



HEALTH AFFAIRS

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-1200

MAY 01 1996

MEMORANDUM FOR LEAD AGENTS

THROUGH: SURGEON GENERAL OF THE ARMY
SURGEON GENERAL OF THE NAVY
SURGEON GENERAL OF THE AIR FORCE

SUBJECT: Policy for the Review and Approval of VA Participation Agreements Under TRICARE

Under the June 1995 Memorandum of Understanding (MOU) between DoD and the Department of Veterans Affairs (VA) (attached), any agreement between the VA and a TRICARE regional managed care support contractor is subject to review and approval by DoD or its designated agent. Because of the variety of sharing agreements in place, or anticipated, between individual Military Medical Treatment Facilities (MTFs) and VA Medical Centers (VAMC), I believe it is appropriate for the Lead Agent to undertake the review and approval of these network agreements. I have, therefore, authorized the Lead Agents to review TRICARE/VA agreements and confer DoD approval. The relevant Lead Agent now has the authority to sign the participation agreements as DoD's agent.

In exercising this authority, the Lead Agents must examine the participation agreements closely to ensure that they require the VA's full compliance with the provisions of the MOU and all aspects of the TRICARE program. Generally, the participation agreements must require the VA facilities to conform to the requirements applicable to all other network providers. For example, under the MOU, the VA will be subject to the same utilization management and quality assurance requirements applicable to all network providers. Also, any participation agreement must require the VA to ensure all veterans' non-discretionary benefits and third-party insurance are exhausted before utilizing TRICARE benefits.

VA facilities will be a valuable part of the TRICARE network. Attentive oversight of the integration process will be critical, and I am confident of the Lead Agents' ability to conduct thorough reviews of the TRICARE/VA participation agreements.

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

Attachment:
As stated

HA POLICY 96-042