



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

JAN 20 2004

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (HEALTH
AFFAIRS)

SUBJECT: TRICARE Governance Plan

References: (a) Memorandum of the Under Secretary of Defense for Personnel and
Readiness, Subject: "TRICARE Governance," October 22, 2003.
(b) DoD Directive 5136.12, "TRICARE Management Activity (TMA),"
May 31, 2001.

I direct immediate execution of the TRICARE Governance Plan attachment to reference (a) as a key component of the Department's transformation of the Military Health System to achieve our vision for an improved, accountable, integrated and sustainable health care system for our military eligible beneficiaries. Corresponding revisions to the TRICARE Management Activity charter (reference (b)) regarding TRICARE Regional Office responsibilities and staffing identified in the Plan are also directed.

Time is of the essence in establishing the organizational framework identified in the Plan in order to have the appropriate staff in place to administer the new TRICARE contracts and to participate in the formal business planning process. Therefore, you are authorized to execute the Plan and to initiate appropriate revisions to reference (b) for conformance to the approved Plan.

A handwritten signature in black ink, appearing to read "Paul A. Wolfowitz".

OSD 00564-04



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

OCT 22 2003

PERSONNEL AND
READINESS

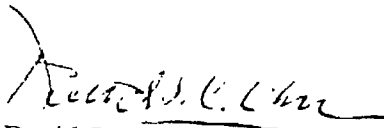
MEMORANDUM FOR SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE

SUBJECT: TRICARE Governance

The recent announcement of the award of new TRICARE contracts greatly improves the administration of TRICARE. We will reduce the number of health care services contracts from seven to three, and reduce the number of TRICARE regions from eleven to three. We will improve accountability for patient satisfaction. The contracts also offer new incentives for military medical commanders to optimize the direct care system which directly supports readiness and can be less costly.

Given these significant changes in the TRICARE program structure and the new performance incentives, the Assistant Secretary of Defense (Health Affairs) and the Service Surgeons General developed a joint governance plan by which they will establish performance objectives, monitor performance, and resolve problems should disagreements occur within the various components of the military health system. The TRICARE Governance Plan is attached.

This plan reflects a reasoned and balanced approach to managing the military health benefit with military medical readiness as the first priority, supported by a health delivery system that focuses on joint decision-making and effective resource allocation. With the close involvement of the Service Secretaries, the defense leadership will continue to monitor the performance of military medicine through the Military Health System Executive Review structure.


David S. C. Chu

Attachment:
TRICARE Governance Plan

cc:
Vice Chiefs of Staff
ASD (HA)
Assistant Secretaries (M&RA)



TRICARE Governance Plan

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October 2003

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I. Executive Summary

The magnitude of the resources involved in providing the TRICARE health benefit and the demands being placed on military health care to support contingency operations require an effective and efficient management structure for delivering and coordinating care in the military health system. The TRICARE governance model distinguishes TRICARE health plan management from health care delivery. Health plan management includes: establishing worldwide Defense health policy; establishing and managing the overall health benefit; determining the annual budget; contracting for global or national health care services; and allocating funds to the Services and to DoD health care contractors.

This TRICARE Governance Plan establishes the overall organizational construct, regional office responsibilities and staffing plan, market manager responsibilities, and the business planning requirements and process. The major elements of this plan establish:

1. *Regional Organization:*
 - a. There will be three TMA TRICARE Regional Offices (TROs) aligned with three TRICARE regional contracts in the United States.
 - b. There will be an Overseas TRICARE Regional office, headquartered in the TRICARE Management Activity with subordinate three overseas area offices.
 - c. The TRICARE Alaska Office is a satellite office of the TRO-West.
2. *Regional Directors.* Regional Directors have knowledge of all assets, costs, and expenditures and can make recommendations to the Services regarding the flow of dollars and staffing in their respective regions. Regional Director positions will be filled by a military flag officer or a Senior Executive Service (SES) civilian.
3. *Market Managers.* Market management is a key responsibility for the Senior Market Managers, MTF Commanders, and for the three TRO Regional Directors. Senior market managers are responsible for developing a single, integrated business plan for their respective markets.
 - a. There are eleven (11) large health care delivery markets
 - (1) North Region: National Capital Region; Tidewater, VA; Fort Bragg/Pope AFB, NC.
 - (2) South Region: Charleston Naval Hospital/AFB Clinic, SC; Fort Jackson/Shaw AFB, SC; Biloxi, MS; San Antonio, TX.
 - (3) West Region: Colorado Springs, CO; San Diego, CA; Puget Sound, WA; State of Hawaii.
 - b. In markets in which more than one Service military treatment facility (MTF) is present, referred to as multiple service markets, the Surgeons General will designate a Senior Market Manager. The Senior Market Manager will be responsible for coordinating the development of a single business plan representing all the MTFs located within the respective multiple service market.

