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The Honorable J. Dennis Hastert
Speaker
U. S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

As required by 38 U.S.C. §8111(f), we are pleased to submit the enclosed report for Fiscal Year 2001 regarding the implementation of the health resources sharing portion of the Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act.

Also enclosed is an estimate of cost to prepare this report as required by Title 38, Chapter 1, Section 116.

Sincerely yours,


Anthony J. Principi
Secretary of Veterans Affairs


Donald H. Rumsfeld
Secretary of Defense

Enclosures

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THE DEPARTMENT OF VETERANS AFFAIRS
AND
THE DEPARTMENT OF DEFENSE

REPORT ON HEALTH CARE RESOURCE SHARING FOR FISCAL YEAR 2001

"The Department of Veterans Affairs (VA) and the Department of Defense (DoD) Health Resources Sharing and Emergency Operations Act," at 38 U.S.C. 8111(f), requires the Secretary of Veterans Affairs and the Secretary of Defense to submit a joint report to Congress on the implementation of that portion of the law dealing with sharing of health care resources between the two Departments. The following information is submitted for the period October 1, 2000, through September 30, 2001.

VA/DoD SHARING GUIDELINES

VA and DoD promulgated joint guidelines for the promotion of sharing of health care resources between the Departments in 1983. A copy of the 1983 Memorandum of Understanding (MOU) which established the basic guidelines is included at Appendix A.

II. ASSESSMENT OF SHARING OPPORTUNITIES

A. VA/DoD Executive Council

In 1997 the Assistant Secretary of Defense (Health Affairs) and the Under Secretary for Health at the Department of Veterans Affairs formed the VA/DoD Executive Council (Executive Council) to establish a high-level program of interagency cooperation and coordination in a joint effort to reduce costs and improve health care for veterans, active duty military personnel, retirees, and dependents. The VA/DoD Executive Council membership consists of senior DoD and Veterans Health Administration (VHA) health care executives. The VHA membership is comprised of the Under Secretary for Health as co-chair, the Deputy Under Secretary for Health, the Assistant Deputy Under Secretary for Health, and VHA Chief Officers. The DoD membership includes the Assistant Secretary of Defense (Health Affairs) as co-chair, Executive Director of the TRICARE Management Activity, all Deputy Assistant Secretaries for Health Affairs, and the Military Service Surgeons General. The VA/DoD Executive Council currently meets every other month.

The Executive Council, which was reinvigorated in FY 2001 through initiation of increased accountability and leadership oversight, has established work groups to focus on specific policy areas. These work groups have achieved significant success in improving interagency cooperation in areas such as information management/information technology, pharmacy, medical-surgical supplies, patient safety, and clinical practice guidelines. The co-chairs of the work groups meet in the intervening month between the VA/DoD Executive Council meetings. The following is a summary of the current work groups and task force under the VA/DoD Executive Council:

1. Information Management and Technology: This work group was established to enable DoD and VA to share existing products and collaborate in ongoing and future development of medical information management and technology. The numerous initiatives underway are addressed in Section D.
2. Clinical Practice Guidelines: DoD and VA are collaborating in the creation and publication of clinical practice guidelines for disease treatment. DoD and the Veterans Health Administration both operate integrated health care delivery systems. However, both systems are now using the same explicit clinical practice guidelines to improve patient outcomes. Clinical guidelines have improved consistent, high-quality health care delivery in both DoD and VA. Progress to date includes the development of clinical practice guidelines for the following clinical areas: tobacco use cessation, hypertension, low back pain, asthma, chronic obstructive pulmonary disease, diabetes mellitus, major depressive disorder, dyslipidemia, ischemic heart disease, dysuria, renal disease, psychosis, substance use disorder, post-operative pain management, post deployment care, and unexplained medical symptoms (chronic fatigue and pain). Other guideline topics that are pending or planned include: uncomplicated pregnancy, stroke rehabilitation, chronic pain management, and post-traumatic stress disorder.
3. Patient Safety: DoD and VA are collaborating on internal and external reporting systems for patient safety. DoD has established a Patient Safety Center at the Armed Forces Institute of Pathology using the VA National Center for Patient Safety as a model. VA is currently working with the National Aeronautics and Space Administration to develop an external system as a complement to its internal reporting system. DoD plans to join VA in this effort once the implementation is complete.
4. Pharmacy: The Executive Council established the Federal Pharmacy Executive Steering Committee to improve the management of pharmacy benefits for both VA and DoD beneficiaries (see IV, B.4, "Pharmacy").
5. Medical/Surgical Supplies: DoD and VA have signed an agreement for joint acquisition of medical-surgical supplies. In addition to the national standardization program, VA is participating with DoD in regional product standardization initiatives to varying degrees across the regions. Each Department is encouraged to participate in clinical trials with the other and share in cost-saving agreements negotiated on the selected product lines at the regional level. As with pharmaceuticals, VA and DoD are attempting to migrate to a single Federal pricing instrument -- i.e., the Federal Supply Schedule -- for medical and surgical products.
6. Benefits Coordination: This work group, established in 2001, is examining opportunities for increased coordination of VA and DoD health care benefits. The group is reviewing the impact of current legislation, including the Millennium

Act, TRICARE for Life, and the President's budget enrollment provision on the coordination of benefits for dual-eligible DoD and VA beneficiaries. The work group has developed a side-by-side comparison of health care benefits provided by VA and DoD to provide a baseline for improved coordination of health care benefits.

7. **Financial Management:** This work group was established in 2001 to develop policies and procedures for reimbursement and recommendations for streamlined financial processes and business practices between the two Departments. The work group is monitoring billing problems in the field, reviewing financial best practices, and is examining the referral process to develop clear policies and guidelines.
8. **Geriatric Care:** Recent legislation expanding health benefits for Medicare-eligible DoD beneficiaries will attract more senior beneficiaries into the TRICARE system. DoD can benefit from VA's experience with providing long-term care to veterans over age 65. The work group is examining VA and DoD collaboration in the provision of skilled nursing care, home care, geriatric medicine, and geriatric care training for medical personnel.
9. **Joint Facility Utilization and Resource Sharing:** This work group is examining issues such as national initiatives to improve resource sharing, removing barriers to resource sharing, and streamlining the process for approving sharing agreements. The work group, established in 2001, has been tasked with identifying areas for improved resource utilization through partnership, assessing the viability and usefulness of interagency clinical agreements, identifying impediments to sharing, and identifying best practices for sharing resources between VA and DoD.
10. **North Chicago Task Force:** The Co-Chairs of the VA/DoD Executive Council and the Navy Surgeon General established an Executive Council Task Force to look at options for health care delivery resource sharing between the North Chicago VA Medical Center and the Naval Hospital, Great Lakes. In coordination with the Joint Facility Utilization and Resource Sharing Work Group, the Task Force was directed to identify partnership opportunities to maximize the coordinated, joint, or integrated resources and infrastructure for the provision of health care to VA and DoD beneficiaries.

