



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-1200

JAN 31 2005

HEALTH AFFAIRS

The Honorable John W. Warner  
Chairman, Committee on Armed Services  
United States Senate  
Washington, DC 20510-6050

Dear Mr. Chairman:

The enclosed report is submitted as required by the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375), Section 727. The report describes the selection process for the TRICARE Regional Office (TRO) Directors.

The TRO Director positions support the Department of Defense's recent transformation of the Military Health System (MHS). The TRO Directors head the TROs, which are new management organizations responsible for managing the new regional TRICARE contractors and overseeing an integrated health care delivery system in the United States and overseas.

Nominees for consideration may be either flag/general officers or members of the Senior Executive Service (SES) under the jurisdiction of the respective Military Department Secretary. A review board and selection official will review and make selection recommendations to the Secretary of Defense. If the Military Department Secretaries' nominees are not suitable to fill the TRO Director position, a second method is available to fill these TRO Director positions through existing Office of Personnel Management SES recruitment procedures.

This selection process gives the Secretaries of the Military Departments sufficient qualification guidance for potential nominees, greater flexibility in submitting a commissioned officer or SES nominee, and provides a formal process to ensure timely transition of personnel.

Thank you for your continued interest in the Military Health System.

Sincerely,

A handwritten signature in black ink that reads "William Winckenwerder, Jr." in a cursive script.

William Winckenwerder, Jr., MD

Enclosure:  
As stated

cc:  
Senator Carl Levin

**Report to Congress**



**Report to Congress on the  
Selection Process for the  
TRICARE Regional Director Positions**

## **REPORT TO CONGRESS ON THE SELECTION PROCESS FOR THE TRICARE REGIONAL DIRECTOR POSITIONS**

### **INTRODUCTION**

The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (NDAA-05) (Public Law 108-375), Section 727, requires the Secretary of Defense to develop a selection process for the TRICARE Regional Office (TRO) Directors. The selection process shall allow the selection of the TRO Directors from among qualified submitted nominees selected by the Secretaries of the Military Departments or, if needed, other qualified applicants.

The TRO Director positions support the Department of Defense’s recent transformation of the Military Health System (MHS). The TRO Directors head the TROs, which are management organizations responsible for managing the regional TRICARE contractors and overseeing an integrated health care delivery system in the United States and overseas. The TRICARE Governance Plan (Attachment 2), which was approved by the Deputy Secretary of Defense on January 20, 2004, addresses this new MHS management structure, as well as the roles and responsibilities for the TRO Directors and the TROs.

The TRO Regional Organization consists of:

- a. Three TROs aligned with three TRICARE regional contracts in the United States.
- b. An Overseas TRO, headquartered in the TRICARE Management Activity with three subordinate overseas area offices.
- c. The TRICARE Alaska Office which is a subordinate office of the TRO-West.

The TRO Directors selection process shall allow each of the Secretaries of the Military Departments to nominate a candidate for each vacant TRO Director position. These nominees can either be commissioned officers in the grade above colonel, or, in the case of the Navy, captain, or be a member of the Senior Executive Service (SES) under the jurisdiction of that respective Military Department Secretary. If the Military Department Secretaries’ nominees do not meet criteria, the Secretary of Defense or his designated representative (herein after referred to as “Designee”) shall accept application for assignment or appointment to each vacant TRO Director position through recruitment action from other qualified Senior Executive Service (SES) candidates available.

This selection process will not be used to fill the Overseas TRO Director position. The Department has determined that the position will be filled as a major additional duty of the Deputy Director, TRICARE Management Activity.

## **TRO DIRECTOR SELECTION PROCESS**

The selection process for the three CONUS TRO Director positions shall be accomplished by one of two separate methods. The first method shall consist of solicitation of qualified nominees from the respective Secretaries of the Military Departments. If the Secretary of Defense or his Designee determines the nominees submitted for consideration are not suitable to fill the TRO Director position, the second method will be used. Method two is to recruit for an SES candidate. This will be accomplished through existing Office of Personnel Management (OPM) SES competitive recruitment procedures.

The Secretaries of the Military Departments may submit either flag/general officer or SES nominees to be considered for selection to each of the vacant TRO Director positions.

The Secretary of Defense or his Designee shall appoint a Review Board of senior officials to evaluate the nominees submitted for consideration by the Military Departments. The Secretary of Defense or his Designee shall also appoint a selection official who shall act upon the Review Board's recommendations.

