Military Health System Support Initiatives

TRICARE REGIONAL OFFICES

MILITARY HEALTH SYSTEM SUPPORT INITIATIVES PROGRAM GUIDELINES
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Introduction

The Military Health System Support Initiative (MHSSI) was established to increase direct care market share, provide direct care services more efficiently, and recapture purchased care. The MHSSI program is based on a 24-month return on investment (ROI) and does not contain a yearly fund cap. Under the MHSSI program, the TRICARE Management Activity (TMA) Chief Financial Officer will authorize funds via the Funds Authorization Document (FAD) to support these initiatives. In accordance with the Managed Care Support Contract requirements the Managed Care Support Contractor (MCSC) shall assist the Regional Director and Military Treatment Facility (MTF) Commanders in operating an integrated health care delivery system, by combining resources of the Military’s direct medical system and the contractor’s managed care support to provide health, medical, and administrative support services to eligible beneficiaries. Additionally, the MCSC, in partnership with the Military Health System (MHS), shall optimize the delivery of health care services in the direct care system. The MHSSI program has incorporated the assistance of the MCSC to achieve these goals and contract requirements.
MHSSI Program Process

The MHSSI program is designed to identify and capitalize on opportunities for more efficient utilization of Federal health care resources through joint collaboration amongst the TRICARE Regional Offices (TROs), MCSCs, Multiservice Market Managers, and Department of Defense (DoD) MTFs.

These new initiatives are performance driven; therefore, the MTF should develop and demonstrate an initiative that has a strong likelihood of achieving a positive return on investment (ROI) within a 24-month period. If analysis shows that a proposed initiative will take longer than the 24-month positive ROI expectation, the submitting organization should consider other initiatives. It is to the advantage of all stakeholders to explore opportunities to reduce the overall target health care expenses.

The goals of this program are to improve access to care in the MTF, enhance education and training programs by broadening the patient case mix within the MTF, and reduce the overall cost of health care for the MHS and its beneficiaries. These initiatives are to reduce Private Sector Care cost, and shall not be used to replace deployed personnel. Dollars expended on operational commitments are to be Overseas Contingency Operations (OCO) supported, funded, and tracked through the Service. As health care for Medicare-eligible beneficiaries is not covered under the Defense Health Program (DHP) appropriation, this population and their projected workload should not be included within the MHSSI Business Case Tool (BCT) for consideration of approval and funding under this program.

Direct Contracting and Clinical Support Agreements (CSAs) are the authorized methods for procuring services under the MHSSI program. The MTF shall recommend to their Services supporting Contracting Office (CO) the contracting method that they believe is most advantageous to the government in acquiring the contracted clinical personnel. The MTF will ensure that they or their supporting CO conducts appropriate market research on the viability of acquiring the requested clinical personnel. MTFs are not authorized to hire term or permanent civilians under the MHSSI program. If Direct Contracting is chosen as the primary contracting vehicle, acquisition services may be obtained through the MTF local or regional contracting office. If approved, the MTFs must follow their parent Service’s contracting guidelines. If a CSA is chosen as the primary contract vehicle and the MTF if still under TNEX, follow CSA Program guidelines in accordance with Chapter 16 of the TRICARE Operations Manual, 2002. If the MTF is under T-3, they will follow Chapter 15 of the TRICARE Operations Manual, 2008 and the T-3 CSA Guidance, as the process has changed under T-3. Whether using either a direct Service supported contract or a CSA through the Managed Care Support contract, the MTF has a maximum of 180 calendar days from contract award to have the clinical personnel supporting the MHSSI accepted, credentialed and employed at the MTF. Failure to acquire requisite contract personnel by this timeframe may jeopardize TMA funding to
support this approved MHSSI. Please note if using a CSA, the MCSC must meet the TOM requirements of providing qualified clinical support staff to the MTF for consideration 60 days after contract award or 90 days after contract award to provide qualified independent practitioners to the MTF for consideration. The only exemption to these timelines is if different timelines are annotated in the CSA Statement of Work/Performance Work Statement that all parties have agreed to. Through the MHSSI program, MTFs may procure clinical and clinical support personnel, supplies/materials associated with provider encounters, equipment purchases and facility modifications. Equipment purchases must cost less than $250,000. Facility modifications cannot exceed the O&M limit. In order to streamline the contracting process, a draft Statement of Work (SOW) will be in place at the MTF and the preliminary coordination at the MTF’s supporting Contracting Office (responsible for the SOW’s development) has been initiated prior to submission of MHSSIs to the Services and TROs.