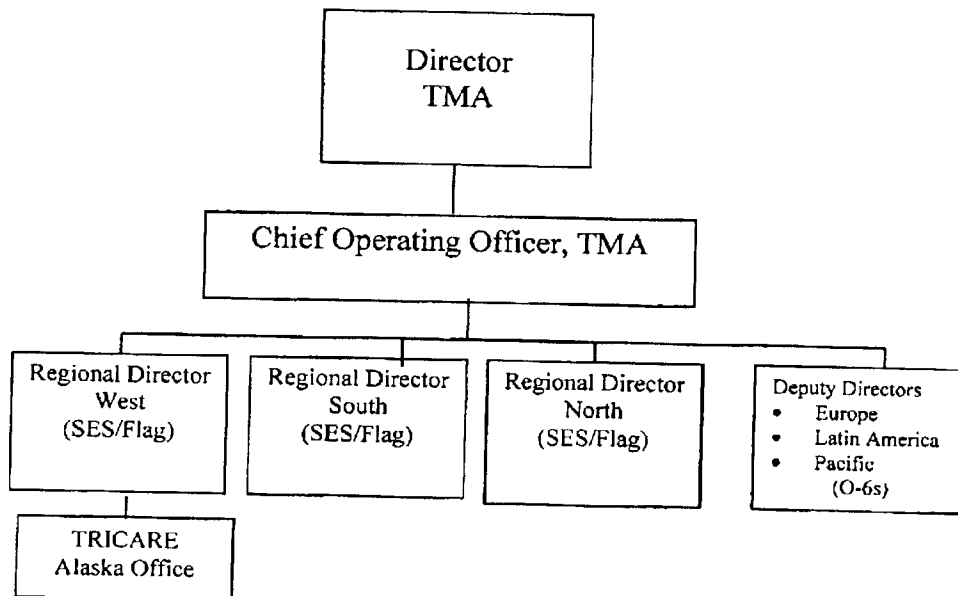
4. *Business Plans.* A regionally integrated business plan developed prior to the year of execution is the management tool to provide accountability at all levels in the MHS for both the direct care and purchased health care delivery. The Regional Director is responsible for the development and implementation of the regional business plan.

5. *Problem Resolution.* The TRICARE Management Activity, Chief Operating Officer communicates with the Surgeons General regarding any unresolved issues in the MTF or Multi-Market Service business plans. A lack of agreement between a Service and the TRICARE Management Activity (TMA) regarding the development and execution of the business plan should be resolved at the TRICARE Advisory Committee (TAC) and, if necessary, the issue can be brought forward to the Senior Military Medical Advisory Council (SMMAC) for decision by the Assistant Secretary of Defense (Health Affairs). Disputes between MTFs in a multi-service market will be adjudicated through the chains of command of the involved Services.

II. TRICARE Regional Offices

1. *TRICARE Organizational Relationships.* The TRICARE Regional Offices represent the new management organization for managing regional contractors and overseeing an integrated health care delivery system in the three United States-based TRICARE regions. The TROs are designated TRICARE Regional Office-North, TRICARE Regional Office-South and TRICARE Regional Office-West. The new management organization for the TRICARE Overseas program will include a TRICARE Overseas Regional Office based at TMA with subordinate overseas offices. After adequate staffing and funding for civilian personnel for the TROs is transferred from the existing Lead Agents or Service medical departments, TMA will assume responsibility for ongoing management, staffing and funding of these offices. Military staff provided to the Regional Offices may continue to be provided through the current Service processes for providing military manpower to the Lead Agents. Each United States-based TRICARE regional office will be led by a Regional Director, reporting to and operating under the authority, direction, and control of the TMA Chief Operating Officer (COO).

Chart 1



2. *Responsibilities of the Regional Director.* Within each region the Regional Director is the health plan manager. They have visibility of both the contract and direct care assets, and coordinate with the Services to develop an integrated health plan. Specific responsibilities include:

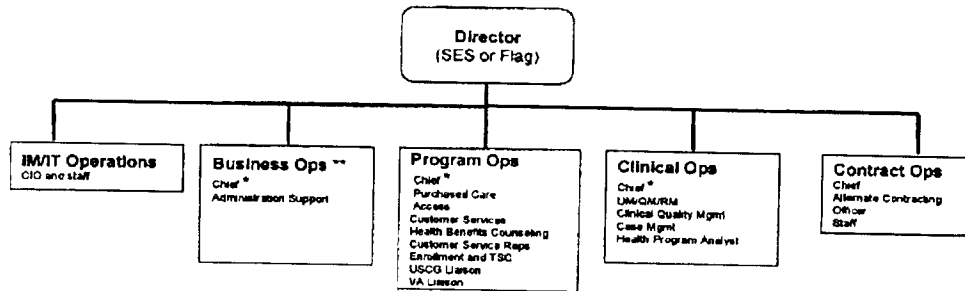
- a. Management of the TRICARE contracts for all eligible MHS beneficiaries in the region. This responsibility includes:

- ensuring network quality and adequacy including provider issues
 - monitoring customer satisfaction outcomes
 - managing TRO customer service issues
 - coordinating appointing and referral management policies
 - addressing enrollment issues
 - contracting and fiscal management functions
 - establishing and coordinating regional marketing and education functions
 - overseeing contractor credentialing
 - developing TRICARE Maximum Allowable Charge (TMAC) waiver packages
 - approving resource sharing agreements entered into between the contractor and the MTF under the auspices of the new contract
 - ensuring contract support for MTF optimization
 - approving memorandums of understanding with the contractor(s)
 - serving as the fee determination official for the Health Care Services and Administration contract
 - other delegated functions.
- b. Provision of support to the military medical treatment facility (MTF) Commanders in their delivery of health care services for MTF-enrolled beneficiaries; for the management of health care services for beneficiaries not enrolled to MTFs; supporting the MTF Commanders in their efforts to optimize health care services in the MTFs; and other assistance as required to support both MTF and remote areas to meet regional strategic planning goals and the annual business plan objectives.
- c. Development of business plans for non-MTF areas (e.g., BRAC sites), remote areas, and those areas in which a Service Surgeon General requests Regional Director support.
- d. Integration of MTF and remote business plans into a single, regional business plan for submission to TMA prior to the start of each fiscal year, and subsequent monitoring of performance against the business plans.
- e. Funding of regional initiatives to optimize and improve the delivery of health care, through dedicated resources and a disciplined and open business case planning/approval process. Opportunities for investment capital can be initiated by the Regional Director, a single MTF Commander or by a Senior Market Manager on behalf of the MTFs in a multiple service market.
- f. Chair of the TRICARE Regional Advisory Committee