B. Joint Ventures

Joint ventures are operating at seven sites:

1. *Albuquerque, New Mexico.* The New Mexico VA Health Care System (NMVAHCS) is the host facility providing inpatient, outpatient specialty care, emergency, ancillary, and tenant services to the 377th Air Force (AF) Medical Group (MDG) beneficiaries. The MDG outpatient and dental clinics provide primary/preventive health care, flight medicine, general ambulatory surgery, and dental

services. The NMVAHCS' main hospital building and the MDG outpatient clinic are connected by a walkway that provides ease of access for referred DoD patients.

The Albuquerque VA/DoD Joint Venture functions as a partnership under bylaws. A governing board, whose principals are the VA Chief Executive Officer and the 377th MDG AF Commander, manages the joint venture. The officers are comprised of the Joint Venture Operating Council and VA and AF Joint Venture directors. The Operating Council is comprised of the VA Chief Operating Officer, VA Chief Medical Officer, AF Deputy Commander, and AF Chief of Hospital services. On a daily basis, coordinating Joint Venture activities and integrating policies and practices rests solely with the Joint Venture directors. The Board and Council each meet once a month to discuss issues affecting the program. A VA/AF sharing team, comprised of contracting and fiscal representatives, meets routinely to review over 20 sharing agreements. The Joint Venture operates under internally established "Joint Policy Letters" that delineate responsibilities particular to the Joint Venture.

The Albuquerque VA/DoD Joint Venture is the only VA facility providing health care resources for a DoD facility. It has operated effectively for over 14 years. It does not function as a TRICARE subcontractor. During Fiscal Year (FY) 2001, the program developed:

- An agreement to reduce a backlog of veteran colonoscopy procedures while assisting with AF support personnel retention of clinical skills;
- An agreement providing professional VA psychologist oversight to AF mental health services, and
- Three new Joint Policy Letters to streamline procedures.

2. *El Paso, Texas.* The El Paso VA Health Care System operates a four-story, 254,000 square foot health ambulatory surgery center contiguous to the William Beaumont Army Medical Center (WBAMC). The Center opened in 1995 and provides ambulatory surgery, primary care, specialized ambulatory services, and dental services to over 19,000 veterans. VA purchases emergency room services, specialty consultations, and inpatient care through an extensive agreement with WBAMC. WBAMC uses VA's ambulatory surgery center's 8 operating rooms and 16-bed recovery area as backup to its operating room area. The two areas are adjacent. Affiliation agreements for residency programs in internal medicine and psychiatry are administered jointly with WBAMC and Texas Tech University. The Joint Venture has led to agreements that have decreased costs and increased veterans access to urology, as well as general and vascular surgery services. In FY 2001 the El Paso VA Health Care System had 819 VA inpatient admissions and 3,222 VA specialty outpatient consults to WBAMC.

A joint Executive Management Team (EMT), comprised of the senior leaders of both VA and WBAMC, manages the Joint Venture. The EMT meets monthly to discuss ongoing issues and future direction. The EMT has chartered a steering committee that provides guidance and direction to separate administrative, logistics, and

Information Technology subcommittees, as well as to joint process action teams comprised of members from both organizations. These teams are chartered to develop new joint ventures and improve existing processes between the two organizations. Currently, two teams are chartered to improve how VA and Army perform day surgeries and psychiatric services. Past teams have led to the development of a joint sleep laboratory, special agreements for urology, general surgery, vascular surgery, and the integration of selected laboratory functions that improved timeliness and reduced costs. Medical record data, while maintained on independent operating systems, is accessible only to authorized VA and/or Army personnel via individual computer stations. These changes have led to reduced costs for VA, better utilization of resources for the Army, and improved access for VA patients.

3. *Las Vegas, Nevada.* The VA Southern Nevada Health Care System (VASNHS) provides inpatient services through the Mike O'Callaghan Federal Hospital (MOFH), the joint venture with Nellis Air Force Base's 99th Medical Group. The MOFH was opened in 1994 and offers veterans of Southern Nevada a full range of inpatient services with 52 beds for medical/surgery, psychiatry, and intensive care. The facility is located on Nellis Air Force Base property outside of the main base gated area. All ancillary services, as well as the intensive care unit (ICU), operating room, post-anesthesia care unit, and the emergency room, are fully integrated. Staffing from VA and the AF is based on workload in the integrated areas. The inpatient wards are collocated to maintain skills and competencies of the staff in obstetrics, the AF medical/surgical ward (including adolescent care), and VA medical/surgical and psychiatric wards. All inpatient units accept beneficiaries from both Departments and appear "seamless" to patients as to which ward and staff is providing services.

The Joint Venture operates under common medical by-laws, allowing VA and AF providers to address the needs of both Departments' beneficiaries. The program provides beneficiaries with a range of surgical capabilities (excluding cardio-thoracic and neurosurgery). The program offers a full range of medical subspecialties for beneficiaries. The facility provides nuclear medicine and other diagnostic services, including full laboratory services. These services are augmented through Veterans Integrated Services Network (VISN) and local community sources. Reimbursement for inpatient services is Diagnostic Related Groups-based, with negotiated discounts. VA is collaborating with the AF in managing inpatient pharmacy. There also are plans for VA to manage the Intensive Care Unit. This management "evolution" capitalizes on the experience of VA staff in inpatient operation of medical centers. In addition, VA and the AF are proposing to expand the existing emergency room to add two additional (vertical) floors for a Step Down Unit, and to add a locked recreation area for psychiatric inpatients.

4. *Anchorage, Alaska.* The Alaska VA Health Care System and Regional Office and the 3rd Medical Group at Elmendorf Air Force Base opened a new VA/DoD Joint Venture replacement hospital in 1999. VA staffs an 8-bed ICU (10 bed total capacity) and the Air Force staffs a 20-bed medical/surgical unit (25 bed total capacity). The emergency room is a portal for VA admissions. On average, 180 VA

patients are seen in the emergency room every month. VA admitted 375 inpatients to the hospital in FY 1999, 582 inpatients in FY 2000, and admitted approximately 750 patients in FY 2001. VA also provides staff for the emergency room, the integrated internal medicine/cardiopulmonary department, administration, patient services, utilization management, social work, credentialing, and surgical services. There are approximately 50 VA employees working in the hospital.

A recently established Joint Venture Business Operations Committee (JVBOC) was designed to provide structured communications and organizational continuity to the planning and implementation of issues relevant to the Joint Venture. The JVBOC is co-chaired by the VA Chief Operations Officer and the 3rd Medical Group's Deputy Group Commander. The JVBOC forwards its recommendations to the 3rd Medical Group's Executive Committee which is chaired by the Hospital Commander and has the VA Clinic Director and VA Chief of Staff as members.

