THE ASSISTANT SECRETARY OF DEFENSE

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HEALTH AFFAIRS

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MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (M&RA)
ASSISTANT SECRETARY OF THE NAVY (M&RA)
ASSISTANT SECRETARY OF THE AIR FORCE (M&RA)

SUBJECT: Interim Policy Guidance for Implementation of Medical Management Programs

This policy memorandum establishes policy and provides program guidance for Medical Management (MM) programs within the Direct Care System (DCS) of the Military Health System (MHS). MM is an evolving healthcare industry model that integrates Utilization Management (UM), Case Management (CM), and Disease Management (DM) to effectively manage patient care and improve resource consumption efficiency. Implementation of effective MM activities is critical to the military treatment facility's (MTF) ability to meet business plan goals and improve the delivery and quality of healthcare.

To assist each MTF in educating personnel regarding principles of MM, implementing the recommended improvements, and designing an effective program, a draft MM Guide is now available at www.dodmedicalmanagement.info.

All MTFs shall:

1. Incorporate MM principles into an organization-wide, interdisciplinary MM plan.

2. Staff MM programs with appropriately trained and qualified personnel as recommended in the *Medical Management Guide*.

3. Establish a referral management process to monitor direct and purchased care sector referrals.

4. Provide a methodology, as identified in the *Medical Management Guide*, for addressing the denial of services based on medical necessity and factual (non-medical) determinations, and for managing the appeal process within the MTF.

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5. Utilize CM, as outlined in the *Medical Management Guide,* to manage the healthcare of beneficiaries with multiple, complex, chronic, catastrophic illnesses or known conditions when care is provided exclusively within the DCS. MTFs will coordinate with the MCSC's CM when beneficiaries require care outside the DCS.

6. Establish processes to monitor and manage demand for/capacity of (access to) healthcare services, and provide discharge planning for those patients in need of assistance at the next level of care.

7. Each year, identify and select at least one clinical process for improvement, through the application of clinical practice guidelines, and monitor its compliance to identify practice pattern trends which can be shared with MTF staff.

8. Develop at least two MM measures that support goal attainment outlined in the local business plans and monitor their outcomes.

9. Use systematic, data-driven processes to proactively identify and improve clinical and business outcomes, as well as define target populations for focused interventions.

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