3. *TRICARE Regional Office Organization and Staffing.* For the three US-based regions, the TRICARE Regional Office organizational chart is provided (Chart 2). These offices will each be supported with sixty (60) persons including one US Coast Guard liaison and one representative from the Department of Veterans Affairs for each office. During the transition from the current contracts to the new TRICARE contracts, some Lead Agent office staff will migrate to the TROs and some will be retained by the Services. TRO staff should operate under the authority, direction and control of the Regional Director. Civilian staffing will be maintained under TMA manning documents while military staffing (except Regional Directors if Flag Officer) will be classified as detailed assets and remain on Service manning documents. If the Services wish to move military personnel to TMA manning documents, they may.

Chart 2

TRICARE Regional Office Organization Chart



* One of these three Chiefs will be selected to function as Director in the absence of incumbent

**Responsible for Business Operations and functions of Office of the Director

4. *Overseas Regions.* Although overseas locations are not served by a Managed Care Support Contractor, the TRICARE Overseas programs require continued management presence.

a. The overseas offices will be established as follows:

- TRICARE Europe in Sembach, Germany.
- TRICARE Pacific in Okinawa, Japan
- TRICARE Latin America/Canada in Fort Gordon, Georgia.

b. Each overseas area will have an office with a military (O-6) Deputy Director, TRO. The overseas Deputy Directors shall operate under the authority, direction and control of the TMA, Chief Operating Officer and will be supported by the Overseas Regional Office. Civilian staffing will be maintained under TMA manning documents while military staffing will remain on Service manning documents.

c. Each overseas area will form an Executive Steering Committee consisting of Combatant and Component Surgeons to provide a forum for communication and to address issues that affect health care delivery for their beneficiaries.

5. *TRICARE Alaska Office.* The TRICARE Alaska Office (TAO) is a satellite of the TRICARE West Region. Funding and authorities will come from current Lead Agent resources.

6. *Regional Business Planning Process.* Utilizing the business plans (see Section IV) that have been approved and submitted by the Surgeons General for all multiple service market areas and by the Services for their single MTFs, the Regional Director develops the regional business plan for health care delivery by integrating the TRO regional non-MTF business plan with the single

and multi MTF business plans. (Chart 3). The Regional Director has knowledge of all assets, costs, and expenditures and is able to make recommendations to the Services regarding the flow of dollars and staffing throughout the region. The Regional Director monitors MTF performance in accordance with the business plans and communicates with MTF Commanders, and if necessary with Service headquarters, when deviations from the plan are noted. Within the region, the Regional Director accomplishes the market management for the areas without MTFs and for smaller MTFs, when requested by a Surgeon General.

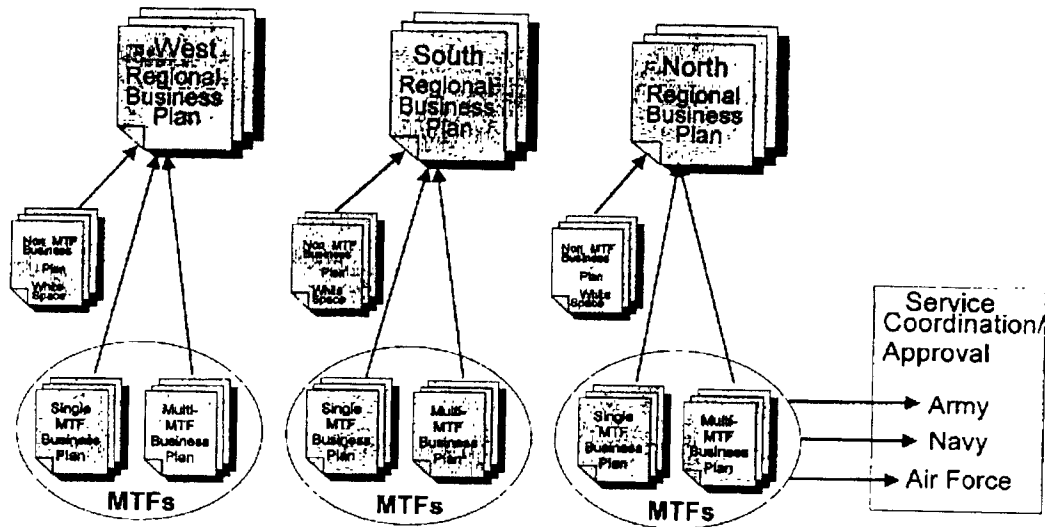


Chart 3: Regional Business Plan Review Process

III. Market Management

TRICARE Markets. A TRICARE market is a significant density of TRICARE users and is designated in the new TRICARE contracts as Prime Service Areas. The TRICARE contractor will develop provider networks in these Prime Areas that include, but not restricted to, the forty-mile radius around MTFs, Base Realignment and Closure (BRAC) sites and any additional sites proposed by the contractor. The TMA and the services have defined 182 Prime Service Areas across the United States where the Managed Care Support Services contractors are required to develop a Prime provider network.

