are no health-related hearings scheduled next week.

LEGISLATION

- H.R.7212 (introduced Dec. 3, 2018): A bill to amend the Public Health Service Act to provide for additional programs funded by grants to strengthen the healthcare system’s response to domestic violence, dating violence, sexual assault, and stalking, and for other purposes was referred to the House Committee on Energy and Commerce. Sponsor: Representative Debbie Dingell [D-MI-12]

MEETINGS

- HIMSS 2019 Annual Conference will be held on Feb. 11-15, 2019, in Orlando, Fla. http://www.himssconference.org/
- The 9th Annual Traumatic Brain Injury Conference will be held on May 15-17, 2019, in Washington DC. https://www.tbiconference.com/home/2018agenda/2019-agenda
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