5. *Key West, Florida.* The Navy and VA occupy an outpatient care facility of 60,000 gross square feet. The Navy construction project was completed in early 2000. VA paid a portion of the construction costs and occupies 6,000 square feet. The Commander in charge of the Navy clinic controls the building, grounds, and security for the complex. VA pays a prorated share of the utilities. The Navy provides family practice services, dental services, and ancillary support services such as laboratory, pharmacy, and radiology. VA provides internal medicine, physical therapy, and psychiatry services. VA uses Navy laboratory, pharmacy, and radiology services while the Navy uses VA physical therapy and psychiatric services. Services are paid for at rates agreed upon by the Navy and VA through a sharing agreement. Additional sharing of other services is expected in the near future.

Mutual support frequently occurs in instances of temporary shortages of supplies, equipment, special services, or emergency situations. Most recently, the Navy and VA have begun a pre-separation physical exam program that allows one exam to be used for both the active duty separation physical as well as for the VA compensation and pension exam. Without this pre-separation processing it could take as long as a year after discharge to process a claim.

The next higher headquarters for the Navy medical operations in Key West is the Jacksonville Naval Hospital in Jacksonville, Florida, and for the VA clinic, the Miami VA Medical Center. Even though these medical centers are hundreds of miles apart they have had a number of successful cooperative ventures.

6. *Honolulu, Hawaii.* A new VA ambulatory care center provides primary care, mental health, dental, prosthetics, pharmacy, laboratory, and radiology services. VA's Center For Aging provides long-term rehabilitation, hospice, respite, and home-based primary care in a 60-bed facility. Tripler Army Medical Center (TAMC) provides emergency room care, inpatient medical and surgical care, inpatient psychiatric care (in a ward staffed by VA), and specialty outpatient care on a space-available basis. Approximately 60 per cent of non-VA care is provided by TAMC with the balance from community providers. VA and DoD patients, visitors, and staff share a VA 600-space parking structure. A VA/DoD "Pacific Telehealth Hui"

(partnership) established in 2001 manages joint telemedicine projects. A VA/DoD/Native Hawaiian Federal Health Care Partnership established in 2001 manages projects to maximize use of available resources.

7. *Fairfield, Travis AFB, California.* The Fairfield VA Outpatient Clinic is located adjacent to the David Grant Medical Center (DGMC) on land leased from the AF. The VA Northern California Health Care System (VANCHCS) has a comprehensive agreement covering services provided by DGMC. VA buys inpatient, specialty outpatient, emergency services, ambulatory surgery, and ancillary services. VA is an active user of DGMC inpatient care.

DGMC has two TRICARE satellites within VANCHCS facilities in Sacramento. A second sharing agreement covers services VA provides to DGMC at those locations (*i.e.*, specialty services as a TRICARE provider, ancillaries, leased space, and equipment).

The Executive Management Team (EMT) manages the Joint Venture. The team includes the commanders, directors, and senior-level staff of both facilities. The group is chartered to set policy for the Joint Venture. The EMT provides oversight to the Joint Initiatives Working Group (JIWG). The JIWG identifies policy and operational issues that need to be resolved and it develops recommendations for the EMT.

C. Medical Research

The VA/DoD collaborative research program selects projects based on merit-based scientific review and relevance to the health concerns of veterans and military members. A wide array of research protocols and investigations are supported. Ongoing research includes an epidemiological study of amyotrophic lateral sclerosis among Gulf War veterans and two clinical treatment trials of chronic health problems among veterans of the Gulf War. VA and DoD recently completed research and development of an evidence-based clinical practice guideline for treatment of post-deployment health concerns. The guideline will be implemented, system-wide, in early 2002. Two protocols aimed at improving health risk communication of military-unique risk factors among veterans have been funded by the Centers for Disease Control and Prevention with data collection to begin in 2002.

D. Health Information Management and Technology Sharing

DoD and VA are involved in a number of information management and technology activities that significantly contribute to the ability of both systems to securely share information necessary to make determinations of benefit decisions and provide for the continuity of care of eligible veterans. Examples of current joint efforts are:

- 1 Standards Development: DoD and VA are collaborating to determine and enhance their degree of compatibility in information assurance policies and guidance, and in the areas of information and data architecture standards. Sharing efforts have revealed that, in the information assurance and technical architecture areas, VA and DoD have a number of technology standards in common. Where differences exist, the Departments are working together to develop strategies for moving towards greater compatibility. In addition, the DoD data models are being used as a starting point for new VA/DoD data efforts.
- 2 Government Computer-based Patient Record (GCPR): The GCPR is a collaborative effort between DoD, VA, and the Indian Health Service. The Near-Term Solution currently undergoing testing between DoD and VA will enable DoD to send laboratory results, radiology reports, outpatient pharmacy requests, and patient demographic information on separated service members to VA. This disclosure of protected health information to VA will be compliant with the Privacy Act and the Department of Health and Human Services' regulations on Standards for Privacy of Individually Identifiable Health Information under the Health Insurance Portability and Accountability Act of 1996. An assessment of requirements for additional data is underway.
- 3 Pharmacy Initiatives: Progress is being made to enable DoD to use VA's Consolidated Mail Order Pharmacy. DoD is also discussing VA participation in the Pharmacy Data Transaction Service which allows DoD to build a patient medication profile for all beneficiaries regardless of the point of service.
- 4 VA/DoD Laboratory Data Sharing and Interoperability: This project focuses on development of an interface for electronic transfer of reference laboratory data between DoD's Composite Health Care System, VA's Veterans Health Information Systems and Technology Architecture, and commercial laboratories to replace current manual methods. System testing is underway.
- 5 Patient Evacuation and Regulation: The TRANSCOM Regulating and Command and Control Evacuation System (TRAC2ES) provides global patient evacuation planning in an integrated system. It facilitates the decision-making process of evacuating military casualties from a combat theater to a source of definitive medical care within the continental United States. Emergency management personnel within VA medical facilities have the ability to use TRAC2ES to submit bed reporting and contingency data information to DoD.

III. RECOMMENDATIONS TO PROMOTE SHARING BETWEEN THE DEPARTMENTS

The VA Under Secretary for Health and the Assistant Secretary of Defense (Health Affairs) explored sharing issues in their support for VA/DoD health care resources sharing. The initiatives examined and discussed throughout this report fell within the purview of the VA Under Secretary for Health and the Assistant Secretary of Defense (Health Affairs) and did not require submission to the Secretaries of the respective Departments.

IV. REVIEW OF AGREEMENTS AND ACTIVITIES

A. Facilities with Sharing Agreements.

One hundred sixty-five VA medical facilities were involved in sharing agreements with most DoD Medical Treatment Facilities (MTF) and 156 reserve units around the country. There were 604 sharing agreements covering 6,603 health services with the military. Ninety-one VA medical centers reported reimbursements from TRICARE. Appendix B is a list of health services provided in agreements with the military and under TRICARE.