1. *Multiple Service Markets.* Multiple service markets are those Prime Areas in which more than one Service military treatment facility is present, and significant beneficiary health care costs exist.
 - a. There will be eleven large markets (See Table 1). Thirteen markets are multiple service markets. Although San Diego only has one Service with a medical presence, it ranks third in terms of beneficiaries served (337,641) and expends 5 percent of the total purchased care and direct care dollars in the MHS and thus merits equivalent attention. These 13 markets account for approximately 31 percent of the total eligible TRICARE population and approximately 44 percent of the purchased and direct care dollars expended.
 - b. The title Senior Market Manager applies to the MTF Commander designated by the Surgeons General to be the market manager for each of the 13 multi-service markets.
 - c. In multiple service markets, the Senior Market Manager will be responsible for coordinating the development of a single, integrated business plan. This includes integrated plans for appointing services, resource sharing (among the Services and with contractor support), optimization initiatives and DoD/VA sharing opportunities.
 - d. The Senior Market Manager leads a collaborative process to develop a consolidated business plan for the market and to jointly work resource issues. The Senior Market Manager is empowered to make recommendations concerning short-term operational decisions to address unanticipated changes in staffing and/or demand for patient care services. This includes recommendations to temporarily reassign staff within the market. Recommendations agreed upon by the MTF Commanders may be implemented locally. Disputes between MTFs in a multi-service market will be adjudicated through the chains of command of the involved Services and in accordance with the dispute resolution process outlined in Section V.

Table 1: Multiple Service Market Areas/ Senior Market Managers

Multiple Service Market Areas			
Region	Market	Service	Senior Market Manager
North	National Capital Area	Army	Walter Reed Army Medical Center
North	Tidewater, VA	Navy	Portsmouth Naval Medical Center
North	Ft Bragg/Pope AFB, NC	Army	Womack Army Medical Center
South	Naval Hospital Charleston/ Charleston AFB, SC	Navy	Naval Hospital Charleston
South	Ft Jackson/Shaw AFB, SC	Army	Moncrief Army Hospital
South	Mississippi Delta	Air Force	Keesler USAF Medical Center
South	San Antonio, TX	Air Force	Wilford Hall Medical Center
West	Colorado Springs, CO	Air Force	USAF Academy Hospital
West	San Diego, CA	Navy	San Diego Naval Medical Center
West	Puget Sound, WA	Army	Madigan Army Medical Center
West	Hawaii	Army	Tripler Army Medical Center
West	Anchorage, Alaska	Air Force	Elmendorf AFB Hospital
West	Fairbanks, Alaska	Army	Bassett Army Community Hospital

2. *Service Responsibilities.* The Surgeons General will approve business plans for their individual MTFs and for the multiple service markets designated as their responsibility. The Services are also responsible for resourcing MTFs in accordance with the approved business plan.

3. *MTF Commander Responsibilities.* The Services will determine the size, resources, organizational alignment and staffing to accomplish MTF market management functions at the MTFs and for those MTFs who are Senior Market Managers. The MTF Commander is responsible for the following activities:

- a. Develop and submit the business plan for the market.
- b. Develop and implement joint programs in multiple service market areas.
- c. Identify and develop sharing initiatives with the Veterans Health Administration
- d. Manage the care of all MTF Prime enrollees under Revised Financing.

e. Support and participate in regional activities as requested, assign Point(s) of Contact for the managed care contractor within the market, and develop Memorandums of Understanding with the managed care contractor as required in the contracts.

IV. Business Planning

1. The business planning process is the key element for the integration of the direct care system with purchased care. Annual business plans, developed by MTF Commanders and multi-service market managers, will be integrated into regional business plans by the Regional Directors and will serve as the cornerstone of TRICARE health plan management. The objective for the business planning process is to achieve optimal utilization of the DHP resources and provide management accountability at every level of the MHS.
2. A fundamental principle of the business planning and operational monitoring process is that the Regional Directors, Services and TMA will conduct operations with complete financial and workload visibility. Progress will be monitored based on pre-established performance goals.
3. The business planning process will:
 - a. Document the accountability and responsibility for the scope of care provided by each MTF.
 - b. Account for staffing and funding, and establish productivity and financial objectives with TMA.
 - c. Establish the direct care system capability and capacity with analysis of market demands and opportunities. Opportunities that require investment capital, optimization funding, or requirements to meet critical medical needs will be identified in the business plan.
4. All Service designated MTFs will develop a business plan. For outpatient MTFs there are two options:
 - a. A stand alone business plan;
 - b. The facility may be incorporated into the business plan of a parent MTF.
5. The MTF Commander is responsible and accountable for the delivery of the TRICARE health benefit to the population enrolled to the MTF. Additionally, the MTF Commander will include in the business plan the provision of care to selected beneficiaries to maintain readiness skills and clinical competency, and to maximize utilization of the facility after the needs of TRICARE Prime enrollees have been met.
6. Revised financing provides the MTF Commander with the incentives to closely manage total health care utilization and cost for their enrollees. MTFs in the United States will operate under revised financing rules, with funds identified for non-active duty purchased care and for active duty supplemental care costs.

