

Military Health System (MHS) Section 703 Workgroup Use Case Decision Package

Naval Health Clinic (NHC) New England
Volume I

Disclaimer: This Use Case provides information relevant to decisions to change capacity and capability of a military treatment facility. A detailed implementation plan is needed to accomplish a transition of clinical services.

Executive Summary

Site	Naval Health Clinic (NHC) New England
Decision	Transition Naval Health Clinic New England outpatient facility to an Active Duty only and Occupational Health (AD/ OH) clinic. All base support functions and pharmacy workload will be maintained.

Background and Context

The table below summarizes the findings and data informing the decision on the future of the Military Medical Treatment Facility (MTF). Information in the Use Case Package could include but is not limited to: Base and MTF mission briefs, a site-visit trip report, and two network assessments (TRICARE Health Plan Network Review and an independent government network assessment). When determining the decision for each site, the mission impact and network impact were considered in conjunction with Service and MTF input.

Base Mission Summary

NHC New England is in Newport, RI, in Newport County, approximately 40 miles from Providence. NHC New England's key mission elements are to support of 53 Tenant Commands and Activities and several different officer and enlisted training programs.

Criteria Matrix

Criteria	Rating or Value ¹	Key Takeaways or Findings	Use Case Package
Mission Impact	L	<ul style="list-style-type: none"> Proximity of the local network to the base does not indicate excessive time away from duty or job for Primary Care visits. 100% of non- Active Duty Military Medical Treatment Facility (MTF) Prime and Plus beneficiaries are living within the 30-minute drive-time boundary for Primary Care, concentrated around the MTF location Any change under consideration should weight the training pipeline needs for the different Officer and Enlisted training programs which NHC New England supports, including: Naval War College, Naval Station Newport, Officer Training Command Newport (OTCN), Senior Enlisted Academy (SEA), Naval Academy Prep School (NAPS), Naval Undersea Warfare Center, Navy Supply School, Surface Warfare Officers School (SWOS) 	Section 1.0
Network Assessment	L	<ul style="list-style-type: none"> NHC New England is surrounded by a robust Primary Care network. 100% of non-AD MTF Prime and Plus beneficiaries are living within the 30-minute drive-time boundary for Primary Care, and 100% of MTF Prime, Reliant, and Medicare Eligible beneficiaries are living within the 60-minute drive-time boundary for Specialty Care, concentrated around the MTF location The potential impact of new Military Health System (MHS) Beneficiaries on the total population is well below the 10% threshold for both population groups and thus will not materially impact supply and demand of services in the New England market The current Primary Care population growth is expected to be about 1% -- 2% growth for the next five (5) years (2019 to 2023). This growth will result in an expected shift from demand of Internal Medicine Providers to General/Family Practice Providers, however the current surplus of Internal Medicine providers can cover the anticipated shortage in General/Family Practice Specialty Care is expected to grow at more than 2% for the next five (5) years (2019 to 2023) with any minor shortage stemming from demand to be meet with new market entrants that will help close market gaps. There is an expected surplus of Psychiatry providers in outlying areas of the 60-minute drive-time radius, and minor shortages in other key specialties (Dermatology, Orthopedic Surgery, and Otolaryngology) 	Section 2.0

Risk/Concerns and Mitigating Strategies

The Risk/Concerns and Mitigation table below represents a high-level summary of the risks identified throughout the analysis. Though not exhaustive, the mitigation strategies and potential courses of action will be used to help develop a final implementation plan.

¹ See Appendix B for Criteria Ratings Definitions

Risk/Concerns		Mitigating Strategy
1	Inappropriately adjusting for the training pipeline needs of the different Enlisted and Officer Training Schools that NHC New England Supports may lead to training and readiness gaps	<ul style="list-style-type: none"> Maintain AD Only care
2	Due to the Naval War College and influx in volume, AD Family Members (ADFM) may have difficulty coordinating care, resulting in long wait times	<ul style="list-style-type: none"> Consider coordinating Primary Care appointments for family members prior to their arrival to NHC New England
3	The patients' change in expectations from getting care at the MTF to getting care in the market will have to be monitored and managed	<ul style="list-style-type: none"> The risk will be mitigated through the implementation and communication plan as well as case management and care coordination
4	The TRICARE network may need to be expanded to cover impacted beneficiaries. Providers' willingness to accept TRICARE patients must be confirmed	<ul style="list-style-type: none"> Maintain Primary Care for the AD population Shift beneficiaries to the network slowly, and continuously monitor the network to ensure access standards are being met

Next Step:

Develop the implementation plan for the above decision, with a focus on deliberately shifting enrollees to an expanded civilian network one (1) panel at a time.

