UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

SEP 2 1 2022

The Honorable Adam Smith
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Department's response to section 743 of the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116–92), which requires the Secretary of Defense to conduct a study on the use of local military-civilian integrated health delivery systems in specific geographic areas where military medical treatment facilities have existing contractual relationships with local civilian health care networks, is enclosed.

In this report, the Department acknowledges the need for an integrated, learning health care system that balances the requirement for accessible, high quality care for TRICARE beneficiaries and for hospital-based readiness platforms for our medical personnel. A truly integrated military-civilian health care delivery system can leverage bidirectional resource sharing that achieves the Military Health System's Quadruple Aim goals of improved readiness, better health for patients, a better experience of care for both patients and providers, and reducing per capita cost.

Based on the Defense Health Agency's (DHA) review and analysis of current existing military-civilian partnerships and initiatives, as well as review of legislative reforms related to the TRICARE contract structure, the Department intends to further develop the use of military–civilian health care systems through the use of the TRICARE demonstration authority. This approach leans on demonstrations as the mechanism for testing innovations with the next generation of TRICARE contracts and, alongside the implementation of other pilots and demonstrations, will allow DHA to test the efficacy of having multiple local or regional contracts for better and more integrated efforts between military and civilian health care systems that could significantly enhance the rate at which the advances made in military medicine can be translated to civilian society (and vice versa).

Thank you for your continued strong support for the health and well-being of our Service members, civilian workforce, and families. I am sending a similar letter to the Senate Armed Services Committee.

Sincerely,

Gilbert R. Cisneros, Jr.

Enclosure:
As stated

cc:
The Honorable Mike D. Rogers
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND READINESS

SEP 2 1 2022

The Honorable Jack Reed
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

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Sincerely,

Gilbert R. Cisneros, Jr.

Enclosure:
As stated

The Honorable James M. Inhofe
Ranking Member

Report to the Committees on Armed Services of the Senate and the House of Representatives

Section 743 of the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116–92), "Study and Plan on the Use of Military-Civilian Integrated Health Delivery Systems"

September 2022

The estimated cost of this report for the Department of Defense is approximately $5,060 for the 2020 Fiscal Year. This includes $300 in expenses and $4,760 in DoD labor.

Report/Study Cost Estimate (A-77ECFA5)

Executive Summary

This report is in response to section 743 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020 (Public Law 116–92), "Study and Plan on the Use of Military-Civilian Integrated Health Delivery Systems." Section 743 requires the Secretary of Defense to conduct a study on the use of local military-civilian integrated health delivery systems pursuant to section 706 of the NDAA for FY 2017 (Public Law 114–328; 10 U.S.C. § 1096 note). This study is to examine the following:

1. Geographic locations where military medical treatment facilities (MTFs) have existing contractual relationships with local civilian health care networks, including Fort Drum, New York; Joint Base (JB) McGuire-Dix-Lakehurst, New Jersey; JB Lewis-McCord, Washington; Fort Leonard Wood, Missouri; Elmendorf Air Force Base, Alaska; Fort Sill, Oklahoma; Tripler Army Medical Center, Hawaii; the National Capital Region; and similar locations;

2. Health care activities that promote value-based care, measurable health outcomes, patient safety, timeliness of referrals, and transparent communication with covered beneficiaries;

3. Locations where health care providers of the Department of Defense (DoD) may be able to attain critical wartime readiness skills in a local integrated military–civilian integrated health delivery system;

4. The cost of providing care under an integrated military–civilian health delivery system as compared to health care provided by a managed care support contractor.

In addition, the statute requires the Secretary of Defense to develop a plan for the further development of the use of local military–civilian integrated health delivery systems by the Department of Defense.

Background

The NDAA for FY 2017 (Public Law 114-321) directed the implementation of sweeping reforms for the Military Health System (MHS) and TRICARE. Section 706 of the NDAA for FY 2017 required the establishment of "military-civilian integrated health delivery systems" and set a deadline of January 1, 2018 for the DoD to establish this through partnerships with private sector health systems.

This report, addressing the "study and plan on the use of military-civilian integrated health delivery systems," was originally due no later than 180 days after enactment (June 17, 2020). Due to the need for the Defense Health Agency (DHA) to conduct the analysis and develop a plan in the midst of a major transformation and coronavirus disease 2019 response, the Department submitted an interim report stating the final report to Congress would be provided by December 31, 2020.

Discussion

DHA, in collaboration with the Military Departments, conducted an assessment of the geographic locations where MTFs have existing contractual relationships with local civilian health care networks as listed in section 743 of the NDAA for FY 2020:

- Fort Drum, New York;
- JB McGuire-Dix-Lakehurst, New Jersey;
- JB Lewis-McChord, Washington;
- Fort Leonard Wood, Missouri;
- Elmendorf, Alaska;
- Fort Sill, Oklahoma;
- Tripler Army Medical Center, Hawaii; and
- National Capital Region.

