

Federal Health Update

DEC. 8, 2017

Welcome to Federal Health Update. This newsletter is a compilation of the latest news in the federal health care sector.

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We will not published the *Update* on Dec. 15th or 29th.

EXECUTIVE AND CONGRESSIONAL NEWS

- **The House and Senate passed a stop-gap measure to fund the government until Dec. 22, 2017.** The president is expected to sign it on Dec. 7, 2017.

MILITARY HEALTH CARE NEWS

- **On Dec. 4, 2017, the chief of staff, Army, announced Maj. Gen. Ronald J. Place will be assigned to be director, National Capital Medical Directorate, Defense Health Agency, Bethesda, Md.** Prior to this assignment Place was co-lead, Health System Project Management Office; and special assistant to the commanding general, U.S. Army Medical Command/The Surgeon General, Washington, D.C.
- **The Defense Health Agency will hold a webinar on Dec. 13, 2017, to answer questions about the TRICARE program.**

The webinar will include a panel of subject matter experts to answer your questions about TRICARE benefits, health plan options, dental plan options, upcoming changes to TRICARE and more.

Our panelists include representatives from major TRICARE offices and programs, including:

- TRICARE Dental Program
- TRICARE Pharmacy Program
- TRICARE Overseas Program
- TRICARE For Life
- Reserve Component
- TRICARE Policy and Benefits

[Register to participate on the Dec. 13](#) webinar. Registration is limited.

▪ **TRICARE announced provisions to serve those affected by the wildfires in California.**

Emergency refill procedures are in place for Los Angeles and Ventura counties, effective Dec. 6-16, 2017

To get an emergency refill, take the prescription bottle to any TRICARE retail network pharmacy. To find a network pharmacy, call Express Scripts at 1-877-363-1303, or search the [network pharmacy locator](#).

If possible, visit the pharmacy where the prescription was filled. If using a retail chain, one can fill the prescription at another store in that chain. .

If a beneficiary needs [durable medical equipment](#) replaced, TRICARE or ECHO may be able to help with replacements when the item is lost or damaged. Contact the [managed care support contractors](#) in the region for more information.

VETERANS AFFAIRS NEWS

▪ **The U.S. Department of Veterans Affairs (VA) announced that it will use two innovative treatments to ease the everyday challenges associated with living with traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD).**

Veterans with a history of mild to moderate TBI now have access to light emitting diode (LED) therapy contained in a lightweight frame that is placed on the head and a clip placed inside the nose. Results of some [studies](#) show that LED improves brain function including attention and memory, emotions and sleep. LED therapy has begun at the VA Boston Healthcare System, Jamaica Plain campus, this month. LED also is available for Veterans to use in their homes.

Providers at the Long Beach VA Medical Center have begun using stellate ganglion block (SGB) to treat Veterans with PTSD symptoms. SGB is safe and may ease PTSD symptoms, such as the feelings of anxiety and constantly being on alert. It involves an injection, or shot, of medication into the neck to decrease the symptoms of PTSD.

VA remains a world leader in the development and use of innovative therapies, such as telehealth, yoga and other approaches to improve health and well-being.

For more information about other emerging therapies aimed at enhancing Veterans' physical and mental well-being, visit VA's Center for Compassionate Innovation at: <https://www.va.gov/healthpartnerships>.

- **The Department of Veterans Affairs (VA) announced a partnership with the Humane Society of the United States (HSUS) to encourage veterans to consider pet ownership and volunteer opportunities with community organizations, including local animal shelters and humane societies in an effort to pair veterans with rescued animals.**

This announcement represents the latest example of VA's commitment to working closely with nonprofit organizations and other community partners to identify new and innovative ways to support veterans' health and well being through this initiative.

VA and the HSUS will build model programs and networks with community organizations in order to establish connections with local VA medical facilities, making it easier to link Veterans with animals ready for adoption in their local communities.

- **The U.S. Department of Veterans Affairs (VA) has formed the Veterans and Community Oversight and Engagement Board Federal Advisory Committee, as part of its commitment to supporting veterans and their families in the greater Los Angeles area.**

The committee will coordinate with the local LA local community and VA to identify goals and provide advice and recommendations to the VA Secretary to improve services and outcomes for veterans, members of the armed forces and their families.

Retired Air Force Lt. Gen. John D. Hopper Jr., will chair the committee. a noted advocate for veterans and their families. Hopper completed 35 years of service as a combat pilot, and is currently CEO of the Air Force Aid Society. While on active duty, he completed two Air Force assignments in the Los Angeles area, including as the commander of Norton Air Force Base in San Bernadino, Calif, as it prepared to close.

