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THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

14 May 1999

MEMORANDUM FOR: LEAD AGENTS
THROUGH: SURGEONS GENERAL

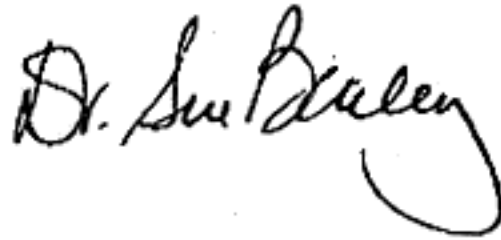
SUBJECT: Policy for Inclusion of Department of Veterans Affairs (VA) Health Facilities TRICARE Network Providers

It is Department of Defense (DoD) policy, in implementation of the June 1995 [Memorandum of Understanding \(MOU\)](#) between DoD and the VA (copy attached), that TRICARE preferred provider networks are authorized and encouraged to include VA health facilities. Inclusion of VA facilities in TRICARE networks enables DoD to maximize the availability and accessibility of health care for TRICARE beneficiaries while enabling VA facilities to make cost-effective and efficient use of healthcare resources. To ensure consistency with the overall health care responsibilities of DoD and VA, arrangements to include a VA facility as a TRICARE network provider shall be agreed to between the VA health facility and the appropriate TRICARE regional managed care support contractor and shall be subject to Lead Agent review and approval pursuant to ASD(HA) [Policy 96-042](#), "Policy for Review and Approval of VA Participation Agreements" dated May 1, 1996 (copy attached).

Inclusion of VA health facilities in the TRICARE preferred provider networks is in addition to the continuation of agreements between DoD's military treatment facilities (MTFs) and VA health facilities whereby resources are shared to enhance facility operation and provide alternative sources for supplemental care. Under these arrangements, the cost-effective operation of MTFs is enhanced through the availability of shared VA resources, including equipment, supplies, and non-health care services such as housekeeping, laundry, training and administration. In addition, these arrangements enable MTFs to utilize VA resources as alternative sources of health care services necessary to augment the MTF capability consistent with ASD(HA) Policy 96-00005, "Policy on Use of Supplemental Care Funds by the Military Departments," dated October 18, 1995. For example, MTF direct patient referrals to VA facilities for CT or MRI scans or pathology services augment the MTF's capabilities and enable the patient to remain under the clinical management of the MTF.

It is important that our MTFs and TRICARE contractor preferred provider networks perform as a single, integrated health care enterprise without ineffective and inefficient duplication of effort. Therefore, Lead Agents will also review MTF/VA facility resource sharing agreements to ensure compatibility with agreements including VA facilities as network providers. That is, MTF/VA resource sharing agreements will continue to share operational resources (i.e., equipment, supplies, and non-health care services) and provide supplemental care with MTFs. All other health care services furnished by VA health facilities will be arranged through their participation

in the regional contractor's preferred provider network. Lead Agents will ensure that all reviewed and approved agreements comply with this policy and will continue to promote the inclusion of VA medical facilities as TRICARE network providers.

A handwritten signature in black ink that reads "Dr. Sue Bailey". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Dr. Sue Bailey

HA Policy 99-00023

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Last update: 8/09/1999