The response received indicated that the MTFs listed in section 743 of NDAA for FY 2020 did not have contractual relationships with local civilian health care systems under which those systems operated outside of the TRICARE contract. The primary purpose of the TRICARE Managed Care Support Contractors (MCSCs) is to create an integrated health care delivery system between the military and civilian service systems for eligible beneficiaries to enhance beneficiary overall satisfaction and to contain TRICARE costs for both the Federal Government and beneficiaries. From the beginning of the TRICARE program, the Department has interpreted and implemented the law to effect a single network concept on the basis that such an approach and concept is the most efficient, effective, and feasible means of delivering the TRICARE program to beneficiaries. However, several MTFs reported having existing partnerships with local civilian health care facilities through Memoranda of Understanding (MOUs), Training Affiliation Agreements (TAAs), Medical Training Agreements (MTAs), and External Resource Sharing Agreements (ERSAs) for various reasons.

An MOU/TAA/MTA is an agreement between the MTF and a local civilian facility. These agreements expand services of the MTF or allow health care providers and students to attain critical wartime readiness skills and training by providing hands on experience that is not seen on a regular basis in MTFs. Furthermore, these agreements reduce the expense of sending providers and students on temporary duty or extended time away from the MTF to attain required training for Graduate Medical Education (GME); combat medical skills; and other essential training for Knowledge, Skills, and Abilities (KSAs). An ERSA is a written agreement between the MCSC, the MTF, and a TRICARE network facility to assist MTFs in providing staff augmentation due to difficulties in filling open positions or personnel shortages to meet a given demand or in support of an MTF contingency. ERSAs are resource-sharing vehicles used by MTFs that allow for the placement of active duty and/or MTF civilian provider in network facilities to treat active duty Service members and other eligible TRICARE beneficiaries. This enhances the capabilities of the MTF in an integrated program by reducing total costs through an arrangement with the TRICARE network facility under the terms and conditions of the agreement.

The Department is moving forward with TRICARE reforms as directed in section 705(c) of the NDAA for FY 2017 and other recent enactments and collaborating with industry on health care

innovation. The Department is currently designing the TRICARE Program and the next generation of TRICARE MCSC contracts (T-5) to provide the best readiness of the military at the best prices, in an integrated system that is responsive to beneficiary experience of care, including access, availability, best outcomes, high-performing networks and value-based incentives to network providers and health plans. In order to further develop local or regional military-civilian integrated health delivery systems, the Department plans to expand on the research, analysis, and recommendations developed by internal and external subject matter experts. The Department will also use its demonstration authority through the TRICARE program and new T-5 contracts to test a variety of innovative approaches to delivering the TRICARE benefit while improving the medical readiness of the operational forces and the readiness of the medical force. Through this process, the Department will test the efficacy of having local and regional contracts that balance the need for accessible, high quality care for TRICARE beneficiaries with a need for hospital based readiness platforms for our medical personnel. The Department recognizes that the implementation of a fully integrated health care system should result in economic benefits to both military and civilian entities through needs-based, optimized resource sharing, added efficiencies through the adoption of best practices, and appropriate cost balancing. The re-designed TRICARE Program and the T-5 contracts will implement and deliver policies and approaches that enhance readiness as a priority, incorporate industry standards to the maximum extent practicable, and incentivize the provision of high value care through integrated direct care and private sector networks, to improve quality and access while containing cost.

Section A: **Examination of geographic locations where military medical treatment facilities have existing contractual relationships with local civilian health care networks**

Figure 1 shows the MTFs identified for review within section 743 of the NDAA for FY 2020 with any MOUs, TAAs, MTAs or ERSAs in place, while Figure 2 shows all MTFs by name and their four-digit Defense Military Information System (DMIS) identification (ID) code that maps to the locality of each facility within the MHS. Figure 2 also depicts agreements and or partnerships that identify proficiency/skills training, GME or resident training, readiness training, expanding capabilities, etc.

Figure 1: Installations Listed in Section 743 of NDAA FY 2020 with Civilian Partnerships

Installation		Memorandum of Understanding / Training Affiliation/Medical Training Agreement	External Resource Sharing Agreement
Elmendorf, AK		Alaska State Medical Examiner's Office and Alaska Native Tribal Health Consortium	Alaska Regional Hospital (HCA) - Cardiology (Cardiac Catheterization and Therapeutic/Interventional)

