

Tuesday, January 3, 1995 (60 FR 82). The proposed regulations define self-dealing by private foundations.

FOR FURTHER INFORMATION CONTACT: Terri Harris or Paul Accettura at (202) 622-6070 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The proposed regulations that are the subject of this correction are under section 4941 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking contains a typographical error that is in need of correction.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking that is the subject of FR Doc. 94-31666, is corrected as follows:

On page 83, column 2, § 53.4941(d)-2, paragraph (f)(3)(ii), line 11, the language "pursuant to this paragraph (f)(3)(ii)." is corrected to read "pursuant to this paragraph (f)(3).".

Cynthia E. Grigsby,

Chief, Regulations Unit, Assistant Chief Counsel (Corporate).

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DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 199

RIN 0720-AA21

[DoD 6010.8-R]

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); TRICARE Program; Uniform HMO Benefit; Special Health Care Delivery Programs

AGENCY: Office of the Secretary, DoD.

ACTION: Proposed rule.

SUMMARY: This proposed rule establishes requirements and procedures for implementation of the TRICARE Program, the purpose of which is to move toward a comprehensive managed health care delivery system in military medical treatment facilities and CHAMPUS. Principal components of the proposed rule include: establishment of a comprehensive enrollment system; creation of a triple option benefit, including a Uniform HMO Benefit required by law; a series of initiatives to coordinate care between military and

civilian delivery systems, including Resource Sharing Agreements, Health Care Finders, PRIMUS and NAVCARE Clinics, and new prescription pharmacy services; and a consolidated schedule of charges, incorporating steps to reduce differences in charges between military and civilian services. This proposed rule also includes provisions expanding use of nonavailability statement authorities to require use of designated civilian network providers for inpatient hospital care, establishing a special civilian provider program authority for active duty dependents overseas, and implementing revisions to the Managed Care Program of the former Public Health Service hospitals that now function as Uniformed Services Treatment Facilities. The TRICARE Program is a major reform of the Military Health Services System that will improve services to beneficiaries and help sustain the system during this period of significant budgetary limitations.

DATES: Written comments must be received on or before April 10, 1995.

ADDRESSES: Office of the Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS), Office of Program Development, Aurora, CO 80045-6900.

FOR FURTHER INFORMATION CONTACT: Steve Lillie, Office of the Assistant Secretary of Defense (Health Affairs), telephone (703) 695-3350.

Questions regarding payment of specific claims under the CHAMPUS allowable charge method should be addressed to the appropriate CHAMPUS contractor.

SUPPLEMENTARY INFORMATION:

I. Overview of the TRICARE Program

The medical mission of the Department of Defense is to provide, and maintain readiness to provide, medical services and support to the armed forces during military operations, and to provide medical services and support to members of the armed forces, their family members, and others entitled to DoD medical care.

Under the current Military Health Services System (MHSS), CHAMPUS-eligible beneficiaries may receive care in the direct care system (that is, care provided in military hospitals or clinics) or seek care from civilian health care providers; the government shares in the cost of such civilian care under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), or for some beneficiaries, the Medicare program. The substantial majority of care for military beneficiaries is provided within catchment areas of

inpatient military treatment facilities (MTFs), a catchment area being roughly defined as the area within a 40-mile radius around an MTF.

Recently DoD has embarked on a new program, called TRICARE, which will improve the quality, cost, and accessibility of services for its beneficiaries. Because of the size and complexity of the military health services system, TRICARE is being phased over a period of several years. The principal mechanisms for the implementation of TRICARE are the designation of the commanders of selected military medical centers as Lead Agents for 12 TRICARE regions across the country, operational enhancements to the Military Health Services System, and the procurement of managed care support contracts for the provision of civilian health care services in those regions.

Sound management of the MHSS requires a great degree of coordination between the direct care system and CHAMPUS-funded civilian care, which, unfortunately, has not always been present. The TRICARE Program recognizes that "step one" of any process aimed at improving management is to identify the beneficiaries for whom the health program is responsible. Indeed, the dominant feature in some private sector health plans, enrollment of beneficiaries in their respective health care plans, is an essential element. This proposed rule moves toward establishment of a basic structure of health care enrollment for the MHSS. Under this structure, all health care beneficiaries become enrolled in TRICARE and classified into one of five enrollment categories:

1. Active duty members, all of whom are automatically enrolled in TRICARE Prime, an HMO-type option;
2. TRICARE Prime enrollees, who (except for active duty members) must be CHAMPUS eligible;
3. TRICARE Standard enrollees, which covers all CHAMPUS-eligible beneficiaries who do not enroll in TRICARE Prime or another managed care program affiliated with TRICARE;
4. Medicare-eligible beneficiaries, who, although not eligible for TRICARE Prime, may participate in many features of TRICARE; and
5. Participants in other managed care programs affiliated with TRICARE.

The second major feature of the TRICARE Program will be the establishment of a triple option benefit. CHAMPUS-eligible beneficiaries will be offered three options: They may enroll to receive health care in an HMO-type program called "TRICARE Prime;" they may use the civilian preferred provider