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A STUDY OF THE FEASIBILITY OF INCREASED UTILIZATION OF FITZSIMO--ETC(U)
APR 77 J A HUBBART, T S ARMSTRONG

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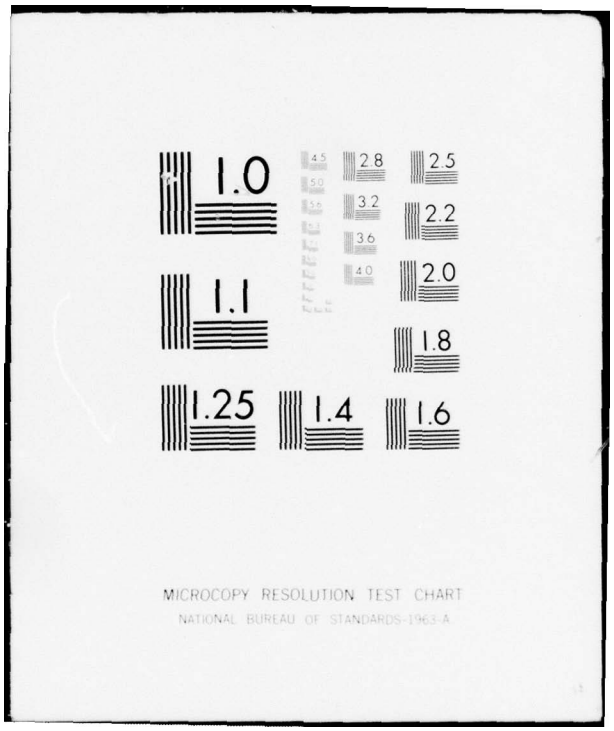
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Report HCSD 77-003

A STUDY OF THE FEASIBILITY OF INCREASED UTILIZATION OF FITZSIMONS ARMY MEDICAL CENTER (FAMC) BY CHAMPUS-ELIGIBLE BENEFICIARIES

A demonstration of CHAMPUS-eligible beneficiary utilization and a determination of change to the government share of CHAMPUS expenditures.

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April 1977

Final Report

Prepared for:

UNITED STATES ARMY HEALTH SERVICES COMMAND (HSOP-PA)
Fort Sam Houston, Texas 78234

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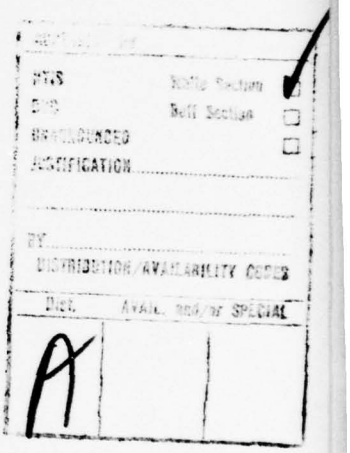

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20. ABSTRACT (Continue on reverse side if necessary and identify by block number)

Effective 1 February 1975 all CHAMPUS-eligible beneficiaries (CEBs) living within a 30 mile radius of Fitzsimons Army Medical Center (FAMC) were required to seek inpatient and outpatient care at that facility. CEBs who sought but did not receive care at FAMC were issued a Nonavailability Statement (NAS). The purpose of the study was to demonstrate CEB utilization of FAMC and to determine if the government share of CHAMPUS expenditures would be significantly changed by requiring utilization of FAMC. The study shows that during →

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the first year approximately 77 percent of the outpatient care and approximately 39 percent of the inpatient care provided at FAMC could be attributed to CEBs. Further, after a four month period it could be statistically demonstrated that a leveling effect occurred in the issuance of NASs. A statistically significant difference did exist in the government share of CHAMPUS expenditures for the total cost of Inpatient Services and Inpatient Professional Services in the Denver metropolitan area during the first full year of the study. Apparent government savings of the combined services was $533,751. A statistically significant difference did not exist in the government share of CHAMPUS expenditures for Outpatient Professional Services during the study period.

STUDY OF THE FEASIBILITY OF INCREASED UTILIZATION OF FITZSIMONS ARMY MEDICAL CENTER (FAMC) BY CHAMPUS-ELIGIBLE BENEFICIARIES

SUMMARY

The purpose of this study was to demonstrate the extent to which CHAMPUS-eligible beneficiaries (CEBs) could be cared for at Fitzsimons Army Medical Center (FAMC), and to determine if the government share of CHAMPUS expenditures could be significantly changed by requiring CEBs to utilize FAMC. Study results may be of assistance in decisions to expand the concept of increased utilization of uniformed services medical treatment facilities by CEBs.

