

Federal Health Update

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Happy Holidays!

EXECUTIVE AND CONGRESSIONAL NEWS

- **On Dec. 12, 2013, the House passed H. J. Res. 59, making continuing appropriations for fiscal year 2014. The Senate passed the legislation on Dec. 18.**
 - The 2-year deal struck by Representative Paul Ryan and Senator Patty Murray sets overall discretionary spending for the current fiscal year at \$1.012 trillion—about halfway between the Senate budget level of \$1.058 trillion and the House budget level of \$967 billion. The agreement would provide \$63 billion in sequester relief over two years, split evenly between defense and non-defense programs.
 - This agreement will provide the appropriations committees the total funding levels necessary for them to work on FY2014 appropriations bills before the current Continuing Resolution runs out on January 15, 2014.
 - For details, please visit:
http://www.budget.senate.gov/democratic/index.cfm/files/serve?File_id=0129b688-500e-4c81-a37d-d3643e0709c7
- **On Dec. 13, 2013, the Senate confirmed Deborah Lee James to be the next Secretary of the Air Force.**
 - She currently is a president at Science Applications International Corp. She has previously served as the chief operating officer at Business Executives for National

Security, a Washington based organization of business leaders who advocate on defense and security issues.

- Air Force Undersecretary Eric Fanning had been serving as acting secretary for the last six months after Michael Donley stepped down from the job.

▪ **On Dec. 12, 2013, the House passed (350-69), the amended National Defense Authorization Act for fiscal year 2014.**

- The legislation authorizes \$552.1 billion in spending for national defense and an additional \$80.7 billion for Overseas Contingency Operations. This is consistent with levels authorized in the FY 13 NDAA for the base budget and \$7.8 billion less for war spending.
- This bill once again rejects all Administration proposals to increase TRICARE fees or establish new TRICARE fees. It does not contain specific language increasing basic pay for military members next year, which means President Obama's recommendation of a 1 percent bump will take effect.
- The Senate is expected to pass the bill this week. The White House released a statement saying the president would sign the bill.
- To read the full summary, please visit:
http://armedservices.house.gov/index.cfm/files/serve?File_id=127E1D4B-DD70-4B69-80DC-A036DA7B3519

▪ **On Dec. 10, 2013, the House passed H.R. 3521, the *Department of Veterans Affairs Major Medical Facility Lease Authorization Act of 2013*.** This legislation authorizes the Secretary of Veterans Affairs (VA) to carry out specified major medical facility leases (leases) in New Mexico, New Jersey, South Carolina, Georgia, Hawaii, Kansas, Louisiana, Florida, Puerto Rico, Texas, California, Connecticut, Massachusetts, Missouri, Tennessee, Illinois, Nebraska, Arizona, and Oklahoma.

▪ **The House also passed H.R. 1402, the *Veterans Paralympic Act of 2013* on Dec. 10, 2013.** This legislation extends, until fiscal year 2018, the yearly: \$2 million appropriations authorization for the Secretary of Veterans Affairs (VA) to pay a monthly assistance allowance to disabled veterans training or competing for the Paralympic Team; and \$8 million appropriations authorization, with amounts appropriated remaining available without fiscal year limitation, for grants to U.S. Paralympics, Inc.

MILITARY HEALTH CARE NEWS

▪ ***Military Times* reports that military retirees and family members who use TRICARE For Life (TFL) will be required to start filling long-term prescriptions by mail starting Feb. 14, 2014.**

Under an interim rule published by the government Dec. 18, retirees and family members age 65 and older must begin filling their maintenance medication prescriptions by mail when they

come up for renewal on or after Valentine's Day next year.

The requirement applies to maintenance medications only, not those needed for acute illnesses. It also will not apply to prescriptions covered by other health insurance.

The Defense Department has determined that nearly half the 70 million prescriptions filled for TRICARE beneficiaries at retail pharmacies in fiscal 2012 were for TFL beneficiaries, at a cost of \$2.2 billion to the government.

Since DoD pays 17 percent less for maintenance medications filled by mail compared with those filled at retail stores, Pentagon analysts concluded that costs could be trimmed significantly — by at least \$120 million a year — if TFL beneficiaries were required to use mail order.