Fort Drum, NY		N/A	Carthage Area Hospital - Multispecialty Medical/ Surgical Services; Lewis County General Hospital - Multispecialty Medical and Surgical Services; River Hospital - Outpatient Gynecology and Orthopedics Surgical Services; Samaritan Medical Center - Multispecialty Medical and Surgical Services
Fort Leonard Wood, MO		N/A	Mercy Hospital Lebanon - Multispecialty
Fort Sill, OK		N/A	Southwestern General Hospital – Podiatry & Oral Maxillofacial Surgery Comanche County Memorial Hospital – Podiatry & Oral Maxillofacial Surgery
Tripler, HI		N/A	Surgicare of Hawaii - Multispecialty Ambulatory Surgery
JB McGuire-Dix-Lakehurst, NJ			N/A
JB Lewis-McChord, WA		Thurston and Pierce County Emergency Services, Pierce County Medical Examiner, Burlington County Sexual Assault Response Team, Burlington & Ocean County Health Departments, Hampton Behavioral Health Center, Starlight Substance Abuse Program (MOUs); University of Washington, Harborview Med Center, Seattle Children's Hospital, Mary Bridge, Swedish Med Center, Providence Sacred Heart, Virginia Mason, Legacy Emanuel (MTAs)	N/A
JB Andrews, MD		N/A	N/A
Walter Reed, DC		N/A	Medstar Georgetown University Hospital-Proton Therapy
Fort Belvoir, VA		Brigham & Women's Hospital, University of Maryland Prince George's Hospital Center, University of MD Shock Trauma Associates	N/A

Figure 2: Other Installations with Civilian Partnerships or ERSAs

DMIS ID MTF/Installation/State	Military/Civilian Agreements/Partnerships	External Resource Sharing Agreements (ERSAs)
0005 Bassett Army Community Hospital (ACH) / Fort (FT) Wainwright, AK		Foundation Health LLC - Inpatient Psychiatric and Intensive Care Unit
0006 673d Medical Group (MED GRP) / JB Elmendorf-Richardson, AK	Alaska Native Medical Center Alaska State Medical Examiner's Office Alaska Native Tribal Health Consortium Medical Activity (MEDDAC)-AK	Alaska Regional Hospital (HCA) - Cardiology (Cardiac Catheterization and Therapeutic/Interventional)
0009 56th MED GRP / Luke, AZ		Banner Estrella Medical Center - General Surgery and Orthopedics; Banner Estrella Surgery Center LLC - General Surgery and Orthopedics Ambulatory Surgery; Banner Del E. Webb Medical Center - General Surgery and Orthopedics; Dignity St. Josephs Westgate Medical Center - General Surgery and Orthopedics
0010 355th MED GRP /Davis Monthan, AZ		Carondelet Health Network (St. Joseph Hospital) - Orthopedics; Tucson Surgery Center (licensed as El Dorado Surgery Center) - Orthopedics Ambulatory Surgery
0014 60th MED GRP / Travis, CA	University of California-Davis School of Medicine, Children's Hospital Oakland, Kaiser Permanente, NorthBay Healthcare (TAAs)	Surgery Center at North Bay Vaca Valley - Multispecialty Ambulatory Surgery
0024 Naval Hospital (NH) Camp Pendleton, CA		Coast Surgery Center - Multispecialty Ambulatory Surgery; Oasis Surgical Center - Orthopedics and Podiatry Ambulatory Surgery
0028 Naval Health Clinic (NHC) Lemoore, CA		Adventist Medical Center Hanford - Multispecialty Inpatient
0029 Naval Medical Center (NMC) San Diego, CA	University of California San Diego, Children's Hospital and Health Center, Scripps Clinic and Research Foundation, La Jolla (training affiliation)	Oasis Surgery Center - Orthopedics and Podiatry Ambulatory Surgery; Sharp Coronado - Multispecialty; Coast Surgery Center - Multispecialty Ambulatory Surgery; VA San Diego Healthcare System - Inpatient Cardiothoracic Surgery
0032 Evans ACH / FT. Carson, CO	UC Memorial Hospital (TAA)	Cedar Springs Behavioral Health - Inpatient Psychiatric and Detoxification; Penrose St. Francis Hospital - Multispecialty; Memorial Hospital System - Multispecialty; St. Mary Corwin Hospital - Multispecialty; Audubon Ambulatory Surgery Center - Multispecialty Ambulatory Surgery

0033 10th MED GRP / U.S. Air Force Academy, CO	UC Memorial Hospital (training affiliation)	Penrose St. Francis Hospital - Orthopedics; Memorial Hospital System - Multispecialty; Audubon Surgery Center - Multispecialty Ambulatory Surgery
0052 Tripler Army Medical Center (AMC) / FT. Shafter, HI		Surgicare of Hawaii - Multispecialty Ambulatory Surgery
0057 Irwin ACH / FT. Riley, KS		Geary Community Hospital - Multispecialty
0075 L. Wood ACH / FT. Leonard Wood, MO		Mercy Hospital Lebanon - Multispecialty
0078 55th MED GRP / Offutt, NE	University of Nebraska Medical Center (training affiliation)	Bellevue Medical Center - Multispecialty; CHI Health Creighton University Medical Center Bergan Mercy - Oral Maxillofacial Surgery; Boys Town National Research Hospital - Outpatient ENT; The Nebraska Medical Center - Multispecialty
0079 99th MED GRP / Nellis, NV	University of Southern Nevada Medical Center (training affiliation)	Gerald Champion Regional Medical Center - Pediatric Medical Inpatient and Newborn Nursery
0083 377th MED GRP / Kirtland, NM	UNMH, Lovelace, and Presbyterian (training affiliation)	
0084 49th MED GRP / Holloman, NM		Sunrise Hospital & Medical Center – Multispecialty
0108 William Beaumont AMC / FT. Bliss, TX		East El Paso Surgery Center - Ophthalmology Ambulatory Surgery; Las Palmas Del Sol Healthcare - Multispecialty; The Hospitals of Providence East Campus - Multispecialty; The Hospitals of Providence Memorial Campus - Multispecialty; The Hospitals of Providence Sierra Campus - Multispecialty; The Hospitals of Providence Transmountain Campus - Multispecialty; Paso Del Norte Surgical Center - Orthopedics Ambulatory Surgery; Surgical Center of El Paso - Orthopedics Ambulatory Surgery
0125 Madigan AMC / JB FT. Lewis – McChord, WA	Uniformed Services University of the Health Sciences, Oregon Health and Science University, and the University of Washington (training affiliation)	
0127 NHC Oak Harbor, WA		Whidbey Health Medical Center – Multispecialty