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1.0. Installation and Military Medical Treatment Facility (MTF) Description

Naval Station (NAVSTA) Newport and Naval Health Clinic (NHC) New England, Newport, RI; Newport County; approximately 40 miles from Providence. Naval Health Clinic (NHC) New England; Newport, RI; Newport County; approximately 40 miles from Providence. NHC New England's key mission elements are in support of 53 Tenant Commands and Activities and several different officer and enlisted training programs. The total MTF enrolled population impacted by the change is more than 4,500² empaneled beneficiaries that will need to find a new Primary Care Manager (PCM). Of note, any change under consideration should weight the training pipeline needs for the different Officer and enlisted training programs which NHC New England supports.

1.1. Installation Description

Name	Naval Station (NAVSTA) Newport
Location	Newport, RI; Newport County; approximately 40 miles from Providence
Mission Elements	NHC New England Newport
Mission Description	<p>NAVSTA Newport is home to 50 Navy, United States (U.S) Marine Corps, U.S. Coast Guard, National Oceanographic and Atmospheric Administration, and U.S. Army Reserve commands and activities. Newport is the Navy's premier site for training officers, officer candidates, senior enlisted personnel, and midshipman candidates, as well as testing and evaluating advanced undersea warfare and development systems.</p> <p>NAVSTA Newport's mission is to fulfill the diverse requirements of its tenant commands by providing the facilities and infrastructure essential to their optimum performance.</p> <p>Newport is also the home of the Naval War College. The college is organized to pursue and integrate both academic and research endeavors. Each year approximately 600 outstanding midcareer-level officers of the Navy, all other U.S. services, civilian federal agencies, and international naval officers come to the Naval War College to pursue a rigorous 10-month course of postgraduate studies.</p> <p>Naval Health Clinic (NHC) New England, Newport, provides general clinical outpatient services for authorized family members and cooperates with military and civilian authorities in matters of health, sanitation, disaster, and other emergencies.</p>
Regional Readiness/ Emergency Management	<p>NHC New England Serves:</p> <ul style="list-style-type: none"> • 53 Tenant Commands and Activities • Naval War College • Naval Station Newport • Officer Training Command Newport (OTCN) • Senior Enlisted Academy (SEA) • Naval Academy Prep School (NAPS) • Naval Undersea Warfare Center • Navy Supply School • Surface Warfare Officers School (SWOS)
Base Active or Proposed Facility Projects	<ul style="list-style-type: none"> • Approximately 300 additional AD students will matriculate annually, beginning in FY20 • No known increases in AD end strength for supported tenant commands

1.2. MTF Description

Name	NHC New England, Newport
Location	Newport, RI; Newport County; approximately 40 miles from Providence
Market³	New England (Small Market)
Mission Description	Support the warfighter by ensuring readiness, health, and wellness for all entrusted to our care
Vision Description	NHC New England will be the preferred patient-centered healthcare choice