The following members will serve alongside Hopper on the committee: Phillip H. Tagami, (vice chairman); Anthony P. Allman; Arthur M. Delacruz; Raymond G. Delgado; Kate A. Holt; Lisa J. Mahoney; Phillip F. Managano; Roger B. McReiane; Daisy C. Mo; Terrence P. Pallend; Stephen W. Rutledge; Jeffrey A. Scheire; David Tenenbaum; and Debra L. Thomas.

Additional information about the committee may be found on the [Federal Register](#).

GENERAL HEALTH CARE NEWS

- **Infant deaths from critical congenital heart disease (CCHD) declined more than 33 percent in eight states that mandated screening for CCHD using a test called pulse oximetry.**

In addition, deaths from other or unspecified cardiac causes decreased 21 percent.

Pulse oximetry is a simple bedside test to determine the amount of oxygen in a baby's blood and the baby's pulse rate. Low levels of oxygen in the blood can be a sign of a CCHD.

CCHD screening nationwide could save at least 120 babies each year, according to a new study published in the *Journal of the American Medical Association*. This study is the first look at the impact of state policies to either require or recommend screening of infants for CCHD at birth.

The study, *Association of U.S. State Implementation of Newborn Screening Policies for Critical Congenital Heart Disease With Infant Cardiac Deaths*, shows that states that required their hospitals to screen newborns with pulse oximetry saw the most significant decrease in infant deaths compared with states without screening policies. Voluntary policies or mandated policies not yet implemented were not associated with reductions in infant death rates. The encouraging news is that 47 states and D.C. now have mandatory screening policies in place and one additional state, California, requires screening be offered. These results serve as a reminder to

hospitals across the country to remain vigilant in their screening for CCHD.

About 1 in 4 babies born with a congenital heart defect has CCHD and will need surgery or other procedures in the first year of life. In the U.S., about 7,200 babies born each year have one of seven CCHDs. Without screening by a pulse oximetry reading, some babies born with a congenital heart defect can appear healthy at first and be sent home with their families before their heart defect is detected.

CDC works to identify causes of congenital heart defects, find opportunities to prevent them, and improve the health of people living with these conditions.

For more information on congenital heart defects, visit <https://www.cdc.gov/ncbddd/heartdefects/index.html> and <https://www.cdc.gov/features/congenitalheartdefects/>.

- **In 2016, overall national health spending increased 4.3 percent following 5.8 percent growth in 2015, according to a study by the Office of the Actuary at the Centers for Medicare & Medicaid Services (CMS).**

Following Affordable Care Act (ACA) coverage expansion and significant retail prescription drug spending growth in 2014 and 2015, health care spending growth decelerated in 2016. The report concludes that the 2016 expenditure slowdown was broadly based as growth for all major payers (private health insurance, Medicare, and Medicaid) and goods and service categories (hospitals, physician and clinical services, and retail prescription drugs) slowed in 2016.

During 2014 and 2015, the health-spending share of the economy increased 0.5 percentage point from 17.2 percent in 2013 to 17.7 percent in 2015. The increases in the health-spending share of the economy in 2014 and 2015 were largely due to coverage expansion that contributed to 8.7 million individuals gaining private health insurance coverage and 10.2 million gaining Medicaid coverage over the period and to significant growth in retail prescription drug spending. Health care spending grew 1.5 percentage points faster than the overall economy in 2016, resulting in a 0.2 percentage-point increase in the health-spending share of the economy – from 17.7 percent in 2015 to 17.9 percent in 2016.

Additional highlights from the report:

Private health insurance spending increased 5.1 percent to \$1.1 trillion in 2016, which was slower than the 6.9 percent growth in 2015. The deceleration was largely driven by slower enrollment growth in 2016 after two years of faster enrollment growth due to ACA coverage expansion.

Medicare spending grew 3.6 percent to \$672.1 billion in 2016, which was slower growth than the previous two years when spending grew 4.8 percent in 2015 and 4.9 percent in 2014. The slower growth in 2016 was due to slower growth in spending for both Medicare fee-for-service (2.2 percent in 2015 compared to 1.8 percent in 2016) and Medicare Advantage (11.1 percent in 2015 compared to 7.4 percent in 2016).

Medicaid spending growth slowed in 2016, increasing 3.9 percent to \$565.5 billion. State and local Medicaid expenditures grew 3.2 percent in 2016, while federal Medicaid expenditures increased 4.4 percent in 2016. The slower overall growth in Medicaid spending was much lower than in the previous two years, when Medicaid spending grew 11.5 percent in 2014 and 9.5 percent in 2015. The higher growth in 2014 and 2015 was due in part to the initial impacts of the ACA's expansion of Medicaid enrollment during that period.