DoD contracted with Eagle Group International, Inc. (EGI) to conduct a comprehensive review of all sharing agreements between DoD and VA. EGI is to analyze, evaluate, and recommend modification, retention, or inactivation for each clinical non-dental sharing agreement. DoD is awaiting receipt of the Eagle Report.

B Examples of Sharing Activities are:

1. Louisville, Kentucky, VA Medical Center and Ireland Army Hospital, Fort Knox, Kentucky – VA enhances the capabilities of the MTF by providing staffing for Ireland's primary care clinics, fully staffing the TRICARE primary care clinics, and supporting numerous other MTF clinics and services including outpatient mental health, well women's clinic, podiatry, urology, internal medicine, audiology, orthopedics, orthotics, radiology, prenatal nurse educator, oncology nurse case manager, and various other administrative services. VA maintains a Community-Based Outpatient Clinic at Ireland. Inpatient and outpatient referrals are made to the Louisville VAMC from the MTF. Ireland is located 40 miles southwest of Louisville.

2. Nashville, Tennessee, VA Medical Center and Blanchfield Army Hospital, Fort Campbell, Kentucky – The two facilities have a barter agreement. Nashville leases space for outpatient services for veterans. Blanchfield provides laboratory and radiology for veterans. VA provides internal medicine physician services. Pharmaceuticals are exchanged on a per-drug basis. Nashville is negotiating with the Army for VA to establish a Community-Based Outpatient Clinic at the Blanchfield site. VA would provide physicians for specialty clinics in such areas as cardiology, pulmonology, internal medicine, oncology, and infectious diseases. Fort Campbell is approximately 65 miles from the Nashville VA Medical Center and 100 miles from the Murfreesboro, Tennessee, VA Medical Center.

3. Military Medical Support Office (MMSO) – MMSO, Great Lakes, Illinois, manages the Remote Dental Program (more than 50 miles from an MTF) for Air Force Army, Air National Guard, Navy, and Marine Corps active duty personnel and authorized Reserve and National Guard personnel. The office manages VISN dental agreements covering a full range of dental care. Thirty-five VA medical centers have agreed to provide care under this program.

4. Pharmacy -- VA and DoD have 55 national contracts and three Blanket Purchase Agreements (BPAs). VA cost avoidance from these contracts and BPAs was approximately \$85 million in FY 2001. DoD cost avoidance for all national contracts was over \$100 million in FY 2001. Additionally, there are eight pending solicitations for which joint requirements have already been submitted to the National Acquisition Center. VA and DoD have identified 50 drugs that may have joint contracting possibilities in FY 2002. Included in this list are high-volume prescription drugs.

C. VA Participation in TRICARE

Funds generated from TRICARE patients provide benefits to VA beneficiaries by adding services and providing extended access hours for care. Ninety-one VA medical centers reported reimbursable earnings during the year. VA has signed agreements with the five mental health subcontractors.

D Education and Training Agreements.

There are 320 VA/DoD agreements involving education and training support, including training for physicians and nurses. These agreements typically involve training opportunities in exchange for staffing assistance. Most agreements are between VA medical centers and reserve units. Under a typical agreement a VA medical center provides space for weekend training drills and, in return, the medical center receives staffing support. The Tucson, Arizona, VA Medical Center, for example, trains nurses, technicians, and dietitians of the 162nd Medical Squadron, Arizona National Guard, Tucson. In another agreement VA provides training for hospital corpsmen for the Naval and Marine Corps Center, Tucson. The Medical Center has similar agreements with six other reserve units in the area. The communities benefit from the close relationships that develop as a result of these agreements. A large number of VA medical centers have agreements involving five or more reserve units.

V. PROMOTING COORDINATION AND SHARING OF FEDERAL HEALTH CARE RESOURCES

VA and DoD staffed a VA/DoD health care resources sharing booth at the annual Association of Military Surgeons of the United States meeting which was held in Las Vegas, Nevada. VA also staffed a booth at VA's Information Technology Conference in Austin, Texas. Two pamphlets, "Maximizing Your Hospital's Potential" and "Reserve Units and VA Medical Centers," and a map identifying "Major VA/DoD Medical Facilities" were distributed at both sites.

VI RECOMMENDATIONS FOR LEGISLATION

There are no recommendations for legislation.

Estimate of Cost to Prepare Congressionally-Mandated Report

Short Title of Report: FY 2001 VA-DoD Health Care Resources Sharing Report to Congress

Report Required By: 38 USC 8111

In accordance with Title 38, Chapter 1, Section 116, the statement of cost for preparing this report and a brief explanation of the methodology used in preparing the cost statement are

Manpower Cost:	<u>\$2,349.26</u>
Contract(s) Cost:	<u>0</u>
Other Cost:	<u>0</u>
<u>Total Estimated Cost to Prepare Report:</u>	<u><u>\$2,349.26</u></u>

Brief Explanation of the methodology used in preparing this cost statement:

Hourly rate of GM-14 (\$47) plus benefits percent (26.25%) total x approx number of hours (40)
= \$2,349.

Attachment B

VA/DoD Sharing Agreements/TRICARE Contracts
Total Services by Provider of Care

Active as of 9/30/2001

VA/DoD Sharing Agreements

Provided by Department of Veterans Affairs

	Total	6,603
Administration		43
Administration (VA)		2
Adult Day Health Care		7
Agent Orange Exam		1
Allergy		12
Allergy Clinic		16
Ambulatory Care Administration		12
Ambulatory Special Procedures		87
Anatomical Pathology		18
Anesthesiology		9
Area Dental Prosthetic Laboratory (Type		1
Area Reference Laboratories		2
Associated Health Personnel		75
Associated Health Staffing		37
Audiology Clinic		115
Biomedical Equipment		11
Biomedical Equipment Repair - Contract		6
Blind Rehabilitation		8
Blood Bank		11
Bone Marrow Transplant		8
Building Management		13
Burn Unit		5
Cardiac Catheterization		34
Cardiology Clinic		71
Cardiovascular Thoracic Surgery		20
Cardiovascular Thoracic Surgery Clinic		9
Cast Clinic		2
Central Materiel Service		1
Central Sterile Supply		5
Clinical Immunology		33
Clinical Management		1
Clinical Pathology		257
Combined Food Operations		4
Communications		5
Comp-Pension		2
Continuing Health Education		7
Coronary Care		18
Coronary Care Unit		10
CT Scans		131
Dental Depreciation		3
Dental Laboratory		25
Dental Services		282
Dermatology		42