The MTFs have the opportunity to research and determine what health care services are required for their enrolled population and/or catchment area. This process involves analysis of MTF capacity, workload recapture based on a complete 24-month period to include projected enhanced work and enhanced practice expense relative value units (eRVUs), Medicare severity relative weighted products (MS-RWPs), cost data, and program management through a standardized business case analysis tool. Once the MHSSI Business Case Tool (BCT) is updated for FY2012, workload recapture will be based on provider aggregate RVUs vice eRVUs.

The MHSSI sponsors are responsible for financing initiatives by using their Service’s authorized purchased care (BAG2) funding, which is then converted to direct care (BAG1) funds for MTF use (refer to page 7 for further information). Each TRO will provide a summary report of approved MHSSIs to the TMA/Office Chief Financial Officer (OCFO)/Program Budget and Execution (PB&E), which identifies the total anticipated cost, estimated annual savings and projected ROI.

A MHSSI should positively impact operational performance specifically relating to cost avoidance and recapturing purchased care. When submitting an initiative, the following program objectives will be evaluated:

- Increase direct care market share.
- Improve operational efficiency of the MHS.
- Monitor initiatives to ensure resources are aligned to the most cost effective projects.
- Provide direct care services more efficiently.
- Reduce purchased health care costs.

In addition to the research and analysis of what health care services are required for the MTF’s enrolled population and/or catchment area, the MTF will also have to determine if
desired health care personnel are available in their area, or are able to relocations if outside their area, prior to MHSSI submission. Personnel availability is an important factor that must be addressed up front when determining if a MHSSI is executable. This information will be reported in the Executive Summary within the MHSSI BCT.

The MHSSIs will be monitored to minimize the risk of failure. **Only current-year operations and maintenance (O&M) funds can be used for each year of an approved MHSSI.** The MTF Commanders, with assistance from their Service, the Senior Market Managers, the TROs, and MCSCs, can initiate MHSSIs.

**MHS Support Initiative**

MHSSIs from the MTFs must be reviewed and approved by the respective Service(s) and/or delegated Service intermediary prior to submission to the TROs to ensure they meet the following screening criteria:

- Completed Executive Summary
- Positive ROI within 24 months of start-up.

The completed Executive Summary must include personnel availability and an explanation of how the MTF plans on funding the initiative after the 2-year MHSSI funding has concluded [Unfunded Requirements (UFR) or through the Services’ PPS mechanism].

The positive ROI criterion will be assessed through the use of the standard Business Case Tool (BCT) provided to support this program. The tool outputs will report whether the MHSSI produces a positive ROI within 24 months based on a range of sensitivity analyses, i.e., at a minimum the “best-case/worst-case,” scenario. The project must reflect a positive ROI in at least the “best-case” scenario in order to be considered for approval. Only those MHSSIs meeting the above screening criteria will receive further consideration by the TROs.

Access to the BCT will be through your TRO MHSSI Program point of contact (POC) or it may be acquired from the TRICARE Regional Office South website. To request training, please contact your TRO MHSSI POC.

**Submitting MHSSIs**

MHSSIs will be submitted to the TROs on a 12-month rolling submission via e-mail to the TRO MHSSI Program POC. MHSSIs submitted to the TROs for approval during the last fiscal quarter (July-Sept) will be recommended for approval and funding in the following fiscal year (FY) (exceptions may be permissible with Service approval
provided the MHSSI funds can be obligated/awarded on a contract in the same FY the funds are provided).