² Source: Non-AD MTF Prime and Plus

³ Defined by FY17 NDAA Section 702 Transition

Goals	<ul style="list-style-type: none"> (1) Readiness: We will keep the warfighter fit to fight (2) Health: We will provide safe, quality healthcare (3) Partnerships: We will optimize health through partnerships with the communities we serve 			
Facility Type	Outpatient clinic, no ambulatory surgery			
Square Footage⁴	90,576 sq. ft.			
Deployable Medical Teams	<ul style="list-style-type: none"> • 4TH MARDIV H&S CO 1/24 MAR • 4TH MARDIV H&S CO 1/25 MAR • 4TH MARDIV H&S CO 2/25 MAR • 4TH MAW MWSS 472 DET B MWSS 47 • 4TH MLG A SURG CO 4MEDBN • DET B MWSS-471 MAG-41 • EXPED MED FAC (EMF 150) BRAVO (CA, SAN DIEGO) • EXPED MED FAC (EMF 150) CHARLIE (MD, BETHESDA) • EXPED MED FAC (EMF 150) GOLF • EXPED MED FAC (EMF 150) GOLF (SC, BEAUFORT) • EXPED MED FAC (EMF 150) JULIET (VA, PORTSMOUTH) • EXPED MED FAC (EMF 150) KILO (NC, CAMP LEJEUNE) • EXPED MED FAC (EMF 150) MIKE (FL, JACKSONVILLE) • EXPED MED UNIT 10 ALPHA (VA, PORTSMOUTH) • EXPED MED UNIT 10 CHARLIE (CA, SAN DIEGO) • JAL FHCC BLD DNR CTR (IL, GREAT LAKES) • MWSS-472 MAG-49 • NMCB TWO SEVEN • SITE SPT MARIETTA H&S BN • T-AH 20 COMFORT MED TREATFAC (VA, NORFOLK) 			
Performance Metrics	See Volume II, Part E for performance measures (Partnership for Improvement) (P4I) measures and Part F for Joint Outpatient Experience Survey (JOES-C) data			
Fiscal Year (FY) 2018 Assigned Full-time Equivalents (FTEs)⁶		Military	Civilian	Contractor
Healthcare Services	Medical	234.1	139.4	16.5
				Total
				390.0
	<p>Health Services</p> <ul style="list-style-type: none"> • Medical Home Port (MHP) • Student Medical Unit <ul style="list-style-type: none"> ◦ OTCN • Flight Surgery <ul style="list-style-type: none"> ◦ Special Duty Physicals ◦ Officer Training Command Support • Behavioral Health/Substance Abuse Rehabilitation Program • Medical Readiness Clinic / Deployment Health • Orthopedic Surgery • Oral & Maxillofacial Surgery • Podiatry (plan to divest by 1 August 2019) • Chiropractic • Dermatology <p>Public Health</p> <ul style="list-style-type: none"> • Occupational Health • Industrial Hygiene • Preventive Medicine 			

⁴ Source: 703 WG requested net SF data TSG 4-15-19.xlsx

⁵ TRICARE Health Plan Network Assessment Summary references JOES-C Question #31 "Using any number from 0 to 10, where 0 is the worst health care possible and 10 is the best health care possible, what number would you use to rate your health care?"

⁶ Source: NHC New England MTF Portfolio

- Audiology
- Optometry
- Dental
 - General Dentistry
 - Comprehensive Dentistry
 - Prosthodontist
- Clinical Support
 - Laboratory
 - Pharmacy
 - Radiology
 - Physical Therapy
- Administrative
 - Patient Administration
 - Facilities
 - Education and Training
 - Quality Management
 - Human Resources
 - MID
 - Material Management
 -

Projected Workforce Impact	Active Duty	Civilian	Total
	92	41	132
Network Urgent Care Center (UCC)	There is one (1) UCC within 25 miles of NHC New England		

2.0. Healthcare Market Surrounding the MTF

Description	Within the NHC New England drive-time standard, there are currently 143 Primary Care practices, which includes 302 Primary Care physicians (not limited to TRICARE).		
Top Hospital Alignment	Primary Care <ul style="list-style-type: none"> • Saint Anne's Hospital (Fall River, MA) • South County Health (South Kingstown, RI) • Kent Memorial Hospital (Warwick, RI) • Newport Hospital (Newport, RI) 		
Likelihood of Offering Primary Care Services to TRICARE Members⁷		Number of Practices	Number of Physicians
	Contracted with TRICARE	66	167
	High Likelihood	13	19
	Medium Likelihood	56	105
	Low Likelihood	8	11
	Total	143	302

2.1. TRICARE Health Plan (THP) Network Assessment Summary

Facts:

- NHC New England (Newport, RI) has a market area population of approximately 2.4M⁸
- NHC New England has more than 4,500⁹ non- Active duty (AD) enrollees who could enroll to the network
- MCSC has contracted 73¹⁰ of 302¹¹ (21%) Primary Care providers (PCP) within a 15-mile radius of the MTF. Of the 73 PCPs, 63 are accepting new patients
- Rolling 12-month Joint Outpatient Experience Survey (JOES-C) scores ending October 2018 with a "health care rating" scored as a 9 or 10 on a scale of 0-10:
 - NHC New England patients: 45.5% (65 respondents)
 - Network patients: 81.9% (263 respondents)
- TRICARE Prime Out-of-Pocket Costs for Retirees and their family members¹²
 - Preventive Care Visit: \$0
 - Primary Care Outpatient Visit: \$20
 - Specialty Care Outpatient or Urgent Care Center Visit: \$30
 - Emergency Room Visit: \$61
- TRICARE Prime enrollees should expect to drive no more than:
 - 30 minutes to a Primary Care Manager (PCM) for Primary Care
 - 60 minutes for Specialty Care

Assumptions:

- MCSC could contract an additional 50% of the existing non-network PCPs
- The average PCP panel is approximately 2000¹³
- PCPs generally have relatively full panels, able to immediately enroll:
 - Up to 2.5% more enrollees (49) easily
 - 2.5% - 5% (50-99) with moderate difficulty
 - > 5% (100+) with great difficulty

⁷ Contracted with TRICARE Providers are currently contracted to provide services to TRICARE beneficiaries; High Likelihood: Providers are connected to organizations currently providing services to TRICARE beneficiaries; Medium Likelihood: Providers are accepting Medicare and/or Medicaid; Low Likelihood: Providers are neither providing Medicare nor Medicaid

⁸ Network Insight Assessment (Independent Government Assessment) – Within a 40-mile radius

⁹ M2

¹⁰ MCSC

¹¹ Network Insight Assessment (Independent Government Assessment)

¹² <http://www.TRICARE.mil/costs>

¹³ MGMA

- Metropolitan networks will grow more rapidly than rural networks to accommodate demand

Analysis:

- NHC New England is near a metropolitan area with a robust Primary Care network
- Enrollment of additional beneficiaries to the network would depend on MCSC network expansion and potentially the entry of additional physicians into the market
- If MCSC contracts 50% of the non-network PCPs, they would have a total of 178 PCPs
- Each PCP would have to enroll approximately 30 new patients to accommodate the more than 4,500 enrollees
- Based on the assumptions above, the MCSC network could likely expand rapidly to meet the new demand
- Beneficiaries rate network health care 36% higher than NHC New England healthcare, so beneficiary satisfaction is not likely to suffer with network enrollment
- Network-enrolled Retirees and their family members will have higher out-of-pocket costs than MTF enrollees
- On-base non-AD residents will have to travel farther for Primary Care if enrolled to the network

Implementation Risks:

- MCSC network may not grow fast enough to accommodate beneficiaries shifted from NHC New England
- Retirees and their family members may seek less Primary Care due to out-of-pocket costs (+/-)

2.2. Network Insight Assessment Summary (Independent Government Assessment)

Facts:

- **Primary Care:** The MHS impacted population for Primary Care is more than 4,500; 100% of non-AD MTF Prime & Plus beneficiaries are living within the 30-minute drive-time boundary for Primary Care, concentrated around the MTF location. The potential impact of new MHS Beneficiaries on the total population is well below the 10% threshold for Primary Care and thus will not materially impact supply and demand of services in the New England market. Population is forecasted to grow slightly (1.5%) over the next five (5) years (2019 to 2023), this growth is expected to result in a slight deviation from demand of Internal Medicine Providers
- **Specialty Care:** The MHS impacted population for Specialty Care is more than 15,000¹⁴, additionally 100% of MTF Prime, Reliant, and Medicare Eligible beneficiaries are living within the 60-minute drive-time boundary for Primary Care, concentrated around the MTF location. The potential impact of new MHS Beneficiaries on the total population is well below the 10% threshold for Specialty Care and thus will not materially impact supply and demand of services in the New England market. Population growth over the last five years (2014 to 2018) in the 60-minute drive time has averaged 1.9% and is projected to increase slightly over the next five years to 2.3% Despite this growth, we expect to see little impact for TRICARE beneficiaries as they make up 0.7% of the total population