0395 62nd Medical Flight-McChord / JB Lewis-McChord, WA	Thurston and Pierce County Emergency Services, Pierce County Medical Examiner (MOUs) University of Washington, Harborview Med Center, Seattle Children's Hospital, Mary Bridge, Swedish Med Center, Providence Sacred Heart, Virginia Mason, Legacy Emanuel (MTAs)	
0039 NH Jacksonville / Jacksonville, FL		St. Vincent Medical Center
0045 AF-C-6th MEDGRP-MacDill / MacDill AFB, FL		Tampa General Hospital- Medical-Surgical Services; Tampa Bay Surgery Center- Ambulatory Surgical Services; Memorial Hospital of Tampa- Medical-Surgical Services; St. Joseph's Hospital- Medical & Surgical Services; Tampa Bay Surgery Center at Brandon HealthPlex - Medical & Surgical Services
0047 AMC Eisenhower-Gordon / FT Gordon, GA		AU Medical Center, Inc - Pediatric Surgical Services, Gastroenterology Services; Doctors Hospital of Augusta - OB/GYN, Pediatric, Newborn Services
0048 ACH Martin-Benning / FT Benning, GA		Midtown Medical Center- Inpatient and Ambulatory Services
0049 ACH Winn-Stewart / FT Stewart, GA		Liberty Regional Medical Center - General Surgery and Orthopedic Surgery Services; Memorial Health University Medical Center – Urology Robotic Assisted Surgical Services
0055 AF-C-375th MEDGRP-Scott / Scott AFB, IL		Saint Elizabeth Hospital-Multispecialty Medical and Surgical; Memorial Hospital - Gynecology and Obstetrics; Memorial Hospital East - Multispecialty Services
0056 James A Lovell Federal Health Care Center / North Chicago, IL	Partnership w/ John Stroger Jr. Hospital of Cook County for training of hospital corpsmen (Navy Hospital Corpsmen Trauma Training program)	Highland Park Hospital - Cardiac Catheterization, Multispecialty Medical and Surgical Services; Vista Medical Center East - Robotic-Assisted Urology
0060 ACH Blanchfield-Campbell / FT Campbell, KY		Jennie Stuart Medical Center - Inpatient and Ambulatory Surgery; Clarksville Surgicenter (HCA) - Ambulatory Surgery

0061 AHC Ireland-Knox / FT Knox, KY	Partnerships w/ American Red Cross to provide courses in CPR, Certified Nursing Assistant and babysitting	
0062 AF-C-2nd MEDGRP-Barksdale / Barksdale AFB, LA		CHRISTUS Health Northern Louisiana - Surgical Services; Willis Knighton Bossier - Oral Surgery
0064 ACH Bayne-Jones-Polk / FT Polk, LA		Allegiance Health dba Byrd Regional Hospital - Inpatient and Ambulatory Surgery
0067 Walter Reed National Military Medical Center / Bethesda, MD		Medstar Georgetown University Hospital - Proton Therapy
0068 NHC Patuxent River / Patuxent River, MD	Partnership w/ AIROPS for Emergency Management Service Aviation Training and Physiological Episodes Mishap Protocol	
0086 ACH Keller-West Point / West Point, NY		Eastern Orange Ambulatory Surgery Center - Orthopedic Surgery
0089 AMC Womack-Bragg / FT Bragg, NC		Cape Fear Valley - Multispecialty surgical services; First Health Moore Regional Hospital- Robotic and Multi-Specialty Surgical Services; Fayetteville Ambulatory Surgery center - Outpatient Surgical Services
0091 NMC Camp Lejeune / Camp Lejeune, NC	Onslow County EMS to establish the Corpsmen Ride-Along Program. Established a clinical skills sustainment program with Vidant Health to promote sustainment of trauma skills. Trauma program actively involved in 4 research initiatives with Vidant Medical Center.	Onslow Memorial Hospital and Surgicare of Jacksonville - Cardiac Catheterization, Multispecialty Medical and Surgical Services; Carolina East Medical Center - Cardiac Catheterization
0095 AF-MC-88th MEDGRP-Wright-Patterson / Wright-Patterson AFB, OH	Wright State University (WSU) Residency Partnership: Surgery, Internal Medicine, Pediatrics, Psychiatry, OB/GYN, and ED. STARS-P (currency cases at lower cost to Air Force) agreements with Miami Valley Hospital and Dayton Children's Medical Center	Soin Medical Center (Kettering Medical Center Network) - Multispecialty and Robotic-Assisted Urology

