THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON DC 20301 1200

HEALTH AFFAIRS

AUG 18 2008

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr Chairman

The enclosed report responds to Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 The conferees request the Secretary of Defense to conduct a review of current policies and procedures regarding the delivery of obstetrical care provided to our beneficiaries located in very remote locations outside the United States

We reviewed our current policy of transporting pregnant women to centrally located medical treatment facilities outside the continental United States (OCONUS) or to the United States to give birth When obstetrical treatment is not locally available in remote locations overseas, the beneficiary typically is transported to the nearest appropriate medical facility in which adequate medical care is available Military treatment facilities (MTFs) overseas have developed procedures for obstetrical care Permitting pregnant beneficiaries to receive obstetrical care in the United States rather than at regional OCONUS MTFs may result in loss of capability of these MTFs, endanger the health of a woman and her baby, as well as create hardships for other families who do not have the option of delivering at the local MTF The Department supports Section 713 of the Senate version of the NDAA for FY09 which would authorize the Secretary to pay travel expenses, under certain circumstances, if the beneficiary chooses to receive transportation to the continental United States for obstetrical care at a MTF nearest to the closest port of entry into CONUS

Thank you for your continued support of the Military Health System
You are helpful as we get them off to a good start

Sincerely,
Gratefully
Ward

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable John McCain
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON DC 20301-1200

HEALTH AFFAIRS

AUG 18 2008

The Honorable Ben Nelson
Chairman, Subcommittee on Personnel
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr Chairman

The enclosed report responds to Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 The conferees request the Secretary of Defense to conduct a review of current policies and procedures regarding the delivery of obstetrical care provided to our beneficiaries located in very remote locations outside the United States

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Thank you for your continued support of the Military Health System

Sincerely,

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable Lindsey O Graham
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON DC 20301 1200

HEALTH AFFAIRS

AUG 1 8 2008

The Honorable Ike Skelton
Chairman, Committee on Armed Services
U S House of Representatives
Washington, DC 20515

Dear Mr Chairman

The enclosed report responds to Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 The conferees request the Secretary of Defense to conduct a review of current policies and procedures regarding the delivery of obstetrical care provided to our beneficiaries located in very remote locations outside the United States

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Thank you for your continued support of the Military Health System

Sir, I hope this meets your approval.

Sincerely,

Warm Regards

Ward

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable Duncan Hunter
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON DC 20301 1200

HEALTH AFFAIRS

AUG 18 2008

The Honorable Susan Davis
Chairwoman, Subcommittee on Military Personnel
Committee on Armed Services
U S House of Representatives
Washington, DC 20515

Dear Madam Chairwoman

The enclosed report responds to Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 The conferees request the Secretary of Defense to conduct a review of current policies and procedures regarding the delivery of obstetrical care provided to our beneficiaries located in very remote locations outside the United States

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Thank you for your continued support of the Military Health System

Sincerely,

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable John M McHugh
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON DC 20301 1200

HEALTH AFFAIRS

AUG 18 2008

The Honorable Robert C Byrd
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr Chairman

The enclosed report responds to Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 The conferees request the Secretary of Defense to conduct a review of current policies and procedures regarding the delivery of obstetrical care provided to our beneficiaries located in very remote locations outside the United States

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Sincerely,

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable Thad Cochran
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON DC 20301 1200

HEALTH AFFAIRS

AUG 18 2008

The Honorable Daniel K Inouye
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr Chairman

The enclosed report responds to Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 The conferees request the Secretary of Defense to conduct a review of current policies and procedures regarding the delivery of obstetrical care provided to our beneficiaries located in very remote locations outside the United States

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Thank you for your continued support of the Military Health System

"Recruit the soldier, Re-enlist the spouse!"

