



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

May 19, 1997

**MEMORANDUM FOR:** SURGEON GENERAL OF THE ARMY  
SURGEON GENERAL OF THE NAVY  
SURGEON GENERAL OF THE AIR FORCE

**SUBJECT:** Policy For The Procurement Of High Cost Medical Equipment

The [Joint Service Regulation AR 40-65](#), NAVMEDCOMINST 6700.4, AFR 167-13, Subj: Review Procedures for High Cost Medical Equipment, November 1, 1986, requires that the Assistant Secretary of Defense for Health Affairs [ASD(HA)] approve all purchases of high cost medical equipment valued at \$400,000 or more. The dollar threshold was subsequently raised to \$1 million. Approval authority is hereby delegated to the Surgeon General of the Military Service desiring to purchase the equipment. The Surgeon General, however, must obtain the concurrence of the TRICARE Lead Agent for the initial purchase of equipment in whose region the equipment will be located.

I am further recommending to the Service Secretaries that the Joint Service Regulation be canceled, and that the requirement for conducting an economic analysis on the desirability of any given high cost medical equipment item be incorporated into existing Service medical department regulations or instructions.

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

**HA POLICY 97-051**

May 19, 1997

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

**SUBJECT:** AR 40-65, NAVMEDCOMINST 6700.4, AFR 167-13, Subj: Medical Services Review Procedures  
for High Cost Medical Equipment, November 1, 1986

I recommend that the Joint Service regulation cited in the subject line be canceled. The original review process was modeled after the requirement for approval by Federal Government Health Service Agencies (HSAs) of a Certificate of Need (CON) prior to the purchase of high cost medical equipment by civilian hospitals. HSAs and Federal CONs no longer exist. This is not to say that the purchase of high cost equipment by the Military Health Services System (MHSS) does not merit careful consideration and close scrutiny. The attached Assistant Secretary of Defense for Health Affairs [ASD(HA)] Policy Memo delegates approval authority for all purchases of high cost medical equipment to the Surgeon General of the Military Service desiring to purchase the equipment. The Surgeon General, however, must obtain the concurrence of the TRICARE Lead Agent for the initial purchase of equipment in whose region the equipment will be located. The integration of all Service health care delivery assets within the twelve TRICARE regions is essential to the success of the MHSS.

I further recommend that the above approval authority and the requirement for conducting an economic analysis on the desirability of any given high cost medical equipment item be incorporated into existing Service medical department regulations or instructions.



Edward D. Martin, M.D.

Acting Assistant Secretary of Defense

Attachment:  
As stated