North Region: Ms. Julie Taylor, (703) 588–1809, Juliette.Taylor@tma.osd.mil
West Region: Mr. James Williams, (619) 236–5337, James.Williams@trow.tma.osd.mil
South Region: Mr. John Felicio, (210) 292–3286, John.Felicio@tros.tma.osd.mil

MHSSIs will be documented in the BCT. Each MHSSI submission will include:

- Description, background, POC name, phone number and e-mail address.
- Goals and Objectives.
- Explanation of how workload numbers were calculated (i.e. specific provider specialty, CPTs, enrollment status) in the comment boxes. MHS Management Analysis and Reporting Tool (M2) screenshots, if used.
- Expected Performance with plan of how performance will be measured using centralized MHS data sources (i.e., M2).
- Funding requirement.

In addition to the M2, an authoritative source for workload for project development is the "Recapture, Realignment, and Referral - Interactive Data Set (RRR-IADS)".

The RRR-IADS provides information by Product Line for each DMIS ID for eRVUs, MS-RWPs and Occupied Bed Days (OBD). Detail is provided by targeted beneficiary groups based on economic importance and ability to influence location of care. Additional information contained in the data set includes trends and Diagnosis Related Group (DRG) level information. The data set is specifically designed to help identify Recapture projects and allows for the analyst to set parameters in the recapture algorithms. The RRR-IADS is produced quarterly by TMA’s Defense Health – Cost Assessment and Program Evaluation division. The central point of contact for the data set and its use is:

TMA: Mr. Todd Gibson, (703) 681-2896 x 8759, Todd.Gibson@tma.osd.mil
Approval of MHSSIs

The TRO evaluators will accept initiatives meeting the following submission criteria:

- The BCT is complete and contains data from the following approved MHS corporate data systems:
  - M2.
    - M2 reports to support initiative may be requested by the TRO as necessary.
    - All data submitted must be sourced within the MHSSI BCT tool notes section including provider/support salary source and specific criteria/conditions used for input into BCT (M2 screenshot).
  - Projected Eligible Population (PEP).
  - Expense Assignment System IV/Medical Expense and Performance Reporting System Marginal Cost data for variable costs (EASIV/MEPRS).
    - Sponsor assumptions arereasonable and supported.
  - RRR-IADS.
  - MCSC Data System.
    - Reports from MCSC data system may be requested by the TRO to support initiative as necessary.
    - All data submitted must be sourced within the MHSSI BCT tool notes section including provider/support salary source and specific criteria/conditions used for input into BCT (MCSC data system screenshot).

Data must be reproducible by reviewing authorities. Therefore screenshots of report queries must also be submitted with the MHSSI. MCSCs can assist in the development of MHSSI BCTs. However, not all reviewing authorities have access to the MCSC data systems. It is therefore suggested that one of the approved MHS systems be used to verify any information populated by the MCSC and that those screenshots be included with the MHSSI.

- The BCT inputs are processed through evaluator’s BCT and produce outputs that meet the following screening criteria:
MHSSIs passing screening criteria will be considered for approval. MHSSIs received will be prioritized by the submission date and evaluated based on the Executive Summary and the ROI. If the initiative is not approved, the TROs will provide the sponsor with the rationale on how the initiative was evaluated and reasons why the disapproval occurred.

Approval of the MHSSIs will ultimately be assessed within the BCT. The 24-month positive ROI criterion will be considered through the use of sensitivity analysis as determined in the BCT. The savings of each initiative, positive ROI, implementation risk, and detailed Executive Summary will be the determining factor for approval.

The TROs will prepare a list of all initiatives that include the following information: Initiative name; most-likely 24-month ROI; expected costs and savings (which factors into the projected PPS funding). The TROs will notify Services, and sponsors of approved MHSSIs. Each TRO will maintain a list of approved MHSSIs, as described above and forward MHSSI list to TMA/PB&E for funding.

The TROs will notify the Services and sponsors of approved MHSSIs as the list is updated.

**Exhibit 2: TRO MHSSI Approval Process**

![TRO MHSSI Approval Process Diagram]

**Funding Distribution for Approved MHSSIs**

Step 1: Prior to the start of each fiscal year, and as the MHSSIs are approved, the TROs will provide a summary report of approved MHSSIs to PB&E, which identifies the total anticipated cost, projected ROI and estimated annual savings of each project.