The requirement also will save beneficiaries money: a 90-day refill of a generic medication costs nothing by mail, but require a \$5 copayment for a 30-day prescription at retail stores. Brand name drugs cost \$13 for a 90-day prescription by mail but \$17 for a 30-day prescription at a store.

Over the next month, TRICARE will begin publicizing the pending change. Affected beneficiaries also will receive letters.

Beneficiaries will be able to opt out of the five-year initiative after one year. Their obligation starts when they first fill a prescription through mail order, according to the rule published in the Federal Register.

To make up for any delays between ordering refills and receiving them, the new rule will allow beneficiaries to receive up to two 30-day refills at a retail store during the transition.

VETERANS AFFAIRS NEWS

- **Some veterans with traumatic brain injury (TBI) who are diagnosed with any of five other ailments will have an easier path to receive additional disability pay under new regulations developed by the Department of Veterans Affairs.**

The new regulation, which takes effect 30 days from today, impacts some veterans living with TBI who also have Parkinson's disease, certain types of dementia, depression, unprovoked seizures or certain diseases of the hypothalamus and pituitary glands.

This regulation stems from a report of the National Academy of Sciences, Institute of Medicine (IOM) regarding the association between TBI and the five diagnosable illnesses. The IOM report, *Gulf War and Health, Volume 7: Long-Term Consequences of Traumatic Brain Injury*, found "sufficient evidence" to link moderate or severe levels of TBI with the five ailments.

The new regulations allow certain veterans with service-connected TBI who also have one of the five illnesses, to be considered as service connected for the calculation of VA disability compensation.

Eligibility for expanded benefits will depend upon the severity of the TBI and the time between the injury causing the TBI and the onset of the second illness. However, veterans can still file a claim to establish direct service-connection for these ailments even if they do not meet the time and severity standards in the new regulation.

Veterans who have questions or who wish to file new disability claims may use the eBenefits website, available at www.eBenefits.va.gov/ebenefits.

Servicemembers who are within 180 days of discharge may also file a pre-discharge claim for TBI online through the VA-DoD eBenefits portal at www.eBenefits.va.gov/ebenefits.

Information about VA and DoD programs for brain injury and related research is available at www.dvbic.org.

- **During the Dec. 11 Senate Veterans Affairs Committee hearing, VA Under Secretary for Benefits, Allison A. Hickey told the committee that the Veterans Benefits Administration (VBA) has reduced the backlog of Veterans' disability compensation and pension claims by 36 percent since March.**

In her testimony, Under Secretary Hickey detailed the elements of VBA's transformation plan, which includes re-training and reorganizing its workforce, streamlining business processes, and building and implementing new technology solutions. With each transformation milestone, said Hickey, VBA is successfully moving away from a paper-bound, manual process to improve benefits delivery to Veterans, their families, and survivors through paperless claims processing. She also noted that if full funding is received, mandatory overtime for VBA claims processors, which helped bring down the backlog this year, will continue for much of 2014.

Key accomplishments highlighted in the testimony included:

- Decreasing the pending inventory of claims by 22 percent;
- Decreasing the number of claims in the backlog (those pending over 125 days) by 36 percent;
- Increasing claim-level accuracy from approximately 83 percent in 2011 to 90 percent today;
- Increasing medical issue-level accuracy to approximately 97 percent today;
- Completed processing of 99.9 percent of all claims that were pending over two years;
- Completed processing of 97 percent of all claims that were pending over one year through the end of October;
- Converting over 360 million images of paper claims documents into a digital format for electronic processing; and
- Establishing over 3.2 million veteran, service member and family member accounts in *eBenefits*, the joint Defense Department/VA web portal for accessing and tracking VA benefits.