The Review Board shall use pre-determined criteria in evaluating the suitability of nominees considered for selection of the vacant TRO Director Position. After evaluating the Military Department Secretaries' nominees, the Review Board shall recommend to the selection official on the best qualified candidate(s), if any, to fill the TRO Director position(s). If a suitable candidate is not available, the Review Board shall recommend that a SES recruitment action be initiated to fill the TRO Director position.

## **RESPONSIBILITIES**

### **Secretary of Defense**

The Secretary of Defense or his Designee shall provide written notification to the Secretaries of the Military Departments of any TRO Director position that is to become vacant. This notification shall normally occur twelve months prior to the position becoming vacant. There may be special circumstances when this twelve month notification cannot be met.

The contents of this notification will include:

1. The date the Secretaries of the Military Departments shall submit their nominees for the TRO Director position.
2. The TRO Director position projected to be vacant and the report date of the selected replacement.

3. A copy of the TRO Director Position Description (PD).
4. The training, education, and experience qualified nominees shall possess to be considered.
5. Notification of the period of assignment (usually three years, should the selected candidate be a flag officer).

The Secretary of Defense or his Designee shall name a selection official and also establish a review board of DOD officials who shall evaluate all nominations submitted for consideration.

The Secretary of Defense or his Designee shall provide notification to the Secretaries of the Military Departments on the outcome of the TRO Director selection process.

### **Review Board**

The Review Board shall evaluate all nominees and make recommendations to the selection official on the suitability of the nominees considered. This recommendation should occur no later than seven months prior to when the TRO Director position is to become vacant. Evaluation criteria will include but are not limited to:

Executive Core Qualifications (ECO) related to:

- Leading Change
- Leading People
- Results Driven
- Business Acumen
- Building Coalitions/Communication

Experience/Knowledge/Training on:

- Military Health System
- Managed Care Concepts
- Health Insurance
- Government Acquisition and Contracting
- Negotiation and Consensus Building

Graduate Degree or related professional qualifications or relevant experience in one or more of the following disciplines:

- Health Care Policy
- Health Administration
- Public Administration or Health
- Business Administration

In the event no nominee submitted by the Secretaries of the Military Departments is recommended by the Review Board, the Review Board shall advise the selection official and recommend the position be filled through a SES recruitment action. This notification will occur no later than seven months prior to when the TRO Director position will become vacant.

### **Selection Official**

The selection official shall be appointed by the Secretary of Defense or his Designee. The selection official is responsible to ensure the TRO Director positions are filled with qualified personnel and in a timely manner.

The selection official shall act on the recommendation of the Review Board. He/She shall either accept the recommendation of the Review Board to select the best qualified nominee submitted from the Secretaries of the Military Departments or, if a suitable candidate is not available, direct a SES recruitment action occur to fill the projected vacant TRO Director position.

The selection official shall notify the Secretary of Defense or his Designee of the outcome of this TRO Director recruiting action. He/She will prepare required documentation to notify the Secretaries of the Military Departments of the outcome of this action.

If required, the selection official shall notify the appropriate civilian personnel agency to initiate an SES recruitment action to fill the TRO Director position.

### **Secretaries of the Military Departments**

Upon notification from the Secretary of Defense or his/her designated representative, provide suitable nominees for each projected vacant TRO Director position.

Nominees submitted for consideration must be either flag/general officers or members of the Senior Executive Service (SES) under the jurisdiction of the respective Military Department Secretary.

Nominations shall be submitted within the time frame established by the Secretary of Defense or his Designee.

Nominees submitted for consideration shall meet the minimum training, education, and experience required outlined in the Secretary of Defense solicitation for nominees in order to be considered for selection of the TRO Director position.

1

Upon notification of a nominee's selection to the vacant TRO Director position, take appropriate action to ensure the selected individual reports to the new position by the established report date.

## **SUMMARY**

This report outlines the process to be used by the Department to select and fill the TRICARE Regional Office Director positions as they become vacant. This selection process ensures fair and equitable consideration is given to every nominee and applicant.

This selection process gives the Secretaries of the Military Departments sufficient qualification guidance to submit their nominees for potential selection. The Military Department Secretaries are afforded the flexibility to submit either a commissioned officer in the grade above colonel, or, in the case of the Navy, captain, or a member of the SES under their jurisdiction for each TRO Director position that is projected to become vacant.

If the nominees from the Military Departments are not suitable, based on the assessment of qualifications, selected to fill the TRO Director position, a second method is available to fill these TRO Director positions through existing Office of Personnel Management SES recruitment procedures.

**END OF REPORT**