Step 2: TROs will request funding from PB&E for the amount required to be reprogrammed from BAG 2 to BAG 1 based on TRO-approved MHSSIs.
The source of funding will be the portion of funds sent to the TMA-Aurora Contract Resource Management (CRM) on behalf of the respective Service as established during the PSC Requirements Build. Congressional restrictions or limitations shall apply to all reprogramming requests. Services need to ensure sufficient funds reside at CRM throughout the fiscal year in order to pay purchased care invoices (TEDs).

Step 3: PB&E will initiate the reprogramming and send 12 months of funding to the appropriate Service/MTF via a Funds Authorization Document (FAD).

Step 4: The TROs will collect monthly performance data on all the MHSSIs from the Services. The TROs will submit a quarterly report to TMA / PB&E.

Step 5: If the TRO determines that a positive (or trending toward positive) ROI is being achieved and the MTF intends to continue the project, a second year of funding will be provided (total funding shall not exceed a 24-month period of performance). Upon completion of the first day of the 25th month, the project is considered self-sustaining (through the PPS), and the Service/MTF should ensure anticipated future workload generated under the project is reflected in their business plan to be further resourced under the PPS methodology. At this point, the project drops out of the MHSSI program.

Step 6: MTFs will be placed on “probation” if they fail to award contracts supporting their MHSSIs within 4 months after receipt of MHSSI funds or fail to have their MHSSI operational within 6 months after contract award. While on “probation”, no new MTF MHSSI requests will be considered by the TRO for the remainder of the current FY and the following FY. “Probation” may be waived by the TRO if mitigating or extenuating circumstances exist. The TRO will consult with the respective Service before placing an MTF on “probation”. If the MHSSI has not achieved or is not trending towards a positive ROI by the 12th month, or has not started delivering healthcare 6 months after contract award, the initiative will be recommended for termination.

Note: Operation and Maintenance (O&M) funds are the only resources available to support the MHSSI program. Projects which require Other Procurement (OP), Research, Development, Test & Evaluation (RDT&E), or Military Construction (MILCON) funds will not be approved. Please refer to DoD Financial Management Regulation, Volume 2A, Sec 0102 Funding Policies, to review the differences between expense and investment costs to determine the appropriate funds required for your projects.

**Funding Procedures for CSAs Once T3 Is Implemented**

1. For MTFs that prefer to acquire their MHSSI clinical personnel through a CSA, they will have to follow new procedures once the managed care support contracts (T3) are implemented. These procedures are detailed in the Clinical Support Requirements Guide for Military Treatment Facilities (hereinafter referred to as the CSA Guide).
2. As noted in the CSA Guide, a Funding Identification Document (Attachment 3 of the CSA Guide) has to be completed by the MTF and signed by the Service RM POC prior to TMA PB&E submission. MTFs must provide detail in the PURPOSE box (cell B7) by describing the MHSSSI initiative being funded (who, what, where, why, and how the requested funds will support; please see sample on page 11). Initial funding will be prorated from the date of approval to the end of the fiscal year. This is due to changes in the CSA process under T3. CSAs will be modifications to the MCS contracts, thus aligned to the MCS contract's option years. The remainder of the initial 12 month funding will be provided in the next fiscal year. Please refer to the Clinical Support Requirements Guide for Military Treatment Facilities for details.

3. Funds will be forwarded from PB&E to CRM.

**MHSSSI Monitoring Process**

The MHSSSI sponsors will complete the BCT monitoring sheets and forward them to their respective Service for review on a monthly basis. The Service will then forward the BCT monitoring sheets to the respective TROs each month. The TROs will continue to consider and evaluate the MHSSSI submissions. The TROs will collect and analyze data on a monthly basis and evaluate each initiative’s performance for continuation on a quarterly basis based on the following criteria:

- Success of the MHSSSI initiation and obligation of funds.
- The MHSSSIs actual performance versus expected performance.
- Unanticipated impacts of the MHSSSI – either desired or undesired.
- Risk mitigation plan and strategy.