VA/DoD Sharing Agreements

Provided by Department of Veterans Affairs

Dermatology Clinic	66
Diabetic Clinic	2
Diagnostic Nuclear Medicine	109
Diagnostic Radiology	229
Dialysis	11
Domiciliary Bed Section	7
Domiciliary Substance Abuse	3
Drug Screening and Testing Prog	1
Education and Training Program Support	130
EEG	31
EKG	71
Emergency Medical Clinic	93
EMG	30
Endocrinology	21
Endocrinology (Metabolism) Clin	15
Engineering Support	8
Environmental Health Program	4
Family Planning Clinic	1
Family Practice Clinic	1
Family Practice Obstetrics	1
Family Practice Orthopaedics	1
Family Practice Psychiatry	18
Fire Protection	2
Flight Medicine Clinic	1
Gastroenterology	25
Gastroenterology Clinic	36
General Medicine	143
General Psychiatric Clinic	72
General Psychology Clinic	51
Gynecology	52
Gynecology Clinic	91
Hand Surgery	6
Hand Surgery Clinic	7
Health Info Systems	4
Hematology	31
Hematology Clinic	21
Hemodialysis	1
HIV III (AIDS)	2
HIV Testing	33
Housekeeping	3
Hyperbaric Medicine	1
Immediate Care Clinic	2
Immunizations	6
Immunizations-Anthrax	1
Industrial Hygiene Program	1
Infectious Disease	14
Infectious Disease Clinic	19
Inpatient Affairs	2
Inpatient Clinical Dietetics	3

VA/DoD Sharing Agreements

Provided by Department of Veterans Affairs

Inpt Dialysis	
Intermediate Care	15
Laundry	28
Lease of Real Property	
Lease of Real Property - Funded	1
Library Services	7
Maintenance of Real Property	12
Mammography	74
Materiel Services	8
Medical Care (Other)	44
Medical Clinics (Other)	56
Medical Examination Clinic	157
Medical ICU Beds	64
Medical Intensive Care Unit	56
Medicine Clinic	46
Mental Health Clinic	56
Military Patient Personnel Administration	3
Minor Construction	1
MRI	91
National Disaster Medical System	1
Nephrology Clinic	19
Neurology	67
Neurology Clinic	75
Neuromusculoskeletal Screening Clinic	1
Neurosurgery	12
Neurosurgery Clinic	7
Non-health related Training	6
Nurse Staffing	49
Nursing Home Care	29
Nursing Training	130
Nutrition Clinic	55
Obstetrics	3
Obstetrics Clinic	4
Occupational Health Clinic	2
Occupational Therapy Clinic	74
Oncology	22
Oncology Clinic	20
Operating Room Suite	15
Operation of Utilities	1
Operation of Utilities - Funded	1
Ophthalmology	33
Ophthalmology Clinic	58
Optometry Clinic	119
Oral Surgery	38
Orthopaedics	29
Orthopaedics Clinic	33
Otolaryngology	14
Otolaryngology Clinic	16
Patient Food Operations	4

VA/DoD Sharing Agreements

Provided by Department of Veterans Affairs

Patient Transportation	
Peripheral Vascular Surgery	5
Peritoneal Dialysis	1
Pet Scans	19
Pharmacy	153
Physical Medicine	61
Physical Therapy Clinic	116
Physician Staffing	33
Physician Training	59
Physiological Training	4
Plant Management	
Plastic Surgery	14
Plastic Surgery Clinic	8
Podiatry Clinic	69
Police Protection	3
Preventive Medicine	7
Primary Care Clinics	
Proctology	
Proctology Clinic	1
Prosthetics/Orthotics	99
Psychiatric Ward	79
PTSD Clinical Team	18
PTSD Resid Rehab	2
Pulmonary Disease Clinic	30
Pulmonary Function	27
Pulmonary/Upper Resp Disease	
Radiation Health	55
Recovery Room	3
Rehab & Spt Services	
Rehab Counseling	3
Rehabilitation	87
Research Support	8
Respiratory Therapy	12
Rheumatology	14
Rheumatology Clinic	
Signage	
Social Work Clinic	
Specialized Psychiatric Clinic	
Specialized Psychology Clinic	7
Speech Pathology Clinic	81
Spinal Cord Injury	42
Substance Abuse	69
Substance Abuse Clinic	73
Substance Abuse Disorder Clinic	9
Surgery Clinic	117
Surgical Care (Other)	41
Surgical Clinics (Other)	18
Surgical ICU Beds	64
Surgical Intensive Care Unit	59

VA/DoD Sharing Agreements

Provided by Department of Veterans Affairs

Surgical Ward	70
Technician Training	1
Telemetry Beds	
Therapeutic Nuclear Medicine	9
Therapeutic Radiology	14
Transportation	
Ultrasound	36
Urology	46
Urology Clinic	69
Well Baby Clinic	

VA/DoD Sharing Agreements

Provided by Department of Defense

AIR FORCE	Total	96
Administration		2
Ambulatory Care Administration		1
Ambulatory Special Procedures		1
Anesthesiology		1
Associated Health Staffing		3
Cardiac Catheterization		1
Clinical Management		1
Clinical Pathology		2
Communications		2
Coronary Care		1
CT Scans		3
Dental Laboratory		1
Dental Services		1
Diagnostic Nuclear Medicine		1
Diagnostic Radiology		3
Education and Training Program Support		2
EEG		1
EKG		1
Emergency Medical Clinic		1
Engineering Support		2
Family Practice Newborn Nursery		1
Family Practice Obstetrics		1
Family Practice Pediatrics		1
General Psychiatric Clinic		2
Gynecology		1
Gynecology Clinic		1
Health Info Systems		1
Hematology		1
Housekeeping		1
Hyperbaric Medicine		2
Inpatient Clinical Dietetics		1
Laundry		2
Lease of Real Property - Funded		1
Maintenance of Real Property		3
Mammography		2
Materiel Services		1
Medical Care (Other)		1
Medical Examination Clinic		1
Medical Intensive Care Unit		1
Minor Construction		1
MRI		4
Neonatal Intensive Care Unit		1
Non-health related Training		1
Nurse Staffing		2
Nursing Training		2
Obstetrics		1
Obstetrics Clinic		1