Assumptions:

- Assumptions can be found in Section 4.3.2 of the NDAA Section 703 Report

Analysis:

- **Primary Care:** Current Primary Care providers in the market service area are covering current demand with a strong supply of Internal Medicine Providers (not limited to TRICARE). There is potential capacity to accept the incremental MHS population with the expected surplus of Internal Medicine providers who can cover the anticipated shortage in General/Family Practice stemming from the slight population growth
- **Specialty Care:** The majority of specialty providers are located in Providence and Newport counties, which is where just ~12% of impacted beneficiaries reside
 - Slight shortages of **Dermatology** providers are projected in the market. Given these shortages, the market should be monitored over time to ensure adequacy

¹⁴ Includes MTF Prime, Reliant, and Medicare Eligible

- Slight shortages of **Otolaryngology** providers are projected in the market. Given these shortages, the market should be monitored over time to ensure adequacy
- Slight shortages of **Orthopedic Surgery** providers are projected in the market. Given these shortages, the market should be monitored over time to ensure adequacy
- A strong surplus of **Psychiatry** providers in the market are projected current demand and we expect them to be equipped to handle increased demand from TRICARE beneficiaries. There should be capacity to accept the incremental MHS population with the expected population growth rate and supply of providers

3.0. Appendix

Appendix A	Use Case Assumptions
Appendix B	Criteria Ratings Definition
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Appendix A: Use Case Assumptions

General Use Case Assumptions

1. Population impact that is greater than 10% of total population will impact the supply and demand of the provider network market
2. There will be no change in the TRICARE benefit to accommodate decisions
3. Readiness requirements for the final decision will be addressed in the Service Quadruple Aim Performance Plan (QPP)
4. There will be no changes to the existing Managed Care Support Contract (MCSC)
5. The MCSC could contract an additional 50% of the existing non-network Primary Care Providers (PCPs).
6. The average PCP panel is approximately 2000¹⁵

¹⁵ MGMA

Appendix B: Criteria Ratings Definition

Criteria Ratings Definition

Mission Impact	High: High probability of impacting the mission or readiness with the impacted population receiving network care Medium: Moderate probability of impacting the mission or readiness with the impacted population receiving network care Low: Low probability of impacting the mission or readiness with the impacted population receiving network care
Network Assessment	High: Both network assessments confirm inadequate network for primary and Specialty Care. Low probability of network growth or MCSC recruitment in the future Medium: Mixed findings from both network assessments for primary and Specialty Care. Moderate probability of network growth in the future Low: Both network assessments confirm adequate network for Primary Care and Specialty Care