0096 AF-C-72nd MEDGRP-Tinker / Tinker AFB, OK		Alliance Health Midwest Regional Medical Center - Inpatient or Ambulatory medical; Physicians Surgical Center - Orthopedic & General Surgery Services
0097 AF-C-97th MEDGRP-Altus / Altus AFB, OK		Jackson County Memorial Hospital-Pediatrics only
0098 AHC Reynolds-Sill / FT Sill, OK		Southwestern General Hospital – Podiatry & Oral Maxillofacial Surgery; Comanche County Memorial Hospital – Podiatry & Oral Maxillofacial Surgery
0100 NHC New England / Newport, RI		Newport Hospital - mutually agreed Inpatient, Ambulatory And Observation Care for specific provider specialties; Kent Hospital - Multispecialty Surgical Services
0104 NH Beaufort / Beaufort, SC		Beaufort Memorial Hospital- IP--Oral/Max-Facial/Surgery
0109 AMC Brooke-FT Sam Houston / JB San Antonio (JBSA), TX		Orthopedics-Christus Santa Rosa Hospital-Alamo Heights; Peds Multispecialty-Christus Children's Hospital of San Antonio
0117 AF-ASU-59th Medical Wing (MDW)-Wilford Hall Ambulatory Surgical Center (WHASC)-Lackland / Lackland JBSA, TX		Southwest General Hospital – Hyperbaric Services
0118 NHC Corpus Christi / Corpus Christi, TX		Radiology Associates, LLC - Radiology Reads
0124 NMC Portsmouth / Portsmouth, VA		Sentara Obici Ambulatory - Orthopedic & Other Surgery
0306 NHC Annapolis / Annapolis, MD		Anne Arundel Medical Center-Orthopedic Surgery
0330 AHC Guthrie-Drum / FT Drum, NY		Carthage Area Hospital - Multispecialty Medical/Surgical Services; Lewis County General Hospital - Multispecialty Medical/Surgical Services; River Hospital - Outpatient Gynecology and Orthopedics Surgical Services; Samaritan Medical Center -

		Multispecialty Medical and Surgical Services
0042 AF-H-96th MEDGRP-Eglin / Eglin AFB, FL		Ft Walton Beach Medical Center - Surgical, OB & Newborn and Cardiac Catheterization Services; Emerald Coast Surgery Center - Surgical & Litho Services

Section B: Health care activities that promote value-based care, measurable health outcomes, patient safety, timeliness of referrals and transparent communication with covered beneficiaries.

Upon review of the facilities identified in section 743 of the NDAA for FY 2020, DHA found that many facilities have agreements with local MCSC network hospitals. Six of the ten MTFs reviewed have ERSAs in place, which are written agreements between the MCSC, the MTF, and a TRICARE network facility to assist MTFs in providing staff augmentation due to difficulties in filling open positions or personnel shortages to meet a given demand or in support of an MTF contingency. ERSAs are resource-sharing vehicles used by MTFs that allow for the placement of active duty and/or MTF civilian provider in network facilities to treat active duty and TRICARE beneficiaries. These MTFs have reported that the ERSAs provide an optimal solution to enhance value based and responsive care that furthers overall readiness and shortens return to training. These MTFs assessed that by leveraging the latest technology and maintaining continuity of care, ERSAs typically result in improved patient satisfaction, population health and patient safety since they allow Service members, retirees and families to receive improved access to care through timely referrals, continuity of care, and continued higher quality health care outcomes by creating a contingency platform for the MTFs. For example, the ERSA Program has allowed MTFs with outdated Operating Room Oxygen Systems to perform those surgeries at a TRICARE Network Facility without disruption of care while those vital repairs are taking place. The ERSA Program also allows MTFs without inpatient mental health wards to admit Service members into TRICARE Network Facilities and maintain the continuity of care with the MTF provider throughout their treatment. An analysis of the sites listed are as follows:

The 673 Medical Group (MDG) at JB Elmendorf – Richardson in Anchorage, AK, is a DoD/Department of Veterans Affairs (VA) Joint Venture, 42-bed facility providing inpatient and outpatient care to 159K DoD and VA beneficiaries. The 673 MDG does not have any existing contractual relationships with any civilian health care networks outside of the TRICARE contract, but they do have agreements in place and necessary for the clinical staff of the 673 MDG to maintain proficiency in their clinical and readiness skills or to expand their capabilities. The 673 MDG does have agreements with the Alaska Native Medical Center of the Alaska Native Tribal Health Consortium, the Alaska State Medical Examiner's Office, and the Alaska Regional Hospital, which extend capabilities for 673 MDG and allows their staff to obtain proficiency and readiness training. For services or equipment not available at their MTF and for their staff to maintain their skills, the 673 MDG has an ERSA with Alaska Regional Hospital for Cardiology (Cardiac Catheterization and Therapeutic/Interventional). Additionally, unique to the 673 MDG is an Internal Partnership Agreement they have for optometry where the MCSC (Health Net Federal Services) brings in an optometrist from their network to see optometry patients within the walls of the MTF.