VA/DoD Sharing Agreements

Provided by Department of Defense

Ophthalmology Clinic		1
Oral Surgery		1
Orthopaedics		1
Orthopaedics Clinic		1
Pediatric Clinic		1
Pharmacy		2
Physical Therapy Clinic		1
Physician Staffing		5
Physician Training		1
Physiological Training		1
Primary Care Clinics		1
Psychiatric Ward		1
Pulmonary Function		1
Recovery Room		1
Research Support		1
Respiratory Therapy		1
Surgical Clinics (Other)		1
Surgical Ward		
Therapeutic Radiology		
Transportation		1
Ultrasound		2
AIR FORCE RESERVE	Total	35
Associated Health Personnel		5
Associated Health Staffing		1
Clinical Pathology		
CT Scans		1
Education and Training Program Support		9
Fire Protection		
Infectious Disease Clinic		
Inpatient Clinical Dietetics		
Military Patient Personnel Administration		
MRI		1
Nurse Staffing		2
Nursing Training		8
Pharmacy		1
Physician Training		2
AIR NATIONAL GUARD	Total	55
Administration		3
Associated Health Personnel		6
Associated Health Staffing		3
CT Scans		
Diagnostic Radiology		
Education and Training Program Support		
Nurse Staffing		4
Nursing Training		15
Physician Staffing		2
Physician Training		6
Physiological Training		1

VA/DoD Sharing Agreements

Provided by Department of Defense

Therapeutic Radiology		1
Transportation		1
ARMY	Total	144
Administration		4
Allergy Clinic		1
Ambulatory Care Administration		1
Anesthesiology		2
Associated Health Personnel		3
Audiology Clinic		1
Biomedical Equipment		2
Biomedical Equipment Repair - Contract		1
Blood Bank		3
Building Management		1
Burn Unit		1
Cardiac Catheterization		1
Cardiology Clinic		1
Cardiovascular Thoracic Surgery Clinic		1
Cast Clinic		1
Central Sterile Supply		1
Clinical Immunology		1
Clinical Pathology		3
Combined Food Operations		1
Command		1
CT Scans		1
Dental Services		1
Dermatology Clinic		1
Diagnostic Nuclear Medicine		2
Diagnostic Radiology		3
Education and Training Program Support		6
Emergency Medical Clinic		2
Endocrinology		1
Engineering Support		1
Environmental Health Program		3
Family Practice Clinic		1
Family Practice Obstetrics		1
Fire Protection		3
Gastroenterology Clinic		1
General Medicine		1
Gynecology		2
Gynecology Clinic		1
Hematology Clinic		1
HIV Testing		2
Housekeeping		1
Industrial Hygiene Program		1
Infectious Disease Clinic		1
Laundry		2
Lease of Real Property		1
Library Services		2

VA/DoD Sharing Agreements

Provided by Department of Defense

Maintenance of Real Property	1
Mammography	2
Medical Care (Other)	1
Medical Clinics (Other)	1
Medical Examination Clinic	2
Medical ICU Beds	1
Medicine Clinic	1
Mental Health Clinic	1
MRI	2
Nephrology Clinic	1
Neurology Clinic	1
Neurosurgery	1
Neurosurgery Clinic	2
Nurse Staffing	1
Nursing Training	4
Nutrition Clinic	2
Occupational Therapy Clinic	1
Oncology Clinic	1
Ophthalmology Clinic	2
Optometry Clinic	1
Orthopaedics Clinic	1
Otolaryngology Clinic	1
Patient Transportation	1
Peripheral Vascular Surgery	1
Pharmacy	3
Physical Medicine	1
Physical Therapy Clinic	1
Physician Staffing	2
Physician Training	3
Plant Management	1
Plastic Surgery Clinic	1
Podiatry Clinic	1
Police Protection	1
Preventive Medicine	1
Primary Care Clinics	2
Pulmonary Disease Clinic	1
Rheumatology Clinic	1
Specified Health Related Programs	1
Speech Pathology Clinic	2
Surgery Clinic	2
Surgical Care (Other)	2
Surgical Clinics (Other)	3
Surgical ICU Beds	1
Surgical Ward	3
Telemetry Beds	1
Therapeutic Radiology	2
Transportation	1
Urology Clinic	1

VA/DoD Sharing Agreements

Provided by Department of Defense

ARMY NATIONAL GUARD	Total	23
Administration		2
Associated Health Personnel		4
Associated Health Staffing		2
Cardiac Catheterization		1
Education and Training Program Support		4
Maintenance of Real Property		1
Non-health related Training		1
Nurse Staffing		1
Nursing Training		3
Patient Transportation		1
Physician Staffing		2
Physician Training		1
ARMY RESERVE	Total	198
Administration		7
Area Reference Laboratories		1
Associated Health Personnel		24
Associated Health Staffing		13
Audiology Clinic		1
Biomedical Equipment Repair - Contract		1
Building Management		2
Cardiology Clinic		1
Clinical Pathology		4
Dental Services		2
Diagnostic Radiology		3
Education and Training Program Support		39
EKG		1
Emergency Medical Clinic		1
Engineering Support		1
General Medicine		1
Lease of Real Property		1
Maintenance of Real Property		2
Medical Care (Other)		2
Medical Examination Clinic		2
Minor Construction		1
Non-health related Training		2
Nurse Staffing		10
Nursing Training		37
Occupational Therapy Clinic		2
Operation of Utilities - Funded		1
Patient Food Operations		
Pharmacy		
Physical Therapy Clinic		1
Physician Staffing		4
Physician Training		21
Physiological Training		3
Primary Care Clinics		1
Psychiatric Ward		2

VA/DoD Sharing Agreements

Provided by Department of Defense

Surgical Care (Other)		
COAST GUARD	Total	4
Administration		2
Building Management		
Patient Transportation		1
DEPARTMENT OF	Total	8
Administration		5
Patient Transportation		1
Research Support		2
NAVAL RESERVE	Total	74
Administration		3
Anesthesiology		
Associated Health Personnel		9
Associated Health Staffing		4
Audiology Clinic		1
Biomedical Equipment Repair - Contract		1
Building Management		1
Combined Food Operations		1
Dental Services		1
Education and Training Program Support		13
Material Services		1
Medical Examination Clinic		4
Non-health related Training		1
Nurse Staffing		7
Nursing Training		15
Pharmacy		1
Physician Staffing		4
Physician Training		6
NAVY	Total	75
Administration		1
Anatomical Pathology		1
Associated Health Personnel		1
Associated Health Staffing		2
Building Management		1
Cast Clinic		2
Clinical Pathology		4
CT Scans		2
Dental Services		1
Diagnostic Nuclear Medicine		1
Diagnostic Radiology		5
Education and Training Program Support		3
EKG		2
Emergency Medical Clinic		3
Engineering Support		1
Fire Protection		1
General Psychiatric Clinic		1
Housekeeping		1
Maintenance of Real Property		2

VA/DoD Sharing Agreements

Provided by Department of Defense

Mammography	3
Material Services	1
Medical Care (Other)	2
Medical Clinics (Other)	1
Medical Intensive Care Unit	1
Mental Health Clinic	1
Military Patient Personnel Administration	1
MRI	3
Nursing Training	3
Obstetrics	1
Obstetrics Clinic	1
Operation of Utilities	1
Optometry Clinic	1
Pharmacy	2
Physician Staffing	1
Physician Training	2
Plant Management	1
Primary Care Clinics	1
Psychiatric Ward	1
Pulmonary Disease Clinic	1
Research Support	2
Social Work Clinic	1
Surgery Clinic	1
Surgical Care (Other)	2
Surgical Clinics (Other)	1
Surgical Intensive Care Unit	1
Ultrasound	1
Urology	1
Urology Clinic	1
Grand Total	712