V. Policy, Business Planning and Problem Resolution Process

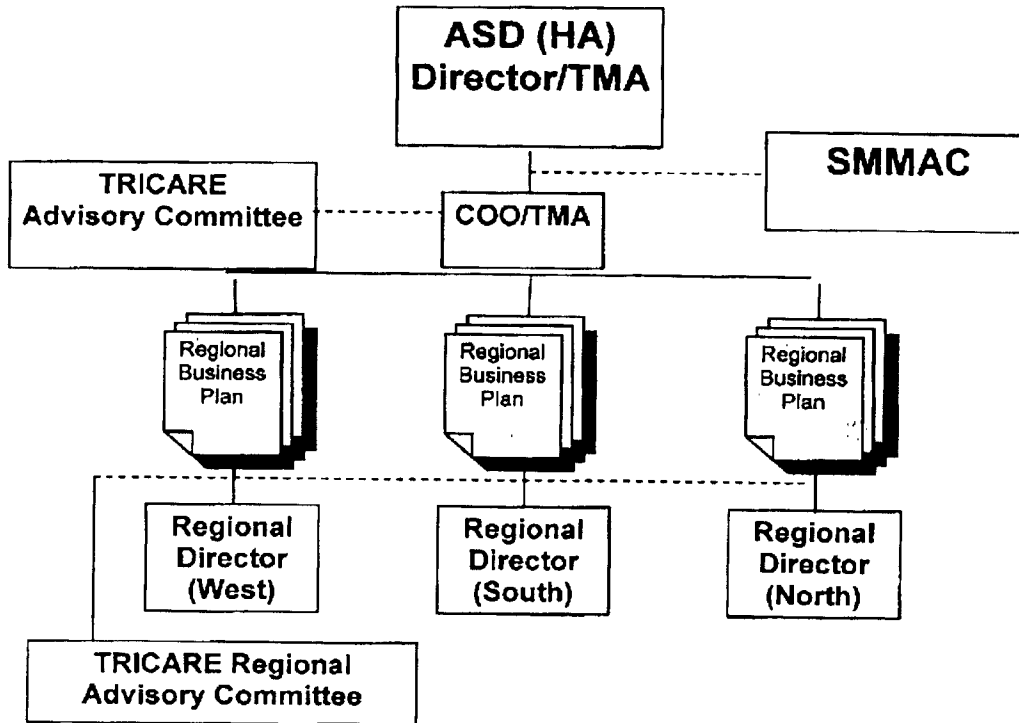
1. *Business Plan Approval and Execution.* During the development and execution of the regional business plan the Regional Director will directly communicate and coordinate with MTF Commanders and, if necessary, with the Services to reconcile any concerns. The goal is to mutually agree if the plan as submitted by the Services needs to be changed. Assuming consensus, the consolidated plan will be reviewed and approved by the TAC. Issues concerning the business plan that cannot be resolved between the Regional Director and the Services will be referred to the COO to work with the Deputy Surgeons General for resolution.

2. *TRICARE Regional Advisory Committee (TRAC).* The TRAC will review the annual regional business plans and periodically assess the regional business plan's performance. The TRAC will serve as a forum to identify and resolve regional issues prior to bringing them to the attention of the TRICARE Advisory Committee (TAC) or COO. The membership will include: the Regional Director, the representative MTF Commanders and/or Intermediate Commands/Services and the Managed Care Support Contractor. The SMMAC will review the composition of the regional TRACs periodically to ensure uniformity of Service representation.

3. *TRICARE Advisory Committee (TAC).* The TRICARE Advisory Committee (TAC) will be chaired by the TMA, COO with membership to include the TMA Chief Medical Officer, TMA Chief Financial Officer, TMA Chief Information Officer, and the three Deputy Surgeons General. The TAC will approve and periodically evaluate the regional health plans. The TAC also is available to identify and resolve issues prior to bringing them to the attention of the TMA Director.

4. Regional business plan issues that are not resolved by the TAC will be presented for review by the Senior Military Medical Advisory Council (SMMAC) and resolution by the ASD(HA) in his role as program manager for all medical resources.

Chart 4



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Department of Defense DIRECTIVE

31 May 2001
NUMBER 5136.12

DA&M

SUBJECT: TRICARE Management Activity (TMA)

- References:
- (a) Title 10, United States Code
 - (b) DoD Directive 5136.11, "Defense Medical Programs Activity," October 26, 1992 (hereby canceled)
 - (c) DoD Directive 5105.46, "TRICARE Support Office," July 31, 1997 (hereby canceled)
 - (d) DoD Directive 5136.1, "Assistant Secretary of Defense for Health Affairs (ASD(HA))," May 27, 1994
 - (e) through (h), see enclosure 1

1. PURPOSE

Pursuant to the authority vested in the Secretary of Defense under reference (a) establishes TRICARE Management Activity (TMA) with the mission, organization, responsibilities, functions, relationships, and authorities as described herein. The TMA replaces the Defense Medical Programs Activity (reference (b)), and the TRICARE Support Office (TSO) (reference (c)), which are hereby disestablished. All references in DoD Directive 5136.1 (reference (d)) or any other DoD issuance (except the Defense Federal Acquisition Regulation Supplement (DFARS)) (reference (e)) to active functions or authorities of the "Office of CHAMPUS" or "OCHAMPUS" shall be understood to be references to functions and authorities of the TMA (successor to TSO, which was previously known as the Office of CHAMPUS). All references in the DFARS to active functions or authorities of the "Office of CHAMPUS" shall be understood to be references to the functions and authorities of the TMA Directorate of Acquisition Management and Support.

2. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as "the DoD Components"). This Directive also applies to the Coast Guard when it is not operating as a Military Service in the Navy, the Commissioned Corps of the Public Health Service, and the National Oceanic and Atmospheric Administration under agreements with the Departments of Transportation and Health and Human Services.

3. DEFINITIONS

Terms used in this Directive are defined in enclosure 2.