The Guthrie Ambulatory Health Care Clinic at Fort Drum, NY is located 100 miles away from New York City and is a small, isolated MTF that provides medical care to soldiers, retirees and family members. They do not have any existing non-TRICARE contractual relationships with local civilian health care networks and do not have basic specialties or capabilities that an MTF at a larger installation would have. Due to these gaps in services, four ERSAs are in place. These ERSAs, with Carthage Area Hospital for Multispecialty Medical/ Surgical Services, Lewis County General Hospital for Multispecialty Medical and Surgical Services, River Hospital for Outpatient Gynecology and Orthopedics Surgical Services, and Samaritan Medical Center for Multispecialty Medical and Surgical Services, allow beneficiaries timely access to these specialties and allows the staff to maintain their clinical readiness skills in the network facilities. In addition, a substantive and collaborative partnership exists between Fort Drum and the local medical community. The most visible example of this partnership is the formulation in October 2005, of the Fort Drum Regional Health Planning Organization (FDRHPO), which began as a small steering committee of volunteers, bringing together community health care providers and Fort Drum's Medical Department Activity (MEDDAC) to develop a model of care that met the needs of soldiers and civilians alike. A not-for–profit organization, the FDRHPO provides the forum in which the region's health care organizations work jointly and cooperatively to maximize available health care resources to connect Fort Drum soldiers and families with safe, quality health care in the North Country.

General Leonard Wood Army Community Hospital (GLWACH) at Fort Leonard Wood, MO, provides premier remote health care to beneficiaries and neighboring civilians in emergencies and does not have any contract relationships with local civilian health care system outside of the TRICARE contract. GLWACH works hard to build and maintain productive relationships with local hospital partners such as their ERSA with Mercy Hospital of Lebanon, MO. This network facility serves as a contingency operating capability in the event of extended loss of GLWACH operating rooms. Mercy Hospital operating rooms offer robust capacity and are able to support the MTF if called upon.

Reynolds Army Health Clinic (RAHC) at Fort Still, OK provides outpatient care and advanced rehabilitative services to their beneficiaries, but does not have any existing contractual relationships with civilian military health care networks outside of the TRICARE contract. RAHC maintains two ERSAs for their podiatrists to conduct surgeries at both Southwest Medical Center (SMC) and Comanche County Memorial Hospital (CCMH) as well as two ERSAs for their oral surgeon to conduct surgeries at SMC and CCMH. RAHC is strictly an outpatient facility and these ERSAs facilitate surgical capability, which is used to retain patients within the direct care system. These ERSAs also provide continuity of care, improve access by reducing the wait times for patients seeking routine surgical services, and are especially important in the Initial Entry Training environment where network care greatly increases time away from training, noted and tracked as Lost Training Time.

Tripler Army Medical Center (TAMC) in Honolulu, HI, is a Federal tertiary care hospital providing primary and highly specialized care supporting 264,000 local active duty and retired military personnel, their families, and non-retiree veteran beneficiaries for their medical care. TAMC does not have any existing contractual relationships with civilian military health care networks outside of the TRICARE contract. The ERSA between the TRICARE MCSC - Health Net Federal Services, TAMC, and Surgicare of Hawaii gives MTF providers an option to use the

Surgicare facilities to perform outpatient medical and surgical services for their beneficiaries. The scope of services includes the use of operating rooms, equipment, and support/ancillary services. Specialties covered by the agreement include Gastroenterology, General Surgery, Gynecology, Ophthalmology, Orthopedics, Otolaryngology ("ENT"), Pain Management, Plastic Surgery, Podiatry, and Urology. This ERSA provides TAMC with augmentation capabilities and collaboration with local civilian facilities needed from personnel shortages and supports the expansion of operating rooms to full capability. Civilian facilities within the Hawaii market share similar recruiting challenges due to a shortage of qualified health care personnel locally, difficulty with recruiting from outside of Hawaii because of the national shortages in health care personnel, and the limitations or restrictions on compensation to account for the high cost of living in Hawaii. This collaboration maximizes local resources and benefits all participating treatment facilities (DoD and civilian). Additional benefits of this ERSA include retaining patients within the direct care system for continuity of care and improved access to care as well as minimizing leakage to private sector care for the entire episode of care to include pre-op, follow-up and ancillary care services. Furthermore, access to care is improved by limiting wait times for patients needing routine surgical services, and Service member readiness is supported through continuity and oversight of their care regimen by keeping the active duty Service member care within the direct care system for physical rehabilitation and other support services. This ERSA also helps providers maintain accreditation and privileges at outside facilities and enables Surgicare to serve as a backup facility in the event of large deployment of personnel, pandemic, or non-availability of TAMC operating room access.

