

DEPARTMENT OF DEFENSE**Office of the Secretary****Office of the Secretary of Defense
(Health Affairs)/TRICARE Management
Activity**

AGENCY: Department of Defense.

ACTION: Notice of a disease management demonstration project for TRICARE Standard beneficiaries.

SUMMARY: This notice is to advise interested parties of a Military Health System (MHS) demonstration project entitled Disease Management Demonstration Project for TRICARE Standard Beneficiaries. Although there are many similarities between TRICARE Standard and TRICARE Prime as to the preventive health care services that may be provided in the current benefit, there are services that are expressly excluded under TRICARE Standard that may be offered under TRICARE Prime which are the essence of a disease management (DM) program. TRICARE currently requires the Managed Care Support Contractors (MCSCs) to provide "disease management services" under the current contracts, without specific guidance. Based upon the current legal statutes authorizing preventive health care services, TRICARE must conduct a demonstration under 10 U.S.C. 1092 in order to offer TRICARE Prime benefits to TRICARE Standard beneficiaries under the DM program already in existence. (Section 734 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (henceforth NDAA 2007) does not give any broader authority than exists today). Under this demonstration, disease management services will be provided to TRICARE Standard beneficiaries as part of the current MHS DM programs. The demonstration project will enable the MHS to provide uniform policies and practices on disease and chronic care management throughout the TRICARE network. Additionally, the demonstration will help determine the effectiveness of DM programs in improving the health status of beneficiaries with targeted chronic diseases or conditions, and any associated cost savings.

EFFECTIVE DATE: April 1, 2007. This demonstration will remain in effect until March 31, 2009.

ADDRESSES: TRICARE Management Activity (TMA), Office of the Chief Medical Officer, 5111 Leesburg Pike, Suite 810, Falls Church, VA 22041-3206.

FOR FURTHER INFORMATION CONTACT: CDR Cynthia Gantt, Office of the Chief

Medical Officer—TRICARE Management Activity, telephone (703) 681-0064.

SUPPLEMENTARY INFORMATION:**A. Background**

The Military Health System (MHS) is a \$33 billion dollar enterprise, consisting of 76 military hospitals, over 500 military health clinics, and an extensive network of private sector health care partners, which provides medical care for over 9 million beneficiaries and active duty service members. Of these beneficiaries, approximately 5 million are classified as TRICARE Prime enrollees and 4.2 million are TRICARE Standard participants.

The MHS is facing significant fiscal challenges in the coming years due to the rising costs of providing health care, coupled with recent expansions to the pool of eligible beneficiaries. The MHS recognizes these challenges and has implemented several new initiatives to help control costs. Disease management (DM) programs have become popular in the private sector as a means to accomplish this goal, with varying levels of effectiveness having been documented. The MHS has the opportunity to become a leader in DM, due to its population of long term or life time eligible beneficiaries and robust information systems.

B. MHS Disease Management Program

On September 1, 2006, the MHS implemented a new DM initiative based on a consistent approach across all three managed care regions, focusing on asthma and congestive heart failure. These programs run by the Managed Care Support Contractors (MCSCs) include beneficiaries from military treatment facilities and those seen by civilian healthcare providers within the TRICARE network. In this revised uniform approach to DM, the Government, with the assistance of a program evaluation contractor, provides the MCSCs risk-stratified patient lists and conducts a formal evaluation across all three Regions using national benchmarks.

TRICARE's approach to disease management is two-fold: (1) Keep the well healthy with a focus on healthy lifestyles, disease prevention and health promotion and (2) maintain an active disease management program for high risk beneficiaries with specific chronic disease conditions. Evidence-based clinical practice guidelines (CPGs) and educational resources developed jointly by the Departments of Defense (DoD) and Veterans Affairs (VA) are used in

both the military treatment facility and MCSC DM programs.

The MHS DM program directly supports the MHS strategic goal of effective patient partnerships by advocating the use of evidence-based practice guidelines and emphasizing patient self management skills. The goals of the DM initiatives are to improve clinical outcomes, increase patient and provider satisfaction, and ensure appropriate utilization of resources.

C. Current TRICARE Standard Benefit

Under 10 U.S.C. 1079(a)(13), TRICARE may cost share only services or supplies that are medically or psychologically necessary to prevent, diagnose, or treat a mental or physical illness, injury, or bodily malfunction as assessed or diagnosed by an authorized provider. There is additional statutory authority that describes what are preventive health care services. Under 10 U.S.C. 1074d, members and former members of the uniformed services are entitled to preventive health care services including cervical cancer screening, breast cancer screening, and screening for colon and prostate cancer, all at intervals and using methods the Secretary considers appropriate. These same services are available to them and all dependents in MTFs under 10 U.S.C. 1077(a)(14), and to all covered beneficiaries under TRICARE under 10 U.S.C. 1079(a)(2). Under 10 U.S.C. 1079(a)(2)(B), other health promotion and disease prevention visits for those over six years of age are authorized under TRICARE Standard only when done in connection with immunizations or with diagnostic or preventive cancer screening tests. (See also, 32 CFR 199.4(g)(37)).

Additionally, the TRICARE Prime program is authorized by 10 U.S.C. 1097-1099. The statutes authorize Prime to "provide better services than those provided by [Standard]", and the Secretary "shall prescribe regulations to carry out this section." The regulations that directly impact the TRICARE Prime program are 32 CFR 199.17 and 199.18. Under 32 CFR 199.18(b)(2), the following services are available under TRICARE Prime that are not authorized under TRICARE Standard:

(1) "Periodic health promotion and disease prevention exams;

(2) Appropriate education and counseling services. The exact services offered shall be established under uniform standards established by the

Assistant Secretary of Defense (Health Affairs).