Sincerely,

All Best Sir

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable Ted Stevens
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON DC 20301 1200

HEALTH AFFAIRS

AUG 18 2008

The Honorable David R Obey
Chairman, Committee on Appropriations
U S House of Representatives
Washington, DC 20515

Dear Mr Chairman

The enclosed report responds to Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 The conferees request the Secretary of Defense to conduct a review of current policies and procedures regarding the delivery of obstetrical care provided to our beneficiaries located in very remote locations outside the United States

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Thank you for your continued support of the Military Health System

Sincerely,

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable Jerry Lewis
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON DC 20301-1200

HEALTH AFFAIRS

AUG 18 2008

The Honorable John P Murtha
Chairman, Subcommittee on Defense
Committee on Appropriations
U S House of Representatives
Washington, DC 20515

Dear Mr Chairman

The enclosed report responds to Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 The conferees request the Secretary of Defense to conduct a review of current policies and procedures regarding the delivery of obstetrical care provided to our beneficiaries located in very remote locations outside the United States

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Thank you for your continued support of the Military Health System

Sincerely,

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable C W Bill Young
Ranking Member

REPORT TO CONGRESS

REVIEW OF CURRENT POLICIES AND PROCEDURES REGARDING THE DELIVERY OF OBSTETRICAL CARE PROVIDED TO MEDICAL BENEFICIARIES

This report responds to language in Conference Report 110-477 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008, which requires a review of current policies and procedures regarding the delivery of obstetrical care provided to medical beneficiaries located in very remote locations outside the United States.

Under current law, Section 1040 of title 10, United States Code, a military dependent located outside the United States in need of medical treatment not locally available will be furnished transportation to the nearest appropriate medical facility in which adequate medical care is available. For pregnant dependents in Europe, Eurasia, Africa, and the Middle East, this typically means transportation to Germany (Landstuhl Regional Medical Center or Spangdahlem Air Base). Currently spouses, who elect to go to the United States for the birth of their child, must pay for all travel and related expenses.

At present, pregnant dependents assigned to remote overseas locations often travel to Turkey, Japan, or Germany for their deliveries for several weeks before and after the delivery. While there, they often stay at temporary lodging facilities known as "Stork Nests" at minimal cost to the government. Stork nesting means that a woman leaves the local area between 34 to 36 weeks gestation to go to the military treatment facility (MTF) in Landstuhl, Germany, Ankara, Turkey, or Singapore, Japan.

Stork nesting was instituted in 2004 in Europe after obstetrical care in the local area was assessed and determined not to meet United States standards of care. Labor and delivery care in the local area hospitals in Turkey is not recommended. However, there are women who choose to deliver at the local Turkish hospital. Usually these women are Turkish nationals married to an American, Department of Defense (DoD) employees, or women with social circumstances that make it difficult for them to leave the area to stork nest.

Active duty women and women who are dependents of active duty are eligible to stork nest. If these women travel to the United States and deliver in civilian facilities, the government will incur additional expenses. Since active duty family members have no co-payment for obstetrical care, the government will be paying the full TRICARE Maximum Allowable Charges, rather than the marginal cost of care in a MTF. The

government would also be paying for 90 days or more of lodging and per diem in the continental United States (CONUS) rather than 20-30 days lodging and per diem at a regional MTF outside the continental United States (OCONUS).

Stork nesting assures that an adequate number of patients will be seen in and around the MTFs at all locations. It is vital that the Department is able to retain medical staff with obstetric skill sets overseas. Obstetrical anesthesia, maternal-fetal medicine specialists, neonatologists, and neonatal intensive care units (NICUs) are available at the overseas MTFs. These services are also generally available at the "nearest appropriate host nation medical facility" in which adequate medical care is available OCONUS, to which many active duty family members assigned to remote overseas locations are currently referred.