JB Lewis-McChord's Madigan Army Medical Center (MAMC), in Lakewood, WA, is a level-2 trauma center and one of the largest military hospitals on the west coast of the United States. Major services provided are general medical and surgical care, adult and pediatric primary care clinics, a 24-hour emergency department, specialty clinics, and clinical services. MAMC also offers two GME training programs to military officers and oversees the training of 35 intern, resident and fellowship programs. Additionally, it is a rotation site for the Uniformed Services University and various medical universities around the nation. MAMC has MOUs in place for services such as a Sexual Assault Response Team providing multi-disciplinary support and intervention in support of sexual assault victims as well as mental health services. Due to the lack of complex surgical cases and volume needed for GME training, the facility has several MTAs and partnerships to allow training and exposure needed for clinical staff and trainees.

A review of the National Capital Region (NCR) facilities included Walter Reed National Military Medical Center (WRNMMC), MD, Malcolm Grow Medical Clinic at JB Andrews, MD, Fort Belvoir Community Hospital, VA, and Naval Hospital Clinic Annapolis, MD. There are two ERSA partnerships within the NCR that enhances the capabilities of the MTF to provide care outside the MTF in an efficient, cost-effective manner. The ERSA between WRNMMC, the MCSC-Humana Government Business, Inc. (Humana), and MedStar Georgetown University Hospital for Proton Therapy Services, as well as the ERSA between Naval Hospital Clinic Annapolis, Humana and Anne Arundel Medical Center regulate the use of MTF health care personnel providing patient care services for beneficiaries at TRICARE network facilities at a reduced billing cost for care as identified within the agreement. There are also MOUs/TAAs at Fort Belvoir Community Hospital located at Fort Belvoir, Virginia that support proficiency training and skills maintenance for various clinical staff such as surgeons, physicians and nurses.

Section C: Locations where health care providers of the Department of Defense may be able to attain critical wartime readiness skills in a local integrated military–civilian integrated health delivery system

Many MTFs have agreements or partnerships in place via MOUs, TAAs, MTAs and ERSAs for active duty health care providers to attain their critical wartime skills. Although these agreements vary by MTF and location, they allow our military providers to enhance and maintain critical clinical skills by ensuring they are broadening their case mix of patient workload and by contributing to the enhancement of active duty provider currency and competency levels to maintain their KSAs and critical wartime readiness skills, or requirements they would otherwise be unable to accomplish in the MTFs. Military readiness can be improved by retaining higher complexity patients for surgery to be performed within the MTF while lower acuity cases to be performed at the civilian network facility or by allowing the provider with privileges at the TRICARE network facility to use higher level equipment and technology not available in the MTF.

Figure 1 lists MTFs identified in section 743 of the NDAA for FY 2020 with agreements in place that allow medical staff to attain critical wartime readiness skills. Figure 2 displays a list of all MTFs within the MHS identified as having agreements with local civilian facilities through an MOU, TAA, MTA or ERSA with obtaining critical wartime readiness skills as one of the various reasons for the agreement.

There are partnership or agreements with civilian teaching hospitals that allow MHS military providers to attain their critical wartime skills. For example, the Air Force's Center for Sustainment of Trauma and Readiness Skills (C-STARS) was created to enable Air Force health care providers to refresh their skills by working side-by-side with their civilian colleagues treating trauma and critical care patients. The University of Cincinnati Medical Center was chosen to sponsor C-STARS because of its national reputation as a teaching hospital and the high volume of trauma and critical care patients treated each year. This program exemplifies how effective trauma training can be achieved by combined use of simulators, human cadavers, and civilian trauma centers located in St. Louis, Cincinnati, and Baltimore.

Section D: The cost of providing care under an integrated military–civilian health delivery system as compared to health care provided by a managed care support contractor.

The Department is unable to provide a cost comparison between health care provided by the MCS contractor as no contractual agreements between MTFs and local civilian health care systems exist outside of the TRICARE contract; however, the Department can offer additional commentary on the cost benefits of the ERSA program. Coordinated between MTFs and MCSCs, ERSAs regulate the use of MTF health care personnel providing patient care services for TRICARE beneficiaries at TRICARE network facilities. Not only do ERSAs enhance the capabilities of the MTF to provide needed patient care access to TRICARE eligible beneficiaries outside the MTFs in an efficient manner, they also reduce total costs through the arrangement with the TRICARE network facility. For example, cost savings occur when surgeries are conducted under the ERSA by military providers and the TRICARE network facilities provide space, support staff and supplies, but do not bill for the provider's work time. By leveraging the ERSA, the overall total billed to TRICARE for each procedure is reduced since the cost of

provider work is not included. For example, one ERSA is projected to avoid $1.3 million per year in professional fees being charged as a result of MTF providers providing care in the network facility.

Section E: Plan for the further development of the use of local military–civilian integrated health delivery systems by the Department of Defense.