(3) In addition to preventive care services provided pursuant to paragraph (b)(2) of this section, other benefit enhancements may be added and other benefit restrictions may be waived or relaxed in connection with health care services provided to include the Uniform HMO Benefit. Any such other enhancements or changes must be approved by the Assistant Secretary of Defense (Health Affairs) based on uniform standards."

Also, under TRICARE Standard, education and counseling services are expressly excluded under 32 CFR 199.4(g)(39).

D. National Defense Authorization Act (NDAA) 2007 Disease Management Directives

The NDAA 2007 section 734 requires the design and development of a fully integrated program on disease and chronic care management for the military health care system that provides uniform policies and practices on disease and chronic care management throughout the TRICARE network by October 1, 2007. The NDAA 2007 further states the program "shall include strategies for disease and chronic care management for all beneficiaries, including beneficiaries eligible for benefits under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 *et seq.*), for whom the TRICARE program is not the primary payer for health care benefits."

The purposes of the MHS DM programs, as stated in the NDAA 2007, are to facilitate the improvement of the health status of individuals under care in the military health care system, to ensure the availability of effective health care services for individuals with diseases and other chronic conditions, and to ensure the proper allocation of health care resources for individuals who need care for disease or other chronic conditions. The NDAA 2007 mandates the DM program to address, at a minimum, the following chronic diseases and conditions: Diabetes, cancer, heart disease, asthma, chronic obstructive pulmonary disorder, and depression and anxiety disorders.

E. Description of Demonstration Project

Under this demonstration, DoD will waive, for disease management services provided to TRICARE Standard beneficiaries, the provisions of 10 U.S.C. 1079(a)(13) and 32 CFR 199.4(g)(39) that expressly exclude clinical preventive services for TRICARE Standard beneficiaries in the current benefit. The MHS will enroll TRICARE Standard

beneficiaries in its DM programs. DM services provided to Standard beneficiaries will include, but are not limited to: Clinical preventive examinations, patient education and counseling services, and periodic screening exams.

There will be a cap on MHS DM program costs not to exceed the amount approved by the contracting officer. The DM program costs are total costs of DM services provided to both Prime and Standard beneficiaries. Only those beneficiaries identified by TRICARE Management Activity (TMA) for disease management of asthma, congestive heart failure, and diabetes are included in the current program, with other diseases or conditions to be added in the future as funding permits. The beneficiaries identified by TMA are included in the DM program unless the beneficiary chooses to opt out.

This action will directly reduce variation across the system and result in improved consistency and quality for beneficiaries with targeted chronic illness, regardless of TRICARE classification. Furthermore, including TRICARE Standard beneficiaries in current DM efforts will inform the MHS about total potential savings and return on investment (ROI) associated with DM, a stated requirement for inclusion in the Congressional report per the NDAA 2007. The system-wide DM program will improve the quality of care by educating patients about their disease and helping them manage their symptoms, thereby avoiding many complications and possibly slowing the progression of their chronic disease, thus resulting in significant cost savings.

F. Implementation

The demonstration is effective on April 1, 2007.

G. Evaluation

An independent evaluation of the demonstration will be conducted. The evaluation will be designed to use a combination of administrative and survey measures of health care outcomes (clinical, utilization, financial, and humanistic measures) to provide analyses and comment on the effectiveness of the demonstration in meeting its goal of providing uniform disease management policies and practices across the MHS.

Dated: June 7, 2007.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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DEPARTMENT OF DEFENSE

Office of the Secretary

Meeting of the President's Commission on Care for America's Returning Wounded Warriors

AGENCY: Department of Defense.

ACTION: Notice of meeting.

SUMMARY: Pursuant to section 10(a), Public Law 92-463, as amended, notice is hereby given of a forthcoming Meeting of the President's Commission on Care for America's Returning Wounded Warriors on 29 June 2007. The purpose of the Commission meeting is to conduct briefings for the Commissioners. The meeting is open to the public, subject to the availability of space.

Interested persons may submit a written statement for consideration by the Committee and make an oral presentation of such. Persons desiring to make an oral presentation or submit a written statement to the Commission must notify the point of contact listed below no later than 5 p.m. 26 June 2007. Oral presentations by members of the public will be permitted only on 29 June from 2-2:30 p.m. before the full Committee. Presentations will be limited to 5 minutes. The Executive Director and the Designated Federal Official will select individuals for oral presentations and notify them in advance of the opportunity to make a 5 minute presentation to the Commission. Number of oral presentations to be made will depend on the number of requests received from members of the public. Each person desiring to make an oral presentation must provide the point of contact listed below with one (1) copy of the presentation by 26 June 2007, 5 p.m. and one copy of any material that is intended for distribution at the meeting. The Staff Points of Contact are Col. Denise Dailey, Major Teresa Barnes or Leslie Smith, toll free (877) 588-2035 or fax statements (703) 588-2046.

DATES: Friday, 29 June 2007.

Location: Main Conference Center, National Transportation Safety Board, 429 L'Enfant Plaza, SW., Washington, DC 20594.

For Further Information on Submitting Statements Contact: Col. Denise Dailey, Major Teresa Barnes or Leslie Smith, toll free (877) 588-2035 or fax statements (703) 588-2046.

SUPPLEMENTARY INFORMATION: Meeting agenda.

29 June 2007

9 a.m. Administrative Time Not Open to the Public.