Also, VA's web-based, paperless electronic claims processing solution, the Veterans Benefits Management System (VBMS), was successfully deployed to all 56 of VA's regional benefits offices across the country, six months ahead of schedule. VBMS has also been fielded to the Appeals Management Center, the Records Management Center, the Board of Veterans' Appeals, VA's National Call Center, and all VA Medical Centers. Currently, about 75 percent of the VBA's claims inventory is in digital form for electronic processing in VBMS – a percentage that is growing daily. In December, VBMS will continue to add new features and capability. During her testimony, Hickey thanked the committee members for their support, noting that VA will rely on their continued support for resourcing the information technology and automation advancements needed to meet the Department's goal of eliminating the backlog in 2015. For veterans and separating Servicemembers who are planning to file a disability claim, VA urges them to do so by filing Fully Developed Claims (FDCs) electronically through *eBenefits*. Veterans and separating Servicemembers who need help filing their claims can contact their local veteran service organization for assistance. Under current law, veterans filing initial disability compensation claims as FDCs now through Aug. 5, 2015, may be eligible for up to one year of retroactive benefits.

- **The Department of Health and Human Services (HHS) announced additional steps to help ensure consumers who are seeking health insurance through the Health Insurance Marketplace smoothly transition to coverage that best fits their needs.**

The steps taken today include:

- Requiring insurers to accept payment through Dec. 31 for coverage that will begin Jan. 1, and urging issuers to give consumers additional time to pay their first month's premium and still have coverage beginning Jan. 1, 2014.
- Giving people enrolled in the federal Pre-existing Condition Insurance Plan (PCIP) the chance to extend their coverage through Jan. 31, 2014 if they have not already selected a new plan. PCIP is a transitional bridge program that provides people with health conditions who could otherwise be shut out of the insurance market or charged more because of their pre-existing condition quality, affordable health insurance until options become available in the Marketplaces. The additional month gives this vulnerable population additional time to enroll in a plan and ensure continuity of coverage.
- Formalizing the previously announced decision giving individuals until Dec.23, instead of Dec. 15, to sign up for health insurance coverage in the Marketplaces that would begin January 1.
- Strongly encouraging insurers to treat out-of-network providers as in-network to ensure continuity of care for acute episodes or if the provider was listed in their plan's provider directory as of the date of an enrollee's enrollment.
- Strongly encouraging insurers to refill prescriptions covered under previous plans during January.

Other ways the administration is working to provide consumers with a smooth transition to coverage include:

- Working with health insurers on options to smooth this transition such as allowing people who come in after December 23 to get coverage starting Jan. 1 or sooner than Feb. 1;
- Working with insurers and consumers to make sure that they know whether their doctor or prescriptions are covered before they choose a plan, and how to get care they need during the transition (e.g., receiving a drug not covered by your plan if your doctor deems it medically necessary);
- Educating consumers who recently received cancellation notices about the possible option to extend their old policy or enroll in a new plan;
- Continuing outreach to consumers who began the application process through the Marketplace and experienced technical difficulties

Consumers with questions are encouraged to call the call center at 1-800-318-2596 or visit HealthCare.gov where they can [Find Local Help](#). To learn more about today's announcement visit: <http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-Sheets/2013-Fact-Sheets-Items/2013-12-12.html>

- **The Centers for Disease Control and Prevention released a summary of the top five health concerns in 2013 and previews the five health threats that loom for 2014.**

CDC's most important achievements in 2013 are the outbreaks that didn't happen, the diseases that were stopped before they crossed our borders, and the countless lives saved from preventable chronic diseases and injuries.

CDC's 2013 accomplishments include:

- Demonstrations that new AMD technologies and methods can detect outbreaks sooner,

stop them faster, and prevent them better. Through piloting AMD technologies and methods, the use of whole-genome sequencing allowed CDC to quickly track and trace a *Listeria* outbreak from contaminated cheese.

