

DEPARTMENT OF THE ARMY  
MEDICAL DEPARTMENT ACTIVITY  
FORT HUACHUCA, ARIZONA 85613-7079

MEDDAC Memorandum  
No. 40-45

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Medical Services  
UTILIZATION MANAGEMENT (UM) PLAN

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1. HISTORY. This is a revision of this publication.
  
2. PURPOSE. The purpose of UM is to provide medical care in the most cost effective manner while ensuring quality and patient safety. The UM program therefore serves as a system of management controls and checks-and-balances to the Case Management Program, which strives to provide the highest quality medical care without financial constraints. The UM program strives to follow regulatory guidance from the Assistant Secretary of the Department of Defense for Health Affairs(DoD-HA); the TRICARE Management Activity (TMA); the Office of the Surgeon General(OTSG); the U.S Army Medical Command (MEDCOM); and applicable federal, state, and local law and regulations, as well as Clinical Practice Guidelines (CPGs) where available.
  
3. SCOPE. The MEDDAC UM program oversees the utilization of resources both within and outside the Raymond W. Bliss Army Health Center (RWBAHC).
  
4. REFERENCES.
  - 4.1 Assistant Secretary of Defense for Health Affairs Memorandum, "Utilization Management Activities in the Direct Care System under TRICARE", 11 27 September 1994.

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\*This memo supersedes MEDDAC Memo 40-45, 17 Mar 04

4.2 DoD Utilization Management Policy for Direct Care System, 2 October 1997.

4.3 TriCare Utilization Management and Quality Management, September 1996.

4.4 U.S. Army Medical Command (MEDCOM) Utilization Management Policy, 24 February 2004.

4.5 CHAMPUS Operational Manual, Part 2, Chapter 20, Section II E.

4.6 AR 40-68, Clinical Quality Management.

4.7 AR 40-66, Medical Record and Quality Assurance Administration.

4.8 DoD 6010-8-R, Administration Procedures for Fraud, Abuse or Conflict of Interest.

4.9 DoD 6040.37 Confidentiality of Medical Quality Assurance (QA) Records.

4.10 JCAHO, Accreditation Manual for Ambulatory Care, current edition.

4.11 InterQual, Inc., ISD criteria Sets for Medical and Surgical reviews.

4.12 MEDDAC MEMO 40-33, Credentials

4.13 RWBAHC and TriWest Quality Management & Utilization Management Memorandum of Understanding

4.14 Milliman & Robertson, Inc., criteria sets for medical and surgical reviews.

## 5. RESPONSIBILITIES.

5.1 The Commander will, as the MTF representative of the governing body, approve the UM plan.

5.2 The Deputy Commander for Clinical Services (DCCS) will direct all health center UM activities listed in the UM Plan.

5.3 The Deputy Commander for Administration will develop, maintain and evaluate on a continuing basis, information concerning resource utilization and productivity as necessary to meet UM requirements.

5.4 The Utilization Management Coordinator will:

5.4.1 Serve as the commander's consultant for UM.

5.4.2 Serve as a member and consultant to the JCAHO Integration Committee (JIC).

5.4.3 Review the UM Plan annually.

5.4.4 Prepare an annual review of the UM program for presentation to JIC.

5.5 Department Chiefs will:

5.5.1 Support the cost-effective utilization of medical services consumed by departmental medical staff.

5.5.2 Serve as appeal authority for prospective review.

5.6 The Medical Staff will practice cost effective, high-quality medical care.

## 6. GENERAL

6.1 Utilization Management activities include prospective, concurrent, and retrospective reviews which focus on the medical necessity, timeliness, and cost of patient care services at the appropriate level of care.

6.2 Where inappropriate utilization problems and inefficient scheduling of resources are identified corrective action is taken.

6.3 Prospective Review: Levels of Review.

6.3.1 There is no prospective review conducted on medical care and services provided directly by the MTF.

**6.3.2** When a Licensed Independent Practitioner requests via consult or referral services outside the MTF, the prospective review system is activated.

**6.3.3** First level review

**6.3.3.1** The DCCS - who is the local approval authority for referrals to the Tricare network and for supplemental care for active duty - provides for first level review. Because it is not possible for the DCCS to review all referrals for appropriateness, he has the option to delegate first level approval of services that are covered by TRICARE to the Licensed Independent Practitioner (LIP) who has submitted a given consult or referral.

**6.3.3.2** For requests for services that are not covered by TRICARE and requests for supplemental care for active duty, the DCCS or his trained UM designee, maintains the review and approval authority at all times.

**6.3.4** Second level review is necessary on all cases not meeting first level review criteria and is conducted to render medical necessity determinations based on the medical expertise of the reviewer. Second level review is conducted by the MTF's managed care support contractor, TriWest.

**6.4** Concurrent reviews: A concurrent review is an evaluation of inpatient care in progress. The UM Coordinator, using established UM standards (see Appendix A) will monitor the utilization of resources on our hospitalized beneficiaries. Where indicators of excess or inappropriate utilization of resources are identified, the DCCS will provide the final review and approval of such services.

**6.5** Appeal Process: Where a disagreement exists between the MTF approval authority (DCCS) and other parties over whether requested services should be covered - the case will be referred to the MTF Commander for a final decision.

7. MEDICAL STAFF PROFILES/UTILIZATION PATTERNS. Medical staff profiling is a tool by which data and information about individual medical staff practices and patterns of expenditures are compiled for comparison with peers. This process currently falls under the purview of the Credentials Committee and is covered in Memo 40-33 Credentials. The goal is to identify what are deemed efficient practice patterns and to evaluate the over/under utilization of resources. Currently each Licensed Independent Practitioner's resourced utilization is analyzed and presented prior to initial or renewal of privileges.

8. CONFIDENTIALITY POLICY. All UM Documents will be considered "Quality Assurance Documents" under the provisions of Chapter 2, para 2-5, AR40-68, and are therefore, protected by Title 10, US Code, Section 1102, and DODD 6040.37, and will be so labeled). UM/UR minutes and/or supporting documents will not refer to a case in a way that would allow a patient or the health care medical staffs providing care to him/her to be identified.

9. FRAUD, WASTE AND ABUSE. In circumstances where fraud, waste or abuse is suspected, the case is made known through procedures outlined in DOD 6010.8-R, Chapter 9, Administrative Procedures for Fraud, Abuse or Conflict of Interest.

The proponent of this memorandum is the Deputy Commander for Clinical Services. Users are invited to send comments and/or suggested improvements to the Commander, RWBAHC, ATTN: MCXJ-DCCS, Fort Huachuca, AZ 85613-7079.

FOR THE COMMANDER:

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DISTRIBUTION: A

Appendix A  
Benchmarks and UM Standards for Hospitalization

The most current version of InterQual criteria will be used to perform prospective and retrospective review for medical/surgical admissions for the first level review.

Milliman & Robertson criteria may be used for those areas not covered by InterQual.

Health Management Strategies International (HMSI) criteria may be used for outpatient mental health reviews for the first level.