



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

16 July 97

**MEMORANDUM FOR:** SURGEON GENERAL, U.S. ARMY  
SURGEON GENERAL, U.S. NAVY  
SURGEON GENERAL, U.S. AIR FORCE

**SUBJECT:** Policy for Active Duty Claims Processing at Overseas Locations

Since late 1996, all medical and dental claims for active duty personnel in TRICARE Europe have been paid by the overseas CHAMPUS claims processor. This has resulted in a single payment mechanism for all TRICARE claims, simplified processing at competitive rates, and reduced administrative overhead. More importantly, it has significantly increased the timeliness of claims payment for our personnel and improved provider relations.

The initial success of this initiative leads me to conclude that this service should be expanded to our other overseas TRICARE regions. Effective October 1, 1997 all medical and dental claims for active duty personnel in TRICARE Pacific and TRICARE Latin America will also be paid by the overseas CHAMPUS claims processor.

We also need to study the authorization process for active duty care overseas. TRICARE Pacific, for example, reports that in the Western Pacific active duty claims are filed through as many as six service-affiliated claims filing centers in Europe, the Pacific, and various U.S. locations. Authorization and reimbursement processing times vary from a few weeks to a year or more. It is reported that at some remote sites it is easier to locate qualified health care providers than to obtain reimbursement through the current morass of bureaucracy. This is adversely affecting our personnel and has become a significant morale issue at a number of locations overseas. Our prompt attention is required to rectify this situation.

I have tasked the Defense Health Program Resources Management Work Group to address this situation. The overseas TRICARE regions and various Defense agencies (e.g. Defense Intelligence Agency, Defense Security Assistance Agency, etc.) will also be asked to participate in the review. The group is to examine current procedures and provide the TRICARE Executive Committee with recommendations for streamlining the authorization process. Their findings and recommendations are due not later than two months from the date of this correspondence. My objective is a single authorization system, coupled with a single claims processing mechanism, at the start of the next fiscal year.

*Edward D. Martin*

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