- Progress in efforts to [prevent a million heart attacks and strokes](#):
- [Tips from Former Smokers](#) ads increased calls to quitlines far beyond CDC's ambitious goals.
- With CDC support, the FDA published its tentative determination that partially hydrogenated oils – the primary source of dietary trans-fat -- is not “generally recognized as safe.” Its removal from the food supply could save up to 7,000 lives and prevent up to 20,000 heart attacks a year.
- CDC learned from providers around the country about how to improve blood pressure control, and is now working with federal, state, and local partners to scale up effective approaches.
- More than 12,000 facilities now track [healthcare-associated infections](#) using CDC's National Healthcare Safety Network (NHSN). CDC has found that bloodstream infections in patients with central lines have decreased by 44 percent and surgical-site infections have decreased by 20 percent since 2008. Following CDC protocols could cut some dialysis-related bloodstream infections in half.
- On its 10th anniversary the [U.S. President's Plan for Emergency AIDS Relief](#) (PEPFAR) prevented the one millionth baby from being infected with HIV and has 6.7 million people on treatment, with HIV incidence falling in nearly all PEPFAR countries.
- CDC published its first estimates of which foods were causing [foodborne illnesses](#) in the United States, referred to as Attribution Estimates. These estimates help regulators, industry, and consumers more precisely target and implement effective measures to prevent food contamination, and allow people to use it to help guide their own food safety practices.
- CDC scientists traced the newly discovered [Heartland virus](#) that infected two men from northwestern Missouri to populations of lone star ticks in the region.
- In conjunction with public health officials in Eurasia's Republic of Georgia, CDC helped identify a new poxvirus (related to smallpox) that sickened shepherds in Akhmeta, Georgia.
- CDC researchers found that two new antibiotic regimens using existing drugs successfully treat gonorrhea infections. This is especially important given growing [antibiotic resistance](#) and dwindling treatment options for gonorrhea.
- CDC's core public health values are saving lives and protecting people. This can't be done if the agency isn't trusted – and in 2013 two national polls found CDC to be the most highly regarded of all federal agencies.
- A major CDC priority in the year ahead is to improve America's ability to detect diseases, both at home and abroad, before they become widespread outbreaks. AMD – the use of super computers and forensic DNA identification of infectious agents – is a key part of this effort. Improved AMD will enable faster and more effective infectious disease prevention and control.

Today's health security threats come from at least five sources:

- The emergence and spread of new microbes
- The globalization of travel and food supply
- The rise of drug-resistant pathogens
- The acceleration of biological science capabilities and the risk that these capabilities

may cause the inadvertent or intentional release of pathogens

- Continued concerns about terrorist acquisition, development, and use of biological agents.

In addition to being crucial for global health security, AMD is a key element in one of CDC's priority initiatives for 2014: combatting the spread of antibiotic-resistant bacteria. Several multidrug-resistant superbugs already threaten a throwback to the pre-antibiotic era.

REPORTS/POLICIES

- **The Institute of Medicine published "Preparedness, Response, and Recovery Considerations for Children and Families - Workshop Summary," on Dec. 17, 2013.** This report reviews existing tools and frameworks that can be modified to include children's needs; identified non-traditional child-serving partners and organizations that can be leveraged in planning to improve outcomes for children; highlighted best practices in resilience and recovery strategies for children; and raised awareness of the need to integrate children's considerations throughout emergency plans. <http://www.iom.edu/Reports/2013/Preparedness-Response-and-Recovery-Considerations-for-Children-and-Families.aspx>

HILL HEARINGS

- The House and Senate Veterans Affairs Committees will hold a joint hearing on **Feb 25, 2014**, to receive the legislative presentation of the Disabled Americans Veterans Association.

LEGISLATION

- H.R.3681 (introduced Dec. 9, 2013): Accelerating Innovation in Medicine Act of 2013 was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce.
Sponsor: Representative Erik Paulsen [MN-3]
- H.R.3717 (introduced Dec. 12, 2013): To make available needed psychiatric, psychological, and supportive services for individuals diagnosed with mental illness and families in mental health crisis, and for other purposes was referred to the Committee on Energy and Commerce, and in addition to the Committees on the Judiciary, Education and the Workforce, Ways and Means, and Science, Space, and Technology.
Sponsor: Representative Tim Murphy [PA-18]
- H.R.3723 (introduced Dec. 12, 2013): Viral Hepatitis Testing Act of 2013 was referred to the Committee on Energy and Commerce, and in addition to the Committee on Veterans' Affairs
Sponsor: Representative Bill Cassidy [LA-6]
- H.R.3745 (introduced Dec. 12, 2013): To ensure that individuals who attempted to, or who are enrolled in, qualified health plans offered through an Exchange have continuity of coverage, and for other purposes was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means.
Sponsor: Representative Ann Kirkpatrick [AZ-1]
- H.R.3755 (introduced Dec. 12, 2013): To provide that the reinsurance fee for the transitional reinsurance program under the Patient Protection and Affordable Care Act be applied equally to all health insurance issuers and group health plans was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Scott Perry [PA-4].