TRICARE Contracts

Provided by Department of Veterans Affairs

	Total	2,876
Administration		50
Allergy		9
Allergy Clinic		6
Ambulatory Care Administration		46
Ambulatory Special Procedures		71
Anatomical Pathology		2
Anesthesiology		14
Audiology Clinic		52
Blood Bank		5
Bone Marrow Transplant		13
Burn Unit		11
Cardiac Catheterization		4
Cardiology Clinic		11
Cardiovascular Thoracic Surgery		6
Cardiovascular Thoracic Surgery Clinic		3
Clinical Immunology		5
Clinical Pathology		108
Combined Food Operations		
Continuing Health Education		3
Coronary Care		10
Coronary Care Unit		4
CT Scans		21
Dental Depreciation		1
Dental Laboratory		2
Dental Services		13
Dermatology		6
Dermatology Clinic		7
Diabetic Clinic		2
Diagnostic Nuclear Medicine		17
Diagnostic Radiology		109
Dialysis		1
Domiciliary Substance Abuse		6
Drug Screening and Testing Prog		2
Education and Training Program Support		1
EEG		15
EKG		18
Emergency Medical Clinic		23
EMG		6
Endocrinology		6
Endocrinology (Metabolism) Clin		4
Engineering Support		1
Family Planning Clinic		3
Family Practice Newborn Nursery		2
Family Practice Pediatrics		3
Family Practice Psychiatry		45
Gastroenterology		8
Gastroenterology Clinic		6

TRICARE Contracts

Provided by Department of Veterans Affairs

General Medicine	83
General Psychiatric Clinic	91
General Psychology Clinic	92
Gynecology	54
Gynecology Clinic	54
Hand Surgery	4
Hand Surgery Clinic	4
Hematology	6
Hematology Clinic	6
Hemodialysis	3
HIV III (AIDS)	19
HIV Testing	15
Immediate Care Clinic	3
Infectious Disease	4
Infectious Disease Clinic	5
Inpatient Clinical Dietetics	11
Intermediate Care	1
Mammography	15
Medical Care (Other)	7
Medical Clinics (Other)	13
Medical Examination Clinic	59
Medical ICU Beds	66
Medical Intensive Care Unit	53
Medicine Clinic	69
Mental Health Clinic	113
MRI	11
Neonatal Intensive Care Unit	15
Nephrology Clinic	5
Neurology	9
Neurology Clinic	8
Neurosurgery	5
Neurosurgery Clinic	4
Nurse Staffing	17
Nursing Home Care	4
Nutrition Clinic	5
Obstetrics	3
Occupational Therapy Clinic	16
Oncology	11
Oncology Clinic	7
Operating Room Suite	2
Ophthalmology	
Ophthalmology Clinic	
Optometry Clinic	9
Oral Surgery	8
Orthopaedics	6
Orthopaedics Clinic	6
Otolaryngology	
Otolaryngology Clinic	
Patient Food Operations	

TRICARE Contracts

Provided by Department of Veterans Affairs

Patient Transportation	9
Pediatric Intensive Care Unit	3
Pediatric Surgery	2
Pet Scans	5
Pharmacy	36
Physical Medicine	59
Physical Therapy Clinic	63
Plastic Surgery	7
Plastic Surgery Clinic	4
Podiatry Clinic	5
Preventive Medicine	9
Primary Care Clinics	68
Proctology	1
Prosthetics/Orthotics	16
Psychiatric Ward	71
Pulmonary Disease Clinic	6
Pulmonary Function	8
Pulmonary/Upper Resp Disease	4
Radiation Health	3
Recovery Room	1
Rehab & Spt Services	15
Rehab Counseling	6
Rehabilitation	70
Respiratory Therapy	11
Rheumatology	7
Rheumatology Clinic	6
Social Work Clinic	18
Specialized Psychiatric Clinic	11
Specialized Psychology Clinic	18
Speech Pathology Clinic	19
Spinal Cord Injury	21
Substance Abuse	87
Substance Abuse Clinic	67
Substance Abuse Disorder Clinic	60
Surgery Clinic	93
Surgical Care (Other)	47
Surgical Clinics (Other)	3
Surgical ICU Beds	65
Surgical Intensive Care Unit	15
Surgical Ward	22
Therapeutic Nuclear Medicine	6
Therapeutic Radiology	7
Ultrasound	5
Urology	10
Urology Clinic	7

Appendix A

MEMORANDUM OF UNDERSTANDING BETWEEN THE VETERANS ADMINISTRATION AND THE DEPARTMENT OF DEFENSE

VA/DoD HEALTH CARE RESOURCES SHARING GUIDELINES

ARTICLE I

INTRODUCTION

1-101 Purpose. This agreement establishes guidelines to promote greater sharing of health care resources between the Veterans Administration (VA) and the Department of Defense (DoD). Maximization of sharing opportunities is strongly encouraged. Greater sharing of health care resources will result in enhanced health benefits for veterans and members of the armed services and will result in reduced costs to the government by minimizing duplication and underuse of health care resources. Such sharing shall not adversely affect the range of services, the quality of care, or the established priorities for care provided by either agency. In addition, these guidelines are not intended to interfere with existing sharing arrangements.

1-102 Authority. These guidelines are established by the Administrator of Veterans Affairs and the Secretary of Defense pursuant to "The Veterans Administration and Department of Defense Health Resources Sharing and Emergency Operations Act," Public Law 97-174, §3, 96 Stat. 70, 70 - 73 (1982) (codified at 38 U.S.C. §5011).

ARTICLE II

DEFINITIONS

2-101 "Actual Cost" means the cost incurred in order to provide the health care resources specified in a sharing agreement.

2-102 "Reimbursement Rate" means the negotiated price cited in the sharing agreement for a specific health care resource. This rate will take into account local conditions and needs and the actual costs to the providing facility or organization for the specific health care resource provided. For example, actual cost includes the cost of communications, utilities, services, supplies, salaries,

2-110 "Sharing Agreement" means a cooperative agreement authorized by Public Law 97-174, §3, 96 Stat. 70, 70-73 (1982) (codified at 38 U.S.C. §5011 (d)) for the use or exchange of use of one or more health care resources.