Appendix C: Glossary

<i>Term (alphabetical)</i>	<i>Definition</i>
Ambulatory Care	Ambulatory care is care provided by health care professionals in outpatient settings. These settings include medical offices and clinics, ambulatory surgery centers, hospital outpatient departments, and dialysis centers (AHRQ.gov)
Beneficiary	Individuals who have been determined to be entitled to or eligible for medical benefits and therefore are authorized to receive treatment in a military treatment facility or under Department of Defense auspices (Source: health.mil)
Critical Access Hospital Designation	Critical Access Hospitals (CAHs) is a designation given to eligible hospitals by the Centers for Medicare and Medicaid Services (CMS)..... (CAHs) represent a separate provider type with their own Medicare Conditions of Participation (CoP) as well as a separate payment method. CoPs for CAHs are listed in the Code of Federal Regulations (CFR) at 42 CFR 485.601–647 (Source: CMS.gov)
Direct Care	Care provided to eligible beneficiaries throughout the Military Health System at DoD hospitals, clinics, and pharmacies (usually MTFs) (Direct Care); (Source: McEvoy, L. N., 2Lt, USAF. (2018). A Study of Military Health Care Costs: Direct Versus Purchased Care in a Geographical Region. Defense Technical Information Center, 1-6. Retrieved from https://apps.dtic.mil/dtic/tr/fulltext/u2/1056374.pdf .)
Eligible	To use TRICARE, you must be listed in DEERS as being eligible for military health care benefits. TRICARE-eligible persons include the following: Military members and their families, National Guard/Reserve members and their families, Survivors, Some former spouses, Medal of Honor recipients and their families (Source: TRICARE.mil)
Enrollee	The Cambridge Dictionary defines Enrollee as “someone who is on the official list of members of a group, course, or college.” For the purposes of this Use Case, Enrollee is defined as an eligible Military Health System beneficiary that is currently participating in one of the TRICARE Health plans
JOES	Joint Outpatient Experience Survey (Source: health.mil)
JOES-C	Joint Outpatient Experience Survey – Consumer Assessment of Health Providers and Systems (Source: health.mil)
Managed Care Support Contractor (MCSC)	Each TRICARE region has its own MCSC who is responsible for administering the TRICARE program in each region. The MCSCs establish the provider networks and conduct provider education. Humana is the MCSC in the East, and HealthNet is the MCSC in the West (Source: health.mil)
Network	A provider network is a list of the doctors, other health care providers, and hospitals that a plan has contracted with to provide medical care to its members. These providers are called “network providers” or “in-network providers.” (Source: cms.org)
Occupational Therapy	Occupational therapy is the use of individualized evaluations, customized intervention strategies, and outcome evaluations to help people across their lifespan participate in activities they want and need through the therapeutic use of everyday activities (occupations) (Source: The American Occupational Therapy Association)
Remote Overseas	TRICARE Prime Remote Overseas is a managed care option in designated remote overseas locations: Eurasia-Africa, Latin America and Canada, Pacific (Source: TRICARE.mil)
P4I	A set of MHS clinical, quality, safety and readiness performance measures (Partnership for Improvement)
Panel	A panel is a list of patients assigned to each care team in the practice. The care team (e.g., a physician, a medical assistant, and a health educator) is responsible for preventive care, disease management, and acute care for all the patients on its panel. This means that a patient will have the opportunity to receive care from the same clinician and his or her care team. The panel's population are the patients associated with a provider or care team, the physician care team is concerned with the health of the entire population of its patient (Source: AHRQ.gov)
Plus	With TRICARE Plus patients receive free Primary Care at their respective military hospital or clinic. The beneficiary is not required to pay anything out-of-pocket. TRICARE Plus does not cover Specialty Care (Source: health.mil)
Prime	TRICARE Prime is a health insurance program offered to active duty members, retirees, activated guard and reserve members, and families. Active Duty members are required to enroll in TRICARE Prime, while all others may choose to enroll or use TRICARE Select. TRICARE Prime offers fewer out-of-pocket costs than TRICARE Select, but less freedom of choice for providers (Source: health.mil)
Purchased Care	TRICARE provides care to its eligible beneficiaries in two broad settings: a system of DoD hospitals, clinics, and pharmacies (usually MTFs) (Direct Care); and a supplemental network of participating civilian health care professionals, institutions, pharmacies, and suppliers (Purchased Care) (Source: McEvoy, L. N., 2Lt, USAF. (2018). A Study of Military Health Care Costs: Direct Versus Purchased Care in a Geographical Region. Defense Technical Information Center, 1-6. Retrieved from https://apps.dtic.mil/dtic/tr/fulltext/u2/1056374.pdf .)
Reliant	Active Duty Service Members who are not enrolled to TRICARE Prime (e.g. students and recruits) (Source: MHS Modernization Study, Feb 2016)
Value Based Payment	Value Based Payment (VBP) is a concept by which purchasers of health care (government, employers, and consumers) and payers (public and private) hold the health care delivery system at large (physicians and other providers, hospitals, etc.) accountable for both quality and cost of care (Source: AAFP)

Appendix D: Volume II Contents

Part A	Data Call
Part B	Relevant Section 703 Report Detail
Part C	DHA TRICARE Health Plan Network Review
Part D	Network Insight Assessment Summary (Independent Government Assessment)
Part E	P4I Measures
Part F	JOES-C 12-month Rolling Data
Part G	Mission Brief
Part H	MTF Portfolio (Full)