- H.R.3763 (introduced Dec. 12, 2013): To impose penalties for the unauthorized disclosure of personal health information by federal employees referred to the Committee on Oversight and Government Reform, and in addition to the Committee on the Judiciary.
Sponsor: Representative Bill Posey [FL-8]
- H.R.3777 (introduced Dec. 16, 2013): To amend the Internal Revenue Code of 1986 to disregard students as employees for purposes of determining employer health care shared responsibility was referred to the House Committee on Ways and Means.
Sponsor: Representative Steve Daines [MT]
- H.R.3783 (introduced Dec. 16, 2013): To amend section 1101 of the Patient Protection and Affordable Care Act to extend for one year the high risk health insurance pool program, and for other purposes was referred to the House Committee on Energy and Commerce.
Sponsor: Representative Michelle Lujan Grisham [NM-1].
- H.R.3785 (introduced Dec. 16, 2013): To provide for a reduction in the pay of the Secretary of Health and Human Services until the healthcare.gov Web site is certified as fully functional was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Energy and Commerce.
Sponsor: Representative Ted. S. Yoho [FL-3]
- S.1782 (introduced Dec. 9, 2013): the *American Health Security Act of 2013* was referred to the Committee on Finance
Sponsor: Senator Bernard Sanders [VT] (introduced 12/9/2013) Cosponsors (None)
Committees: Senate Finance
Latest Major Action: 12/9/2013 Referred to Senate committee. Status: Read twice and referred to the Committee on Finance.
- S.1787 (introduced Dec. 10, 2013): Medicaid Managed Care Responsibility and Equity Act was referred to the Committee on Finance.
Sponsor: Senator John D. Rockefeller, IV [WV]
- S.1791 (introduced Dec. 10, 2013): Fair Competition for Hospitals Act of 2013 was referred to the Committee on Finance.
Sponsor: Senator John D. Rockefeller, IV [WV]
- S.1796 (introduced Dec. 10, 2013): STEM Gateways Act was referred to the Committee on Health, Education, Labor, and Pensions
Sponsor: Senator Kirsten E. Gillibrand [NY]
- S.1815 (introduced Dec. 12, 2013): Occupational Therapy in Mental Health Act was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Mark Begich [AK]
- S.1849 (introduced Dec. 18, 2013): A bill to amend the Patient Protection and Affordable Care Act to provide for a fixed annual open enrollment period was referred to the Committee on Health, Education, Labor, and Pensions.
Sponsor: Senator Lamar Alexander [TN]
- S.1851 (introduced Dec. 18, 2013): A bill to provide for incentives to encourage health insurance coverage, and for other purposes was referred to the Committee on Finance.
Sponsor: Senator John McCain [AZ]
- S.1860 (introduced Dec. 19, 2013): A bill to reform the medical liability system, improve access to health care for rural and indigent patients, enhance access to affordable prescription drugs, and for other purposes was referred to the Committee on Finance.
Sponsor: Senator Dean Heller [NV]

MEETINGS

- The AAMA 2014 Conference will be held on **Feb. 25-28, 2014**, in Las Vegas Nev. <http://aameda.org/p/cm/ld/fid=98>
 - The HIMSS Annual Conference and Exhibition will be held on **Feb. 27-29, 2014**, in Orlando, Fla. <http://www.himssconference.org/>
 - The ACHE Congress on Healthcare Leadership will be held on **March 24-27, 2014**, in Chicago, Ill. <http://www.ache.org/congress/>
 - The 11th Annual World Health Care Congress will be held on **April 7-9, 2014**, in National Harbor, Md. <http://www.worldcongress.com/events/HR14000/>
 - The Heroes of Military Medicine Awards will be held on **May 1, 2014**, in Washington, DC. <http://www.hjfc3.org>
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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 katetheroux@federalhealthcarenews.com.