4. MISSION

The mission of the TMA is to:

- 4.1. Manage TRICARE;
- 4.2. Manage and execute the Defense Health Program (DHP) Appropriation and the DoD Unified Medical Program; and
- 4.3. Support the Uniformed Services in implementation of the TRICARE Program and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

5. ORGANIZATION

The TMA is hereby established as a DoD Field Activity of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) and shall operate under the authority, direction, and control of the Assistant Secretary of Defense for Health Affairs (ASD(HA)). It shall consist of:

- 5.1. A Director appointed by and reporting to the ASD(HA).
- 5.2. The Directorate of Acquisition Management and Support (AM&S), which shall operate as the primary contracting activity in support of the TMA mission.
- 5.3. Such additional subordinate organizational elements as are established by the Director, TMA, within authorized resources.

6. RESPONSIBILITIES AND FUNCTIONS

6.1. The Assistant Secretary of Defense for Health Affairs, under the Under Secretary of Defense for Personnel and Readiness, in accordance with DoD Directive 5136.1 (reference (d)), shall:

6.1.1. Execute the Department's medical mission, which is to provide, and to maintain readiness to provide, medical services and support to members of the Armed Forces during military operations, and to provide medical services and support to members of the Armed Forces, their dependents, and others entitled to DoD medical care.

6.1.2. Exercise authority, direction, and control over all DoD medical and dental personnel, facilities, programs, funding, and other resources within the Department of Defense.

6.2. The Director, TMA, under the authority, direction, and control of the ASD(HA), shall:

6.2.1. Organize, direct, and manage the TMA and all assigned resources.

6.2.2. Manage the execution of policy issued by the ASD(HA), pursuant to reference (d), in the administration of all DoD medical and dental programs authorized by reference (a). Issue program direction for the execution of policy within the MHS to the Surgeons General of the Army, Navy, and Air Force. When issued to the Military Departments, program direction shall be transmitted through the Secretaries of those Departments.

6.2.3. Serve as the program manager for TRICARE health and medical resources, supervising and administering TRICARE programs, funding, and other resources within the Department of Defense. The Director, however, may not direct a change in the structure of the chain of command within a Military Department with respect to medical personnel and may not direct a change in the structure of the chain of command with respect to medical personnel assigned to that command.

6.2.4. Prepare and submit, together with and pursuant to policy guidance of the ASD(HA) and with Service input, for the Department's planning, programming, and budgeting system (PPBS), the DoD Unified Medical Program and budget to provide resources for all health and medical activities within the Department of Defense. Support the ASD(HA)'s presentation and justification of the DoD Unified Medical Program and budget throughout the PPBS process, including representations before the Congress.

6.2.5. Manage and execute the DHP and DoD Unified Medical Program accounts, including Military Department execution of allocated funds, in accordance with instructions issued by the ASD(HA), fiscal guidance issued by the Under Secretary of Defense (Comptroller), and applicable law.

6.2.6. Exercise oversight, management, and program direction of information management/information technology systems and programs as necessary to manage TRICARE and support the ASD(HA) in administration of all medical and dental programs authorized by reference (a).

6.2.7. Develop such technical guidance, regulations, and instructions as required to manage TRICARE and to support the ASD(HA) in administration of all medical and dental programs authorized by reference (a).

6.2.8. Support the conduct of studies and research activities in the healthcare area to assist the ASD(HA), and others, as necessary, in support of their responsibilities and to support the management and implementation of health policies for the MHS issued by the ASD(HA).

6.2.9. Contract for managed care support, dental support, other health programs, claims processing services, studies and research support, supplies, equipment, and other services necessary to carry out the TRICARE and support the MHS.

6.2.10. Collect, maintain, and analyze data appropriate for the preparation of budgets, fiscal planning, and as otherwise needed to carry out TRICARE.

6.2.11. Provide beneficiary and customer support and information services.

6.2.12. Exercise oversight and program direction over each TRICARE Regional Office (TRO), to include defining the roles, functions, and responsibilities of the Lead Agents, to ensure consistent implementation and management of MHS policies and the uniform health benefit.

6.2.13. Issue, through the head of the contracting activity (HCA), administrative contracting officer warrants, as the HCA deems appropriate, to TRO staff pursuant to a memorandum of agreement entered into between the HCA and each TRO Lead Agent for administration of TRICARE contracts

6.2.14. Provide comments and recommendations to the appropriate official in the evaluation and rating of each TRO Lead Agent, consistent with applicable Service regulations.

6.2.15. Perform such other functions as the ASD(HA) may prescribe.

6.3. The Secretaries of the Military Departments shall:

6.3.1. Establish and staff a TRO for geographical areas designated by the ASD(HA). The TRO shall be provided the authority and staff necessary to ensure consistent implementation and management of MHS policies and the uniform health benefit within the geographical area.

6.3.1.1. The TRO shall be headed by a Lead Agent (a senior military officer) who shall be the focal point for health services within the geographical region with responsibility for development and execution of an integrated plan for the delivery of health care. While the Lead Agent shall be under the operational control of, and be responsible to, his/her respective Military Department, the Lead Agent shall be subject to the oversight and program direction of the TMA Director in the implementation and management of MHS policies and the uniform health benefit.

6.3.1.2. A Lead Agent Director, operating under the authority, direction, and control of the TRO Lead Agent, shall manage the TRO. The Lead Agent Director shall be responsible, in collaboration with Military Treatment Facility commanders, for development and execution of an integrated plan for the delivery of health care within the geographical region. Selection and appointment of each TRO Lead Agent Director shall be made in coordination with and approval of the Director, TMA.