During FY 2007, 299 pregnant dependents received stork nesting obstetrical treatment at MTFs overseas. Of these women, approximately 15 chose to return home to deliver. We believe that this is a fairly good estimate of the number of pregnant dependents who might take advantage of a benefit if made available to pregnant dependents of Service members stationed OCONUS to choose transportation to CONUS for obstetrical care. Three women delivered locally in Adana, Turkey, and 281 stork nested. Of those 281 who stork nested, 45 women delivered in Germany and 9 women chose to deliver at Ankara, Turkey. The remaining 227 patients delivered within the 31st Medical Detachment Group catchment area in Aviano, Moron, and Ghedi, in Europe. The 12 month total cost for stork nesting in Germany from March 2007 until February 2008 was $286,231. The average cost per delivery was $9,674. The 12-month total cost for stork nesting in Turkey for March 2007 to February 2008 was $45,330. The average cost per delivery was $6,466.

Under the TRICARE Global Remote Overseas (TGRO) benefit, a referral can be made by the contractor to send the "high risk" pregnant dependent stateside where the "nearest appropriate medical facility" is a host nation facility, and travel to CONUS is less onerous to the patient. The current TGRO contractor provides the recommendations as to whether a beneficiary should be treated CONUS or OCONUS. If the TGRO contractor determines the care in country is acceptable, the pregnant dependent is advised to deliver in the host nation facility. If the woman is located in a more medically austere area or the pregnancy is considered to be high risk, then she is advised to move to an area considered capable, whether this is another host nation facility or back to a MTF.

If there is an immediate urgent/emergent medical condition, the woman would be moved by the TGRO contractor to the nearest appropriate medical facility capable of providing adequate care. In this case, all medical costs and travel to the initial destination would be funded under TGRO. If and when the patient becomes an outpatient at this location, the sponsor's Service-specific organization responsible for funding provides support for the patient and any attendant to include return travel. If the woman is traveling to a location deemed to be more appropriate for obstetrical care, but there is no

urgent/emergent care required, funding is the responsibility of the Service-specific funding agency.

When the pregnant dependent decides to deliver in the United States, she then assumes the responsibility to arrange and fund all travel and other costs. She is often advised to seek commercial flight, but the arrangements are hers to make and fund. The need to return to the United States to receive obstetrical care is not reasonable in terms of family support and overall costs, especially if the pregnant dependent will not be required to reside at the delivery site for a significant period of time prior to the anticipated delivery date. In addition, the nature of remote assignment for many sponsors precludes them from traveling with and staying with the pregnant dependent for extended periods of time.

A pregnant dependent, who opts to deliver CONUS and remains stateside for a period greater than 60 days, would be advised to disenroll from TGRO, and subsequently decide whether to enroll in TRICARE Prime (if TRICARE Prime is available in that location) or use TRICARE Standard. A dependent who neglects to disenroll will be subject to significant point-of-service deductibles and cost shares for routine obstetrical care.

Each MTF has developed procedures for obstetrical care and child birthing in their areas, as each Service is different depending on the size of the MTF, the local economy, and their established networks. In Europe, for example, Naval Hospital (NH) Naples has Obstetrical/Gynecological physicians who manage all routine pregnancies and some high-risk cases depending on the individual's needs. The beneficiaries are not routinely offered medical evacuation to the United States. Multigestational pregnancies may choose between the local providers or Landstuhl Regional Medical Center (LRMC) for their prenatal care. The NH Naples has the capability to deliver multiple births after 36 weeks of gestation. They have six rooms available for stork nesting. Obstetrical cases that cannot be managed at NH Naples are sent to LRMC before any consideration is given to medical evacuation to the United States.

Permitting active duty family members to receive their obstetrical care anywhere in CONUS rather that at regional OCONUS facilities will result in MTFs losing staffing capability for Obstetrics Departments and NICUs. Once staffing declines, capability to care for both routine and high risk obstetric cases diminishes, and patients must be sent to other facilities. This can endanger the health of a woman and her baby, and create hardship for other families who no longer have the option of delivering at the local MTF.

The Department supports Section 713 of the Senate version of the NDAA for FY 09 which would authorize the Secretary to pay travel expenses, under certain circumstances, if the beneficiary chooses to receive transportation to the continental United States for obstetrical care at a MTF nearest to the closest port of entry into

CONUS. This would allow us to determine the medical necessity for referring dependents CONUS and to monitor spending trends for obstetrical care.