Negative deviations from performance thresholds caused by factors beyond the MHSSSI sponsor’s control must be explained as part of their quarterly performance monitoring submissions along with ameliorating plans. This includes MHSSSIs that are not getting contracts awarded in a timely fashion. TROs will contact the Services regarding these award-delayed MHSSSIs so the Services can assist resolving the contracting issues at the source. Remember MTFs will be placed on “probation” if they fail to award contracts supporting their MHSSSIs within 4 months after receipt of MHSSSI funds or fail to have their MHSSSI operational within 6 months after contract award. Inability to successfully implement a risk management plan or otherwise obtain the forecasted results can be grounds for phase-out and termination of the MHSSSI. Furthermore, MHSSSIs unable to start healthcare delivery 6 months after contract award will be recommended for termination. The MHSSSIs performing at a positive ROI, but lower level than expected, may be continued by the TRO as considered prudent. The TRO will report to TMA/PB&E quarterly, based on the status of all MHSSSIs. PB&E will distribute the consolidated quarterly MHSSSI report to the Services. The TRO will provide advanced notice to the MHSSSI sponsors of all MHSSSIs identified for termination. Using their own
funds, MTFs have the option to continue initiatives that have been terminated by TMA from the MHSSI program. Exhibit 3, below, depicts the MHSSI monitoring process.

Exhibit 3: MHSSI Monitoring Process

MHSSI Summary of Out-Year Funding

Based on the MHSSI approval criterion of positive ROI within 24 months, all MHSSIs should be self-funded through the MTF Business Plan by the PPS commencing on the start of the 25th month. Once approved, it is the responsibility of the MTF to update their business plan as appropriate. The TROs shall provide a summary report of approved MHSSIs to PB&E, which identifies the total anticipated cost, projected ROI and potential PSC savings. This report should be submitted prior to the start of each fiscal year and as MHSSIs are approved.
MHSSI Approval Process: Flow Chart

1. MHSSI Submitted by MTF to Service
   - Service level/intermediary review and approval
     - Yes: TRO Evaluates MHSSI Submissions
     - No: Service level/intermediary notifies MTF of disapproval

2. TRO Evaluates MHSSI Submissions
   - Yes: MHSSI Approved
     - Yes: Notify TMA PB&E of Approved MHSSI Projects to Authorize Funds
     - No: TRO Notifies MTF/Service of Disapproval
   - No: TRO Notifies MTF/Service of Disapproval

3. MHSSI Approved
   - Yes: Implement MHSSI Project
   - No: Notify TMA PB&E of Approved MHSSI Projects to Authorize Funds

4. Implement MHSSI Project
   - Monitoring Begins
## SAMPLE FUNDING IDENTIFICATION DOCUMENT

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<td>Purpose</td>
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<td>Amount ($K)</td>
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<td>Recipient POC, Phone and Email Address</td>
<td>Dawn Connor, 303-676-3620</td>
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### CHOOSE ONE OF THE FOLLOWING:

- **Department of Defense, 2009 (P.L. 110-329) contains FY 2009 President's Budget and Additional Congressional Special Interest (CSI) funds**
  - N
- **Defense Supplemental Appropriations for FY 2008, Title IX (P.L. 110-252) contains remaining FY 2008 GWOT Bridge funds and Additional Supplemental funds**
  - N
- **Defense Supplemental Appropriations for FY 2009, Title IX (P.L. 111-32) contains remaining FY 2009 OCO funds and Additional Supplemental for RDT&E and Procurement**
  - N
- **Department of Defense, 2008 (P.L. 110-116) contains FY 2008 President's Budget and Additional Congressional Special Interest (CSI) funds**
  - N
- **Consolidated Appropriations Act, 2008, Division L, Title V (P.L.110-161) contains FY 2008 GWOT Bridge funds**
  - N
- **U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28), Title III, Chapter 3 contains the FY 2007/2008 DHP TBI/PH funds**
  - N

### Note:
1. All yellowed cells, except for the ones corresponding to Purpose and Amount, are drop down boxes. Please select from the provided choices.
2. Last six boxes require Yes (Y) or No (N) response