HEALTH AFFAIRS

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

JUNE 16, 1997

MEMORANDUM FOR: SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE

SUBJECT: Policy on Changes in Services Provided at Medical and Dental Treatment Facilities

The Army Surgeon General recently requested our review of extant policy guidance regarding decisions to change the clinical services provided at DoD medical and dental treatment facilities. I want to address the issue of the delegation of approval authority for clinical services changes and the expiration of all formal reporting requirements.

In a policy memorandum dated May 31, 1995, the ASD (Health Affairs) delegated to the Secretaries of the Army, Navy and Air Force the authority to approve a change in the clinical services offered at any of their medical or dental facilities. The policy required concurrence of the Lead Agent of the Health Services Region(s) in which the affected installation(s) are located. The memorandum further authorized redelegation of this authority to an Assistant Secretary or to the Surgeon General. This policy guidance is still in effect. It is included at section C13 in the new DoD Instruction 6015.23, "Delivery of Healthcare at Military Treatment Facilities (MTFs)," issued on December 9, 1996 (attached at Tab A).

There is no longer a need for formal reports to Congress or this office when decisions are made to change the clinical services delivered in your medical and dental facilities. The requirement for a congressional report ended September 30, 1995, with the expiration of the specific authorizing language. Likewise, the requirement for a formal report to the ASD (Health Affairs) ended with the publication of DoD Instruction 6015.23 which replaced the December 1992 issuance of DoD Instruction 6015.2, "Delivery of Healthcare at Military Treatment Facilities (MTFs).

Although formal reports are no longer needed, artful communication in advance of a formal announcement of changed services is considered sound business practice. I would like to see the Military Departments develop a corporate strategy for maintaining a continuing dialogue between the Lead Agents, local congressional representatives, and other interested parties, especially where shifts of workload from our MTFs to the TRICARE networks are concerned. This strategy should be implemented uniformly across the Services.

I also request that you ensure that our concerned publics are made aware of the foreseeable shifting of

services out of the MTFs into our TRICARE networks as external pressures to redesign the Military Health Services System (MHSS) increase. They must understand that these shifts will be the normal business practice under TRICARE and should not be interpreted as downsizing. The civilian network providers stand side-by-side with MTF providers as team members in providing the comprehensive array of services we can no longer provide solely in our own facilities. Referral of beneficiaries to network providers means we are sending them to our adjunct business partners, not outside of the MHSS. The network is an increasingly essential part of the MHSS that will, of necessity, be reengineered in the future to contain fewer military hospitals.

Edward D. Martin

Edward D. Martin, M.D.
Acting Assistant Secretary of Defense

Attachment:
As stated

HA POLICY 97-053

Department of Defense
INSTRUCTION

December 9, 1996
NUMBER 6015.23

ASD (HA)

SUBJECT: Delivery of Healthcare at Military Treatment Facilities (MTFs)

References: (a) DoD Directive 5136.1, "Assistant Secretary of Defense (Health Affairs)," April 15, 1991
(b) DoD Instruction 6010.15, "Third Party (Collection (TPC) Program," March 10, 1993 (hereby canceled)
(c) DoD Instruction 6015.19, "Issuance of Nonavailability Statements (NASs)," June 11, 1991 (hereby canceled)
(d) DoD Instruction 6015.20, "Changes in Services Provided at Military Medical Treatment Facilities (MTFs) and Dental Treatment Facilities (DTFs)," December 3, 1992 (hereby canceled)
(e) through (m), see enclosure 1

A. PURPOSE

This Instruction under reference (a):

1. Implements policy, assigns responsibilities and prescribes procedures on provisions of care in the delivery of healthcare at MTFs in the Military Health Services System.

2. Implements policy, assigns responsibilities and prescribes procedures on international military reciprocal healthcare agreements.

3. Replaces references (b) through (g).

4. Authorizes the publication of DoD 6015.1-M "Classification Nomenclature and Definitions Relating to Fixed and Non-fixed MTFs" and DoD 6010.15-M, "Military Treatment Facility Uniform Business Office (UBO)," in accordance with DoD 5025.1-M (reference (h)).

5. Authorizes retention of DD Form 2494, "TRICARE - Active Duty Family Member Dental P1an (FMDP) Enrollment Election," and DD Form 2494-1, "Supplemental TRICARE - Active Duty Family Member Dental P1an (FMDP) Enrollment Form." These forms must be used for enrolling and effecting changes and termination of enrollment in the TRICARE-Active Duty Family Member Dental Plan.

6. Continues to authorize the publication of DoD 6010.8-R (reference (i)). In accordance with DoD 5025.1-M (reference (h)), reference (i) provides guidelines for the worldwide administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and prescribes a uniform policy for an equitable delivery of authorized healthcare benefits to all beneficiaries.

B. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense, the Military Departments, and the Defense Agencies (hereafter referred to collectively as "the DoD Components").

C. POLICY

It is DoD policy under DoD Directive 5136.1 reference(a)) that:

1. Under 10 U.S.C. 1073 (reference (j)), in general, the Secretary of Defense administers programs and activities of Chapter 55 of reference (j) for the Armed Forces under his jurisdiction, the Secretary of Transportation administers such programs and activities for the coast Guard when the coast Guard is not operating as a Service in the Navy, and the Secretary of Health and Human Services administers such programs and activities for the commissioned corps of the National Oceanic and Atmospheric Administration and for the U.S. Public Health Service. The Secretary of Defense's authority has been delegated to the Assistant Secretary of Defense for Health Affairs by reference (a).

2. The Department of Defense shall make available inpatient medical care in MTFs, without cost (except for a subsistence charge, if applicable) to the foreign force members and their dependents in the United States, as determined by the ASD(HA). The ASD(HA) determines that comparable care is made available to a comparable number of United States force members and their dependents in the foreign country concerned and that there is an appropriate international agreement with the foreign country. Foreign force members eligible for inpatient care under this criteria are also eligible for supplemental care without cost.

3. Foreign force members and their dependents in the United States who do not meet the criteria in subsection C.1., above, and who are otherwise eligible for and receive MTF inpatient medical care, must reimburse that facility for such care at the appropriate DoD reimbursement rate.

4. The ASD(HA) shal1 act upon requests for international reciprocal healthcare agreements and negotiate and conclude any necessary international agreements.

5. Foreign military members and their dependents in the United States who are not covered by an international reciprocal healthcare agreement shal1 be offered DoD healthcare to the extent authorized by the regulations of the Military Departments.

6. Requests for agreements may be submitted to the ASD(HA) by a foreign government. The request should include a description of the healthcare offered by the foreign country and the numbers of foreign military members and dependents who are expected to be covered by the agreement.

7. Foreign personnel subject to North Atlantic Treaty Organization Status of Forces Agreement (SOFA) or countries under the Partnership For Peace SOFA, their dependents and civilian personnel accompanying the forces may receive medical and dental care, including hospitalization, under the same conditions as comparable personnel of the receiving State. Outpatient care is at military expense, inpatient care at full reimbursement rate from MTFs and other Federal and civilian sources.

8. Collections from third party payers shall be done to the fullest extent allowed by law and 32 CFR 220 (reference (k)).

9. Al1 funds collected through the Third Party collection (TPC) Program shal1 be deposited into the appropriations supporting the MTF in the fiscal year in which collections are made and, to the extent practical, such funds shall be available to the local MTF rendering the care. Collections shall be over and above the hospital, s direct budgetary authority in the year of execution as obtained through the normal budget process.

10. Al1 funds collected under the TPC Program shall be used, except for amounts needed to finance collection activities, to enhance healthcare services.

11. An MTF shall issue a nonavailability statement (NAS) to a non-enrolled CHAMPUS beneficiary for authorized nonemergency care only when the care required is not available from an MTF having a catchment area that includes the beneficiary's current address, or is inappropriate medically to require the beneficiary to use the MTF. MTF procedures for NAS issuance shall be consistent with NAS requirements in DoD 6010.8-R (reference (i)).

12. Data on inpatients in the military healthcare system shaL1 be accurately and uniformly reported to the Office of the Assistant Secretary of Defense (OASD(HA)), as the ASD(HA) may require, for use in studies of diseases, types of care rendered, utilization, and workload.

13. The Secretaries of the Military Departments shall approve changes in the clinical services offered at any MTF, after concurrence of the Lead agent of the DoD health services region in which the affected installation is Located. This authority may be redelegated to an Assistant Secretary or the Surgeon General.

D. **RESPONSIBILITIES**

1. The Assistant Secretary of Defense for Health Affairs, under the Under Secretary of Defense for Personnel and Readiness, shall:

    a. Monitor compliance with this Instruction.

    b. Be responsible for coordinating proposed international reciprocal healthcare agreements with the Under Secretary of Defense for Policy, Under Secretary of Defense (Comptroller), General Counsel of the Department if Defense, and appropriate other DoD Components; for providing copies of concluded agreements to appropriate DoD Components; and for furnishing guidance concerning application of the agreements.

    c. Modify or supplement this Instruction, as needed.

    d. Act on recommendations for international reciprocal healthcare agreements submitted, and negotiate and conclude any necessary international agreements, consistent with DoD Directive 5530.3 (reference (1)).

    e. Set policies concerning NASs and catchment areas.