6.3.2. Provide, on a reimbursable basis, such facilities, physical security, logistics, and administrative support as required for effective TMA operations. Reimbursements for inter-service support and services shall be made in accordance with DoD Instruction 4000.19 and DoD Directive 1400.16 (references (f) and (g)).

6.4. The Director, Defense Legal Services Agency, shall provide legal advice and services for the TMA.

7. RELATIONSHIPS

7.1. The Director, TMA, shall:

7.1.1. Ensure that the DoD Components are kept fully informed concerning TMA activities with which they have collateral or related functions.

7.1.2. Use established facilities and services of the Department of Defense and other Federal Agencies, whenever practicable, to avoid duplication and to achieve an appropriate balance of modernization, efficiency, and economy of operations.

7.1.3. Maintain appropriate liaison, consultation and coordination with other governmental and non-governmental agencies, as required, to exchange information and advice on programs in the fields of assigned responsibility.

7.1.4. Work collaboratively with the Military Departments, through the Surgeons General, to ensure an integrated and standardized TRICARE health care delivery system.

7.2. The Heads of DoD Components shall coordinate with the Director, TMA, as appropriate, on matters relating to TMA operations, functions, and responsibilities.

8. AUTHORITIES

8.1. The Director, TMA, is specifically delegated authority to:

8.1.1. Obtain from other DoD Components, consistent with the policies and criteria of the DoD Directive 8910.1 (reference (h)), information, advice, and assistance necessary to carry out TMA programs and activities.

8.1.2. Communicate directly with appropriate representatives of the DoD Components, other Executive Departments and Agencies, and members of the public, as appropriate, on matters related to TMA programs and activities. Communications to the Commanders of the Combatant Commands shall be transmitted by the ASD(HA), through the Chairman of the Joint Chiefs of Staff.

8.1.3. Exercise oversight and management of Executive Agents designated to perform TRICARE activities. Exercise oversight, program direction, and funding execution of Executive Agents designated to perform activities related to TRICARE activities.

8.1.4. Exercise the administrative authorities contained in enclosure 3.


9. ADMINISTRATION

9.1. The Secretaries of the Military Departments shall assign military personnel to the TMA in accordance with approved authorizations and established procedures for assignment to joint duty.

9.2. Administrative support for Headquarters, TMA and the TMA field elements may be provided by the DoD Components through interservice support agreements in accordance with DoD Instruction 4000.19 and DoD Directive 1400.16 (references (f) and (g)).

10. EFFECTIVE DATE

This Directive is effective immediately.



Paul Wolfowitz
Deputy Secretary of Defense

Enclosures – 3

- E1. Reference, continued
- E2. Definitions
- E3. Delegations of Authority

E1. ENCLOSURE 1

REFERENCES, continued

- (e) Defense Federal Acquisition Regulation Supplement (current edition)
- (f) DoD Instruction 4000.19, "Interservice and Intergovernmental Support," August 9, 1995
- (g) DoD Directive 1400.16, "Inter-departmental Civilian Personnel Administration Support," October 30, 1970
- (h) DoD Directive 8910.1, "Management and Control of Information Requirements," June 11, 1993
- (i) Title 32, Code of Federal Regulations, Part 199, "Civilian Health and Medical Programs of the Uniformed Services (CHAMPUS)"

E2. ENCLOSURE 2

DEFINITIONS

E2.1.1. Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). The DoD civilian sector health care program operated under the authority of 32 CFR part 199 (reference (i)).

E2.1.2. TRICARE. The DoD medical and dental programs operating pursuant to chapter 55 of 10 U.S.C. (reference (a)), under which medical and dental services are provided to DoD health care beneficiaries. (The term "TRICARE" includes all activities described in the definition of the term "TRICARE Program" at 10 U.S.C. 1072(7) (reference (a))).

E2.1.3. Armed Forces. The Army, Navy, Air Force, Marine Corps, and Coast Guard.

E2.1.4. Uniformed Services. Includes the Armed Forces, the Commissioned Corps of the National Oceanic and Atmospheric Administration, and the Commissioned Corps of the Public Health Service.

E2.1.5. DoD Military Health System (MHS). The DoD medical and dental programs, personnel, facilities, and other assets operating pursuant to chapter 55 of 10 U.S.C. (reference (a)), by which the Department of Defense provides:

E2.1.5.1. Health care services and support to the Armed Forces during military operations, and

E2.1.5.2. Health care services and support under TRICARE to members of the Armed Forces, their family members, and others entitled to DoD medical care.

E2.1.6. Defense Health Program (DHP) Appropriation. A single appropriation consisting of operation and maintenance and other procurement funds designed to finance the non-military personnel requirements of the MHS.

E2.1.7. DoD Unified Medical Program. A combination of the DHP appropriation, the medical military construction appropriation, and the military personnel funds to reimburse the military personnel appropriations of the three Military Departments for military personnel supporting the MHS.

E2.1.8. TRICARE Regional Office (TRO). The office charged with ensuring consistent implementation and management of MHS policies and the uniform health benefit within a geographical area designated by the ASD(HA).

E2.1.9. Director, TMA. The official appointed by, and reporting to, the ASD(HA), with responsibilities, functions, and authorities set forth in this Charter. The term "Director" includes any other recognized organizational title, such as "Executive Director."

E3. ENCLOSURE 3

DELEGATIONS OF AUTHORITY

E3.1.1. Pursuant to the authority vested in the Secretary of Defense, and subject to the authority, direction, and control of the Secretary of Defense, the USD(P&R), the ASD(HA), and in accordance with DoD policies, Directives, and Instructions, the Director, TMA, or in the absence of the Director, the person acting for the Director, is delegated authority as required in the administration and operation of the TMA to:

E3.1.1.1. Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b), 3101, 4103, 4302, and 5107 on the employment, direction, and general administration of TMA civilian personnel.

