MEMORANDUM OF UNDERSTANDING
between the
DEPARTMENT OF DEFENSE (HEALTH AFFAIRS)
and the
DEPARTMENT OF HEALTH AND HUMAN SERVICES
and the
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
COMMISSIONED CORPS

Concerning U.S. Public Health Service Commissioned Corps and National Oceanic and Atmospheric Administration Commissioned Corps Participation in TRICARE

I. Purpose - To document the broad understanding between the Department of Defense, the Department of Health and Human Services (HHS) on behalf of the Commissioned Corps of the Public Health Service (PHS) and of the National Oceanic and Atmospheric Administration (NOAA) Commissioned Corps regarding participation in TRICARE, the DoD medical program for the Military Health System (MHS). This document affirms the strong commitment of each Department to ensure that all TRICARE-eligible beneficiaries have access to high quality, cost-effective health care. This document will also describe the resulting reimbursement mechanisms.

II. Authority - Title 10 U.S.C. 1073(a) gives the Secretary of HHS the responsibility for administering the health program for members of the NOAA Commissioned Corps and of the PHS Commissioned Corps (hereinafter collectively referred to as "the Corps"). Title 10 U.S.C. 1074(a) and (b), 1076(a) and (b), 1079(a) and 1086(c) provide authority for which people are able to participate in the DoD/TRICARE system. Title 10 U.S.C. 1085 provides authority for and the method of reimbursement to the DoD.

III. Background

A. PHS and NOAA Active Duty Corps Members. In accordance with 10 U.S.C. 1074(a), active duty Corps members are entitled to all of the benefits and services of the MHS, and they have the same access to referrals and comprehensive patient care in DoD facilities as DoD active duty members.

B. Family Members of Active Duty Corps Members. In accordance with 10 U.S.C. 1076(a) and 1079(a), family members of the PHS and NOAA active duty Corps members are eligible for all the benefits and services of the MHS and have the same access to TRICARE services as family members of DoD active duty members. PHS and NOAA are responsible for ensuring that family members of active duty Corps members are provided with information regarding their health care options under TRICARE and will encourage them to enroll in TRICARE Prime or TRICARE Prime Remote where it is available. The TRICARE Management Activity (TMA) / Office of Communications and Customer Service will assist the PHS and NOAA with marketing TRICARE to all eligible PHS and NOAA beneficiaries.

C. Retired Corps members, their family members and survivors. In accordance with 10 U.S.C. 1074(b), 10 U.S.C. 1076(b), and 10 U.S.C. 1086(c), Corps retirees, their family members, and survivors are eligible for all the benefits and services of the MHS and have the same access to TRICARE services as DoD retirees, their dependents, and survivors. PHS and NOAA are responsible for ensuring that retired Corps members, their family members and survivors of active duty and retired PHS and NOAA Corps members are provided with information regarding their health care options under TRICARE. The TRICARE Management Activity (TMA) / Office of Communications and Customer Service will assist the PHS and NOAA with marketing TRICARE to all eligible PHS and NOAA beneficiaries.

IV. Policy / Disputes Working Group. A joint DoD/ HHS/NOAA working group will be established to address:

A. changes in TRICARE policy and the impact of any such changes on beneficiaries; and

B. disputes between the DoD and HHS and/or NOAA regarding the implementation of this agreement.

The working group will meet regularly, with advance notice of meetings and agenda items to be given to all parties so that each agency can have the appropriate personnel present.

V. TRICARE/ PHS/NOAA Interface.

A. The Medical Affairs Branch (MAB) of the Office of Commissioned Corps Support Services (OCCSS) in the Program Support Center of HHS will be the central point of contact for the operational TRICARE interface. The Office of Commissioned Corps Force Management (OCCFM) will be consulted in all future discussions regarding the impact of policy changes or modifications to the TRICARE plan. Points of contact have been identified in OCCFM to work with Assistant Secretary of Defense (Health Affairs) (ASD (HA)) and TRICARE Management Activity (TMA) staff members on broad TRICARE Policy Issues. MAB has been delegated the responsibility for coordinating the participation of PHS Corps beneficiaries in the DoD TRICARE Program for HHS. MAB is responsible for PHS participation in all DoD Health Service Regions (HSRs), including Alaska, the Pacific, Asia and Europe.

