



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

APR 23 2004

HEALTH AFFAIRS

MEMORANDUM FOR SURGEON GENERAL OF THE ARMY
SURGEON GENERAL OF THE NAVY
SURGEON GENERAL OF THE AIR FORCE

SUBJECT: Request for Military Health System's Military Treatment Facility Level
Business Financial Plans

As we transition to the new TRICARE contracts we must plan for the expansion of Revised Financing and the implementation of the Prospective Payment System. A critical step in this transition is to be able to accurately project the health care workload and demand in our military treatment facilities (MTF). This assessment will allow us to forecast more accurately MTF and purchased care health care requirements, coordinate care in multi-service markets, place accountability for care at the MTF, explain deviations from those forecasts and begin to base budgets on health care outputs.

I request each Service submit their respective MTFs Financial Operating Plans to Health Budgets and Financial Policy (HB&FP) no later than May 15, 2004 in an Excel format that will be distributed electronically to you. An example is attached. Additionally, plans from those MTFs that belong to one of the Multiple-Service Markets (MSM) will be merged by the MSM leadership to provide a coordinated plan and submitted no later than June 15, 2004. These Business Financial Plans ask for forecasts of enrollment, demand, workload, manpower, and selected performance measures for fiscal years 2005-2007. By measuring and projecting future year performance in this manner, we will be better able to measure the overall Military Health System's (MHS) performance and to identify trends to gauge whether MHS improvements were realized.

Measuring and projecting future year performance is critical to assess the overall Military Health System's (MHS) performance and to identify trends to gauge whether MHS improvements were realized. For additional information, please contact Dr. Bob Opsut or Major Jerry Cook, Office of the Deputy Assistant Secretary of Defense (HB&FP) at (703) 681-1724 or by email at bob.opsut@ha.osd.mil or jerry.cook@ha.osd.mil.

Nelson M. Ford

Deputy Assistant Secretary of Defense
Health Budgets and Financial Policy

Attachment:
As stated