The Department plans to continue the development of local military-civilian integrated health delivery systems by expanding on the research and analysis conducted of current relationships that exist between MTFs and their civilian networks and by working with industry partners through the use of TRICARE's demonstration authority. Demonstration projects will allow DHA to test the efficacy of having local and regional contracts that balance the need for accessible, high quality care for TRICARE beneficiaries with a need for hospital based readiness platforms for our medical personnel. In alignment with section 706 of the NDAA for FY 2017 and section 743 of the NDAA for FY 2020, the Department recognizes these requirements should account for geographical considerations with regard to our large military footprints stateside, associated availability of civilian health care resources to support these populations, and benchmarks for access and quality criteria established by nationally recognized authorities.

The Department is considering and drafting plans to expand on initiatives recommended by DHA's Joint Trauma System such as geographically dispersed CONUS/OCONUS "Regional Casualty Referral Centers" to be established in an integrated fashion with civilian centers that meet quality benchmarks. Aligned with current Federal Emergency Management Association regions within the United States, and in consideration of Transportation Command approved regional casualty receiving hubs that are modeled alongside pre-existing disaster management plans including the National Disaster Medical System, such centers would have imbedded military and civilian trauma teams that would work together on an enduring basis. These teams would include physicians, nurses and other medical personnel that work together in a multidisciplinary approach to provide care focused on routine health maintenance in addition to trauma care delivery. These could include, but would not be limited to, trauma and critical care, orthopedics, neuro-trauma, anesthesia, behavioral health, primary care, trauma nursing, and emergency and surgical technicians. Initiatives such as this, collaborated between DHA, the Military Departments, and other Federal entities can link other strategies for trauma training, new accessions and recession, and recruitment mechanisms that can shape the size, scope and degree of military-civilian trauma networks over time. A nation-wide system would take an all-government approach between DHA, VA, and Department of Health and Human Services to develop a National Trauma System. Since this takes time, money, and with constraints, the Department recommends to start looking at a regional concept, such as the Tidewater, Central North Carolina and Puget Sound markets.

DHA is considering establishing enhancements at a system level through demonstration authority as part of the new TRICARE T-5 contract to pursue further development of a military–civilian integrated health system such as this regional trauma center. The efficacy of a local or regional contract for trauma care can be assessed and monitored by the Department's Military-Civilian Partnerships Working Group (MCP-WG), which was developed to provide a forum among the Military Departments and key supporting agencies within the MHS to facilitate communication and develop standardized processes for identifying, selecting, maintaining, and

measuring the effectiveness of combined regional military and civilian trauma care delivery system. The intent of the MCP-WG is to assist the Department in establishing both military and civilian trauma center sites that maximize full participation in the care of sufficient numbers of high acuity injured patients for all members of the trauma care delivery team, while also promoting access to high quality accessible civilian hospital networks for all military beneficiaries. Such an effort recognizes the need for a blended system designed to optimize these partnerships so that they achieve the highest state of readiness at the least possible cost.

Military Civilian Partnerships (MCPs) will not only provide both training and sustainment in support of combat casualty care teams and individuals for their respective roles in the expeditionary environment, but will seek to optimize the relationship between military and civilian institutions to enhance high quality beneficiary care at the lowest possible cost. The MCP-WG will identify previously successful programs that can provide useful lessons learned and that can inform the future design of pilot programs for further development into military-civilian integrated health care delivery systems. The MCP WG will forecast and leverage initial trauma-based partnerships to develop and advance other areas for MCPs such as Defense Support of Civil Authorities, Pandemic and All-Hazards Response, prehospital systems development, and medical education and training, including advanced medical simulation. The MCP WG will receive individual Military Department's input to the DoD's MCP Strategy, with a focus on each component's ability to meet the requirements of the Combatant Commands in support of the National Defense Strategy. In turn, the MCP WG will leverage its access to the DoD and other Federal and civilian agencies in order to support the Services toward meeting that end. As a result, the MCP WG will achieve a highly collaborative meeting place that promotes bidirectional information sharing, optimizing the relationship between military and civilian centers to achieve a National Trauma System that benefits both the DoD and the nation as a whole.

Conclusion

The Department acknowledges the need for an integrated, learning health care system that balances the requirement for accessible, high quality care for TRICARE beneficiaries and for hospital based readiness platforms for our medical personnel. A truly integrated military–civilian health care delivery system can leverage bidirectional resource sharing that achieves the MHS's Quadruple Aim goals of improved readiness, better health for patients, a better experience of care for both patients and providers, and reducing per capita cost. Based on DHA's review and analysis of current existing military-civilian partnerships and initiatives, as well as review of legislative reforms related to the TRICARE contract structure, the Department intends to further develop the use of military-civilian health care systems through the use of TRICARE demonstration authority. This approach leans on demonstrations as testing innovations with T-5, and alongside the implementation of other pilots and demonstrations, will allow DHA to test the efficacy of having multiple local or regional contracts for better and more integrated efforts between military and civilian health care systems that could significantly enhance the rate at which the advances made in military medicine can be translated to civilian society (and vice versa).