2. The Secretaries of the Military Departments shall:

    a. Be responsible for reviewing procedures established by the Military Departments to ensure compliance with this Instruction.

    b. Comply with international reciprocal healthcare agreements.

    c. Budget for the medical and dental care it anticipates will be furnished to eligible foreign personnel under its sponsorship in civilian and U.S. Government facilities other than military. Payment procedures and rates shal1 be the same as those used for U.S. personnel.

    d. Ensure that each Commander of an MTF shal1 be responsible for submitting to their respective biometrics agencies workload information on a monthly basis. The information is to be sent by the fifth of the next month. The biometrics agencies review it and, if necessary, work with the site to correct it. It is to be available for release by the MTF by the fifteenth of the month following the report month. Information to be reported include, but are not Limited to, Live births, admissions, dispositions, days of care, and ancillary services.

E. **PROCEDURES**

1. Nonavailability Statements

    a. A NAS is not required for a medical emergency, when a beneficiary has another health insurance plan that provides primary coverage for the cost of their medical services or is enrolled in TRICARE Prime. In the case of a TRICARE Prime enrollee, a valid care authorization issued by a healthcare finder or primary care manager must still be issued.

    b. NASs must be electronically issued through the Defense Eligibility Enrollment Reporting System or Composite Health care System and shal1 be valid for admission or a procedure within 30 days of issuance. NASs should be retroactively issued if the care provided by civilian sources could not have been obtained from an MTF.

    c. Medical necessity reviews for selected inpatient procedures must be accomplished before NAS issuance. These medical necessity reviews shall be conducted in accordance with Lead Agent requirements as specified in TRICARE Managed Care Support contracts. The timeframe to issue a NAS, once requested, is the same as the Reauthorization review timeliness standards.

    d. The first-level appeal for decisions surrounding NAS issuance is the MTF commander, the second level appeal is the TRICARE lead agent, and the third and final level of appeal is the Service Surgeon General having responsibility for the TRICARE region in which the appeal is generated. In those cases where the TRICARE Lead agent is the first Level

of appeal, the Service Surgeon General having responsibility for the TRICARE region is the second-level appeal, the third level of appeal is the Deputy Assistant Secretary of Defense (Health Services Financing).

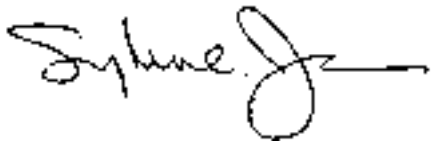
e. Inpatient data shall be forwarded to the agency designated by the OASD(HA) at least monthly, using the procedures and format mandated in the Manual for Reporting Inpatient Data. The data must be sent by the 25th day of the month following the month of data.

F. INFORMATION REQUIREMENTS

The inpatient data collected for compliance with this requirement shall be reported using the Report Control Symbol of RCS DD-HA (AR) 1453, in accordance with DoD 8910.1-M (reference (m)). Definitions of the data elements and codes must be the same for all three Military Services. New facilities must be given identification codes by the OASD(HA) and properly identified when initially reporting their data. The reporting requirements identified at paragraphs in D.1.d., D.2.d., and E.1.b are exempt from licensing in accordance with paragraph E.3. of DoD 8910.1-M (reference (m)).

H. EFFECTIVE DATE

This Instruction is effective imrnediately.



for

Stephen C. Joseph, M.D., M.P.H.
Assistant Secretary of Defense for Health Affairs

Enclosure - 1
References

REFERENCES, continued

(e) DoD Instruction 6040.39, "Reporting of Inpatient Data," April 6, 1988 (hereby canceled)
(f) DoD Instruction 6010.8, "Administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)," October 24, 1984 (hereby canceled)
(g) DoD Instruction 6040.33, "Medical Diagnoses and Surgical Operations and Procedures Nomenclature and Statistical Classification," May 12, 1986 (hereby canceled)
(h) DoD 5025.1-M, "DoD Directives System Procedures," August 1994, authorized by DoD Directive 5025.1, June 24, 1994
(i) DoD 6010.8-R, "Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)," July 1991, authorized by this Instruction
(j) Chapter 55 and Sections 1079(a) and 1073 of title 10, United States Code, "Medical and Dental Care"

(k) Title 32, Code of Federal Regulations, Part 220, "Collection from Third Party Payers of Reasonable Costs of Healthcare Services," current edition
(l) DoD Directive 5530.3, "International Agreements," June 11, 1987
(m) DoD 8910.1-M, "DoD Procedures for Management of Information Requirements," November 28, 1986, authorized by DoD Directive 8910.1, June 11, 1993.