[Categorical Listing] [Numerical Listing]

This policy is clarified by HA Policies 97-046 and 98-031

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

NOV 23 1994

MEMORANDUM FOR: ASSISTANT SECRETARY OF THE ARMY (M&RA)
ASSISTANT SECRETARY OF THE NAVY (M&RA)
ASSISTANT SECRETARY OF THE AIR FORCE (MRAI&E)

SUBJECT: Utilization Management (UM) Activities in the Direct Care System under TRICARE

The establishment of regional health delivery systems moves DoD further in the development of a single standard of care for all military beneficiaries, regardless of setting. Key to our continued progress toward a "seamless" system of care will be standard utilization management practices, applicable to both care that is purchased and care that is produced in the direct care system. Consistency in decision making about when and where care should occur ensures uniformity of benefit and provides a sound basis for comparing utilization patterns across military treatment facilities, among regions and against national norms. TRICARE utilization management processes are patient focused, ensuring delivery of necessary and appropriate care at the most effective level without jeopardizing quality or access. Utilization management activities and information are essential elements in overall development and incorporation of total quality improvement activities within military medicine. Additionally, the Department's medical budget assumes major accomplishments in utilization management in order to hold our annual rate of growth to levels below the national norm.

The UM plan at Attachment 1 calls for a system which includes prospective review, concurrent review, discharge planning, case management, and retrospective review. Retrospective review activities are especially important, as they provide both validation of review decisions and evaluation of overall trends in utilization. Information acquired through retrospective review will help focus total quality improvement and move military medicine further in the development of best clinical practices.

In March, 1993, I directed that CHAMPUS and the direct care system use InterQual criteria for medical/surgical reviews. Criteria developed by Health Management Strategies International, Inc. (HMS) for our CHAMPUS national mental health UM program will be used for review of mental care in military treatment facilities. Although these criteria sets were purchased commercial products, I expect that, with experience in their application, Lead Agents will identify and recommend areas which need improvement or expansion.

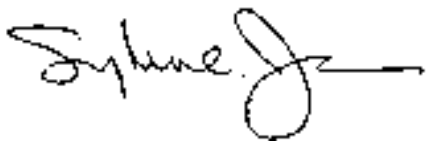
The attached policy excludes use of licensed practical nurses (LPNs) and accredited records technicians (ARTs) to conduct first level reviews. While this policy will remain in effect for the time being, I have directed my staff to evaluate the feasibility of expanding the range of individuals allowed to perform this function, both in the managed care support contracts and the direct care system.

Attachment 2 illustrates the similarity in MCS contract and direct care system processes for reviewing proposed treatment. As in the MCS contracts, determinations to deny care in MTFs may be appealed by beneficiaries and providers at all decision points in the review process. In accordance with statute and regulation, final decisions regarding purchased care rest with OCHAMPUS. Final authority for care delivered within the direct care system rests with MTF commanders.

Generally, requested treatment or services which do not meet the test of medical necessity and appropriateness will be denied. I recognize there are concerns regarding admission of active duty patients not meeting InterQual criteria. Lead Agents should work towards development of appropriate criteria for these special circumstances. As stated in the attached policy document, rationale used by MTF commanders in deciding to override a reconsidered denial determination should be fully documented in each case.

Program policies outlined in the attached UM plan have been developed in coordination with Service Surgeons General. As DoD policy, they apply to all military hospitals and clinics and will be implemented in accordance with roles and functions specified by the Lead Agent.

Lead Agents should carefully review existing regional programs and capacity and develop a plan for implementation of the attached requirements. Particular consideration should be given to determining whether or not the requirements can be met by military commanders or should be contracted functions. All regional utilization management plans should be submitted to Health Affairs for review and approval no later than March 1, 1995. My point of contact for this effort is CAPT Deborah Kamin, NC, USN who may be reached at telephone (703) 697-8975.



Stephen C. Joseph, M.D., M.P.H.

HA POLICY 94-005

Attachments:
As stated

[Top]

Last update: 6/16/1999