Out-of-pocket spending includes direct consumer payments such as copayments, deductibles, and spending not covered by insurance. Out-of-pocket spending grew 3.9 percent to \$352.5 billion in 2016, faster than the 2.8 percent growth in 2015. Additionally, 2016 was the fastest rate of growth since 2007 and was higher than the average annual growth of 2.0 percent during 2008-

15. The faster growth in 2016 was due in part to a continued shift towards enrollment in high-deductible health plans, which was somewhat offset by a continued decrease in the number of uninsured in 2016.

Retail prescription drug spending slowed in 2016, increasing 1.3 percent to \$328.6 billion. The slower growth in 2016 follows two years of significant growth in 2014 and 2015, 12.4 percent and 8.9 percent, respectively. This significant growth in 2014 and 2015 was largely attributable to increased spending on new medicines and price growth for existing brand-name drugs, particularly for drugs used to treat hepatitis C. Growth slowed in 2016 primarily due to fewer new drug approvals, slower growth in brand-name drug spending as spending for hepatitis C drugs declined, and a decline in spending for generic drugs as price growth slowed.

In 2016, the federal government and households accounted for the largest shares of spending (28 percent each) followed by private businesses (20 percent), state and local governments (17 percent), and other private revenue (7 percent). After two consecutive years of rapid growth (10.9 percent in 2014 and 8.9 percent in 2015), federal government spending for health care slowed, increasing 3.9 percent in 2016. The primary reason for the deceleration in federal spending growth in 2016 was federal Medicaid spending, which grew more slowly in 2016 as a result of less Medicaid enrollment growth.

The CMS Office of the Actuary's report will appear on the CMS website at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>.

An article about the study is also being published by *Health Affairs* as a Web First (<http://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2017.1299>) and will also appear in the journal's January 2018 issue.

REPORTS/POLICIES

- **The GAO published “Veterans Affairs Contracting: Improvements in Buying Medical and Surgical Supplies Could Yield Cost Savings and Efficiency,” (GAO-18-274T) on Dec 7, 2017.** This report addresses the extent to which VA's implementation of MSPV-NG has been effective in meeting program goals. <http://www.gao.gov/assets/690/688797.pdf>
- **The GAO published “Veterans Affairs Information Technology: Historical Perspective on Health System Modernization Contracts and Update on Efforts to Address Key FITARA-Related Areas,” (GAO-18-267T) on Dec 7, 2017.** This report summarizes its previous and ongoing work regarding VA's history of efforts to modernize VistA, including past use of contractors, and the department's recent effort to acquire a commercial electronic health record system to replace VistA. <http://www.gao.gov/assets/690/688794.pdf>

HILL HEARINGS

- The Senate Armed Services: Subcommittee on Personnel will hold a hearing on **Dec. 13, 2017**, to examine an update on research, diagnosis and treatment for traumatic brain injury/concussion in service members.
- The Senate Committee on Health, Education, Labor, and Pensions will hold a hearing on **Dec. 13, 2017**, to examine implementation of the 21st Century Cures Act, focusing on responding to mental health needs.

LEGISLATION

- **S.2193** (introduced Dec. 5, 2017): An original bill to amend title 38, United States Code, to improve health care for veterans, and for other purposes was placed on the Senate Legislative Calendar. Sponsor: Senator Johnny Isakson [R-GA]
- **S.2183** (introduced Dec. 1, 2017): A bill to amend title XXI of the Social Security Act to provide for a special rule during the first quarter of fiscal year 2018 for the redistribution of certain Children's Health Insurance Program allocations for certain shortfall states was referred to the Committee on Finance. Sponsor: Senator Dean Heller [R-NV]
- **S.2184** (introduced Dec. 1, 2017): A bill to amend title 38, United States Code, to improve veterans' health care benefits, and for other purposes was referred to the Committee on Veterans' Affairs. Sponsor: Senator John McCain [R-AZ]
- **H.R.4572** (introduced Dec. 6, 2017): To direct the Secretary of Health and Human Services to enter into an arrangement with the National Academy of Medicine to evaluate the preparedness of hospitals, long-term care facilities, dialysis centers, and other medical facilities for public health emergencies was referred to the House Committee on Energy and Commerce. Sponsor: Representative Debbie. Dingell [D-MI-12]:
- **H.R.4575** (introduced Dec. 6, 2017): To amend title XXVII of the Public Health Service Act to preserve consumer and employer access to licensed independent insurance producers was referred to the House Committee on Energy and Commerce. Sponsor: Representative Billy Long [R-MO-7]

MEETINGS

- HIMSS 2018 Annual Conference will be held on **March 5-9, 2018**, in Las Vegas Nev. <http://www.himssconference.org/>
- The 8th Annual Traumatic Brain Injury Conference will be held on **May 16-17, 2018**, in Washington DC. <http://tbiconference.com/home/>

If you need further information on any item in the *Federal Health Update*, please contact Kate Theroux at (703) 447-3257 or by e-mail at katheroux@federalhealthcarenews.com.