ARTICLE III

SHARING AGREEMENTS

3-101 Approval Process. Before a sharing agreement may be executed and implemented, the heads of the medical facilities involved shall submit the proposed agreement to: (1) the Chief Medical Director, through the appropriate Department of Medicine and Surgery channel, in the case of the VA; (2) the Assistant Secretary of Defense (Health Affairs), or his or her designees, through the appropriate chain of command, in the case of DoD. The agreement shall be effective in accordance with its terms (A) on the 46th calendar day after receipt of the proposed agreement by the designated Department of Medicine and Surgery office on behalf of the Chief Medical Director for the VA, and the next higher organizational element within the chain of command for DoD, unless earlier disapproved by either agency; or (B) if earlier approved by both agencies on the day of such approval. An office that disapproves a sharing agreement shall send a copy of the agreement and a written statement of its reasons for disapproval to the VA/DoD Health Care Resources Sharing Committee.

3-102 Acquiring or Increasing Resources. A head of a medical facility may request permission to acquire or increase health care resources that exceed the needs of the facility's primary beneficiaries but that would effectively serve the combined needs of both agencies. Justification for acquiring or increasing resources may be based on the projected workload from a sharing agreement. Such requests will be considered in the usual planning and budgeting processes. Consideration of such requests will necessarily take into account many factors governing resource allocation. Agreements will not be submitted until permission to increase existing resources or to acquire new resources has been obtained.

3-103 Eligibility. Agreements may permit the delivery of health care resources to primary beneficiaries of one agency at facilities of the other agency. Direct health care to primary beneficiaries of the agency requesting services should be on a referral basis. Delivery of health care resources will not (as determined by the head of the facility of the providing agency) adversely affect the range of services, the quality of care, or the established priorities for care provided to beneficiaries

of the providing agency.

3-104 Reimbursement and Rate Setting. Reimbursement for the cost of health care resources provided shall be credited to funds that have been allotted to the facility or organization that provided the care or services. The medical facility or organization providing the resources shall bill the recipient facility or organization directly. Billing frequency shall be established in the agreement. Reimbursement shall be forwarded to the providing medical facility in a timely manner. Heads of medical facilities and other organizations may negotiate a reimbursement rate that is less than actual cost to the providing facility or organization to account for local conditions and needs. (See definitions of "actual costs" and "reimbursement rate" in section 2-101 and 2-102.) The reimbursement rate may not be more than the actual cost to the providing facility or organization of the resources provided.

3-105 Scope of Agreements. The head of a medical facility or organization of either agency may agree to enter into a proposed sharing agreement with the head of a medical facility or organization of the other agency in accordance with these guidelines. Sharing agreements involving more than one medical facility of each agency may be developed. The Chief Medical Director and the Assistant Secretary of Defense for Health Affairs may agree to enter into regional or national sharing agreements. Sharing agreements shall identify the health-care resources to be shared. Exchange of resources without billing is permitted if costs are specified in the agreement.

3-106 Education, Training, and Research Sharing Agreements.

1. Education and Training - Situation-specific sharing is encouraged at the local, regional, and national levels. Continuing education, formal technical training, and professional education, are areas to be emphasized.

To facilitate educational sharing the Office of Academic Affairs, Department of Medicine and Surgery, VA; and the Office of the Assistant Secretary of Defense for Health Affairs will:

a. Initiate an educational "clearing house" process to exchange information on potential sharing opportunities. This process will encourage the development of timely and effective sharing of educational and training resources.

b. Encourage an ongoing dialogue between those responsible for education and training at all levels - local, regional, and national.

2. Biomedical Research - To encourage more collaboration, an information exchange will be established. The Assistant Secretary of Defense for Health Affairs and the Chief Medical Director will designate representatives to establish such an exchange.

In joint projects or protocols involving human subjects, each agency's procedures for approval of "human studies" protocols will be followed. However, at a minimum, the Department of Health and Human Services Guidelines will be complied with. Sharing agreements involving "human studies" protocols will not be considered without approval of the protocol by both agencies.

3-107 Modification, Termination, Renewal. Each agreement shall include a statement on how the agreement may be modified and terminated. Proposed changes in the quality and quantity of resources delivered, in actual costs, and in the performance in delivering the resources are grounds for modification or termination. Sharing agreements shall provide for modification or termination in the event of war or national emergency. Agreements may exceed one year, provided necessary cost adjustment amendments are included and a statement is included in the agreement to the effect that if the contract period extends beyond the current fiscal year, the sharing agreement is subject to the availability of appropriations for the period after the first September 30 during which the agreement is in effect. Each party to the sharing agreement shall annually review the agreement to make certain that the resources being provided are in accordance with the agreement. Sharing agreements may be renewed in accordance with procedures to be established by each agency.

3-108 Reporting Requirements. The VA/DoD Health Resources Sharing Committee will retain copies of agreements for an annual report to Congress, which is required by the law. A copy of each agreement entered into or renewed will be sent by the medical facilities or organizations entering into the agreements to the VA/DoD Health Care Resources Sharing Committee. It is the VA/DoD Sharing Committee's responsibility to prepare the annual report to Congress which the Secretary of Defense and the Administrator will submit.

ARTICLE IV

AGENCY PROCEDURES

4-101 Agency Guidance. Each agency will issue implementing and operating guidance to their organizational elements and medical facilities.

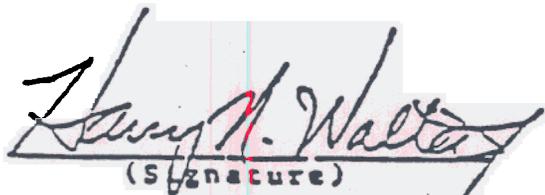
4-102 Review. Both agencies agree to refer existing policies, procedures, and practices relating to sharing of health-care resources between the agencies to the VA/DoD Health Care Resources Sharing Committee for its review, which is as required by 38 U.S.C. §5011 (b)(3)A.

4-103 Quality Assurance. Agency medical facilities shall maintain utilization review and quality assurance programs to ensure the necessity, appropriateness, and quality of health care services provided under this agreement. The content and operation of these programs shall, at a minimum, meet the requirements and guidelines set forth in the most recent editions of the Joint Commission on Accreditation of Hospitals accreditation manuals.

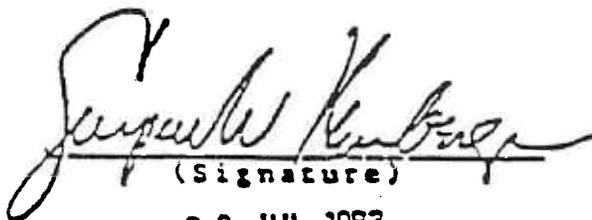
ARTICLE V

EFFECTIVE DATE, MODIFICATION, AND TERMINATION OF GUIDELINES

5-101 Duration. This memorandum becomes effective on the date of the last signature. Either party may propose amending these guidelines, but both must agree for amendments to take effect. Either party may terminate these guidelines upon 30 days written notice to the other party.


(Signature)

JUL 1 - 1983


(Signature)

29 JUL 1983