E3.1.1.2. Fix rates of pay of wage-rate employees exempted from the Classification Act of 1949 by 5 U.S.C. 5102 on the basis of rates established under the Federal Wage System. In fixing such rates, the Director, TMA, shall follow the wage schedule established by the DoD Wage Fixing Authority.

E3.1.1.3. Administer oaths of office to those entering the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with 5 U.S.C. 2903, and designate in writing, as may be necessary, officers and employees of the TMA to perform this function.

E3.1.1.4. Establish a TMA Incentive Awards Board, and pay cash awards to, and incur necessary expenses for, the honorary recognition of civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect the TMA, in accordance with 5 U.S.C. 4503, Office of Personnel Management (OPM) regulations, and DoD 1400.25-M, Chapter 400, Subchapter 451.

E3.1.1.5. Maintain an official seal and attest to the authenticity of official TMA records under that seal.

E3.1.1.6. Establish advisory committees and employ temporary or intermittent experts or consultants, as approved by the Secretary of Defense, for the performance of TMA functions consistent with 10 U.S.C. 173; 5 U.S.C. 3109(b); and DoD Directive 5105.4.

E3.1.1.7. In accordance with Executive Order 10450, "Security Requirements for Government Employment," April 27, 1953; Executive Order 12333, "United States Intelligence Activities," December 4, 1981; and Executive Order 12968, "Access to Classified Information," August 4, 1995; and DoD Directive 5200.2, as appropriate:

E3.1.1.7.1. Designate any position in the TMA as a "sensitive" position.

E3.1.1.7.2. Authorize, in case of emergency, the appointment of a person to a

sensitive position in the TMA for a limited period of time and for whom a full field investigation or other appropriate investigation, including National Agency Check, has not been completed.

E3.1.1.7.3. Initiate personnel security investigations and, if necessary, in the interest of national security, suspend a security clearance for personnel assigned, detailed to, or employed by the TMA. Any action under this paragraph shall be taken in accordance with procedures prescribed in DoD 5200.2-R.

E3.1.1.8. Act as the agent for the collection and payment of employment taxes imposed by Chapter 21 of the Internal Revenue Code of 1954, as amended; and, as such agent, make all determinations and certifications required or provided for under the Internal Revenue Code of 1954, as amended (26 U.S.C. 3122), and the "Social Security Act," as amended (42 U.S.C. 405(p)(1) and 405(p)(2)), with respect to TMA employees.

E3.1.1.9. Authorize and approve:

E3.1.1.9.1. Temporary duty travel for military personnel assigned or detailed to the TMA in accordance with Joint Federal Travel Regulations, Volume 1.

E3.1.1.9.2. Travel for TMA civilian personnel in accordance with Joint Travel Regulations, Volume 2.

E3.1.1.9.3. Invitational travel to non-DoD personnel whose consultative, advisory, or other highly specialized technical services are required in a capacity that is directly related to, or in connection with, TMA activities, in accordance with Joint Travel Regulations, Volume 2.

E3.1.1.9.4. Overtime work for TMA civilian personnel in accordance with 5 U.S.C. Chapter 55, Subchapter V, and applicable OPM regulations.

E3.1.1.10. Approve the expenditure of funds available for travel by military personnel assigned or detailed to the TMA for expenses incident to attendance at meetings of technical, scientific, professional, or other similar organizations in such instances when the approval of the Secretary of Defense, or designee, is required by 37 U.S.C. 412, and 5 U.S.C. 4110 and 4111.

E3.1.1.11. Develop, establish, and maintain an active and continuing Records Management Program, pursuant to 44 U.S.C. 3102 and DoD Directive 5015.2.

E3.1.1.12. Utilize the Government Purchase Card for making micro-purchases of material and services, other than personal services, for the TMA, when it is determined more advantageous and consistent with the best interests of the Government.

E3.1.1.13. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals, as required for the effective administration and operation of the TMA, consistent with 44 U.S.C. 3702.

E3.1.1.14. Establish and maintain, for the functions assigned, an appropriate publications

system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD 5025.1-M.

E3.1.1.15. Enter into support and service agreements with the Military Departments, other DoD Components, or other Government Agencies, as required, for the effective performance of TMA functions and responsibilities.

E3.1.1.16. Enter into and administer contracts, through the TMA Directorate of Acquisition Management and Support or through a Military Department, a DoD contract administration services component, or other Federal Agency, as appropriate, for supplies, equipment, and services required to accomplish the mission of the TMA. The Director, AM&S, shall be the head of the contracting activity. To the extent that any law or Executive Order specifically limits the exercise of such authority to persons at the Secretarial level of the Department, such authority shall be exercised by the appropriate Under Secretary or Assistant Secretary of Defense.

E3.1.1.17. Establish and maintain appropriate property accounts for the TMA and appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for TMA property contained in the authorized property accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

E3.1.1.18. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, TMA, pursuant to DoD Directive 5200.8.

E3.1.1.19. Lease property under the control of the TMA, under terms that will promote the national defense or that will be in the public interest, pursuant to 10 U.S.C. 2667.

E3.1.1.20. Exercise the authority delegated to the Secretary of Defense by the Administrator of the General Services Administration for the disposal of surplus personal property.

E3.1.2. The Director, TMA, may redelegate these authorities as appropriate, with the approval of the ASD (HA) and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.