B. HHS personnel detailed to NMAO will be the central point of contact for the operational TRICARE interface. NMAO will be consulted in all future discussions regarding the impact of policy changes or modification to the TRICARE Program. Points of contact have been identified in NOAA to work with the OASD/TRICARE Management Activity (TMA) staff members on broad TRICARE policy issues. HHS personnel detailed to NMAO Health Services are delegated the responsibility for coordinating the participation of NOAA Corps beneficiaries directly with the DoD TRICARE Program. HHS personnel detailed to NMAO Health Services are responsible for NOAA participation in all DoD Health Service Regions (HSRs), including Alaska, the

Pacific, Asia, and Europe. NOAA will directly reimburse the DoD for NOAA beneficiaries.

VI. Financial. Title 10 U.S.C. 1085 provides that when the medical activities of one Executive Department provide medical care to members or former members and beneficiaries of another Executive Department, the Executive Department whose members receive the care shall reimburse the other for the care provided at rates established by the President to reflect the average cost of providing the care. These rates are known as the interagency reimbursement rates and are updated annually by TMA and published by the DoD Chief Financial Officer.

VII. Care Rendered in a DoD Military Treatment Facility (MTF).
For care provided in a DoD MTF to all PHS and NOAA active duty and other beneficiaries the PHS and NOAA shall reimburse the DoD at the interagency reimbursement rates published by the DoD Chief Financial Officer. PHS and NOAA active duty and other beneficiaries are not to be disproportionately referred to outside care by MTF providers. Active duty PHS and NOAA members are entitled to all of the benefits and services of the MHS, and they have the same access to referrals and comprehensive patient care at DoD facilities as DoD active duty members. Active duty PHS and NOAA members are TRICARE Prime enrollees. DoD will bill PHS and NOAA separately.

A. For the Army, MTF bills for PHS and NOAA active duty and other beneficiaries will be forwarded monthly to their DoD Service Headquarters (MEDCOM) for verification prior to submission to the PHS and NOAA for payment.

B. For the Navy, MTF bills for PHS and NOAA active duty and other beneficiaries will be forwarded monthly to the Service Headquarters (BUMED). Each month, BUMED will combine PHS bills into one voucher and submit it to PHS for payment. Each month, BUMED will combine NOAA bills into another voucher and submit it to NOAA for payment.

C. Air Force MTF bills for PHS and NOAA active duty and other beneficiaries will be forwarded to the PHS and NOAA on a monthly basis by individual MTFs, and the PHS and NOAA will directly reimburse the Air Force MTFs responsible for the services.

D. Direct Care Billing procedures. Detailed data, including diagnosis related groups or outpatient visits, by facility and by beneficiary group (i.e. active duty, active duty dependent, retiree, etc.) to support the monthly bills, will be mailed or transmitted by the Army and Navy to the PHS and NOAA quarterly for audit purposes. The Air Force will submit this data with their billing to PHS and NOAA on a monthly basis. DoD, PHS, and NOAA recognize the need for timely billings and will make every reasonable effort to ensure that billings are submitted within 90 days after care is provided. The PHS and NOAA will reimburse DoD for bills within 45 days of receipt of a bill for collection.

E. Third Party Payer. Under 10 U.S.C. 1095, a third party payer has an obligation to pay the uniformed services the reasonable cost of health care services provided to covered beneficiaries. The obligation to pay is to the extent that the beneficiary would be eligible to receive reimbursement from the third party. A DoD MTF that provides care will bill the third party payer and be responsible for any utilization reviews required by the insurer. If the amount collected from the insurer is less than the interagency reimbursement rate, the PHS or NOAA will be responsible for reimbursing DoD for the difference. If the amount collected from the insurer is greater than or equal to the interagency reimbursement rate, the PHS or NOAA has no further obligation. At no time will PHS or NOAA be billed for care when the total amount collected from the third party is equal to or greater than the amount that would be charged at the interagency reimbursement rate.

VIII. Purchased Care (None of this section applies for care payable under the Medicare Eligible Retiree Health Care Fund which is billed by TMA directly to that fund.)

A. PHS and NOAA will reimburse the TMA/Contract Resource Management (CRM) office for health care services (and any associated administrative costs) rendered for PHS and NOAA members and beneficiaries enrolled to a contractor network or not enrolled in Prime. In addition PHS and NOAA will reimburse CRM for all mail order and retail pharmacy services as well as associated direct administrative costs for PHS and NOAA members and beneficiaries.

B. For direct contractor administrative charges (e.g. claim rate amounts) and all health care services provided to PHS and NOAA members or beneficiaries who are enrolled to a contractor network or who are not enrolled in Prime and for which the providers are paid by a TMA managed care support contractor, CRM will provide monthly billed amounts by the 15th of each month for the prior month's charges via the Web at https://tma-purchasedcare.ha.osd.mil. A similar posting will be provided for mail order and pharmacy billings. After posting the billings, CRM will process collection from the PHS and NOAA through the Treasury Intragovernmental Payment and Collection (IPAC) system. This billing will include both health care and contractor administrative charges.

C. For health care services provided to PHS and NOAA members and beneficiaries who are enrolled to an MTF and for which the providers are paid by a TMA managed care support contractor, CRM will bill the PHS or NOAA using the same billing processes listed in section VIII B above. Data on such billings can be found at the Web site listed above.

D. For TMA managed care support contractor administrative charges not directly tied to the payment of a health care claim (e.g., per member per month amounts, service center amounts, change order amounts, target fee, etc.), CRM will add to the monthly IPAC amounts the calculated amount for that contract based on the

prior fiscal year percentage of health care which was attributable to PHS and NOAA members and beneficiaries by contractor geographic region.

E. TRICARE Dental Program. PHS and NOAA will fully reimburse CRM for participation of PHS and NOAA members and beneficiaries in this program through the IPAC system on a monthly basis.

F. Uniformed Services Family Health Program (USFHP) (aka, "Designated Providers"). The PHS and NOAA will be billed by CRM for all their members and beneficiaries participating in this program and will reimburse CRM through the IPAC system on a monthly basis.

G. For any added or new health care programs which are created and operated separately by TMA in which PHS and NOAA members and beneficiaries participate, CRM will bill PHS and NOAA for both services provided and associated administrative charges on a monthly basis. CRM will collect those billings through IPAC.

H. TMA Direct Operational Overhead Costs. PHS and NOAA will be billed by CRM on a bimonthly basis for a portion of the TMA operational costs including support services provide by TMA contractors other than those providing dental, health care, and pharmaceutical services. The amount is calculated by taking the base amount from Fiscal Year 1998 inflated at three percent per year. For FY 2005 the amounts will be $199,296 for PHS and $14,232 for NOAA.

I. TMA CRM will consolidate all the above listed items into single monthly IPAC collections for PHS and NOAA, respectively, with detail provided as noted in the separate categories above.

IX. Term and Modification.

A. This agreement will go into effect immediately following approval by signature of all parties.

B. This agreement will remain in effect for five years unless terminated sooner. Any party may terminate its participation in this agreement by providing written notice to the other parties at least 90 days in advance of the date of termination. If either PHS or NOAA terminates their participation in the TRICARE Program, this agreement will remain in effect for the remaining parties.

C This document may be amended by mutual agreement at any time.

X. Addresses and Points of Contact.

The address for submission of PHS bills for reimbursement and questions regarding outstanding bills is:

Medical Affairs Branch/Office of Commissioned Corps Support Services (OCCSS)
ATTN: Interagency Billing
5600 Fishers Lane, Room 4C-04
Rockville, MD 20857
Telephone 800-368-2777, option 2

Questions for PHS regarding policy and policy changes may be addressed to:

Director, Program Evaluation and Oversight Division, OCCFM
1101 Wooten Parkway
Tower Building, Suite 100
Rockville, MD 20852
Telephone 240-453-6089

The address for submission of NOAA bills for reimbursement and questions regarding outstanding bills as well as questions regarding policy changes is:

Director, Office of Health Services
NOAA Marine and Aviation Operations
1315 East-West Highway, Room #12726
Silver Spring, MD 20910
Telephone 800-662-2267

Questions regarding Army billings may be addressed to Deputy Chief of Staff for Resource Management, U.S. Army Medical Command at (210) 221-7129.

Questions regarding Navy billings may be addressed to Director, Accounting Division (Code 14), Bureau of Medicine and Surgery at (202) 762-3571.

Questions regarding Air Force billings may be addressed to Chief, Financial Management, Office of the Surgeon General at (202) 767-5058.

APPROVED:

Department of Defense:

Brigadier General Elder Granger
Deputy Director, TRICARE Management Activity

Date: 4/13/06

Department of Health and Human Services:

Admiral John O. Agwunobi
Assistant Secretary for Health

Date: 03/20/06

Department of Commerce:

Rear Admiral Samuel P. De Bow, Jr, NOAA
Director, Marine and Aviation Operations and NOAA Commissioned Corps

Date: March 6, 2006