Study objectives included the identification of CEBs who did receive FAMC services during the test effort, as well as those who sought but did not receive treatment at FAMC and were thus issued a Nonavailability Statement (NAS). In addition, staffing fluctuation among selected health care providers at FAMC was monitored. Another study objective was to compare workload and cost data prior to and during the study to determine if significant change occurred at FAMC in any one or all of these elements. A further study objective was to analyze the government share of CHAMPUS expenditures to determine if significant change occurred by virtue of the requirement for CEBs to utilize FAMC.

Initial study efforts involved the establishment of baseline data, as well as receiving, tabulating, evaluating, and reporting FAMC data during the test on a monthly basis through channels to the Department of Defense (DOD). The DOD inpatient portion of the study was terminated, concurrent with implementation of statutory changes to CHAMPUS regulations, in February 1976. However, the outpatient portion of the study was approved for continuance under the monitorship of the Office of The Surgeon General (OTSG).

Findings and conclusions of the study reflect that during Test Year (TY) I (February 1975 through January 1976), on the average, slightly more than 77 percent of the outpatient workload and slightly more than 39 percent of the inpatient workload at FAMC could be attributed to the CEB. Concerning those CEBs who sought but did not receive care at FAMC, in a comparison of TY I and the first half of TY II (February 1976 through July 1976), the FAMC Department of Psychiatry was responsible for initiating more than 70 percent of all outpatient NASs. This indicates that psychiatric services at FAMC are not readily available to the CEB. Further, after a four month period it could be statistically demonstrated that a leveling effect occurred in the

issuance of NASs. Therefore, further NAS data collection is not required. An additional TY I finding and conclusion is that the provisions of the FAMC study staffing moratorium were adhered to.

In order to assess change that occurred at FAMC as a result of the study, FAMC reported monthly workload and supply dollar cost data was collected for the Base Year (BY) (February 1974 through January 1975), as well as for TY I. A one-way analysis of variance (ANOVA) was utilized to compare BY and TY I data, with results evaluated using the .05 level of significance as the cutoff criterion. Results showed that no statistically significant difference existed between BY and TY I FAMC overall workload or supply dollar costs. This suggests that the impact of the study effort on FAMC was minimal.

In the area of the government share of CHAMPUS expenditures in the Denver metropolitan area, data from the BY and TY I was subjected to the same ANOVA procedure previously described. The government share of CHAMPUS expenditures was evaluated in the areas of reimbursement for: Inpatient Services, Inpatient Professional Services, and Outpatient Professional Services. It has been shown that a statistically significant difference did exist in the government share of CHAMPUS expenditures for the total cost of Inpatient Service and Inpatient Professional Services. Apparent TY I savings of the government share of CHAMPUS expenditures in these combined areas was $533,751 or 91 percent of the total estimated savings of $586,134. This clearly demonstrates that the requirement for test area CEBs to seek inpatient care at FAMC constitutes the vast proportion of the apparent savings in the government share of CHAMPUS expenditures in the Denver metropolitan area. A statistically significant difference did not exist in the government share of CHAMPUS expenditures for Outpatient Professional Services during TY I, even though an apparent savings of $52,383 was evident.

This report recommends that the FAMC CHAMPUS study in the Denver metropolitan area be considered completed, and that any further CHAMPUS changes which might be contemplated consider: one, a statistically significant difference did not occur in the BY versus TY I comparison of the government share of CHAMPUS expenditures for Outpatient Professional Services; and two, the possibility of excluding psychiatric services (or any other high-demand but limited service) from the requirement for NASs.

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1. INTRODUCTION.

1.1 Purpose. The purpose of the "Study of the Feasibility of Increased Utilization of Fitzsimons Army Medical Center (FAMC) by CHAMPUS (Civilian Health and Medical Program, Uniformed Services)-Eligible Beneficiaries," hereafter referred to simply as the FAMC CHAMPUS study, was to:

a. Demonstrate the extent to which CHAMPUS-eligible beneficiaries (CEBs) residing within a 30 mile radius of FAMC could be cared for there as both inpatients and outpatients.

b. Determine if the government share of CHAMPUS expenditures in the Denver metropolitan area could be significantly changed by requiring all CEBs to utilize FAMC to the full extent of the capability of the facility.

Results of this study may be of assistance in determining the validity of expanding the concept of increased CEB utilization of uniformed services medical treatment facilities to other locations.

1.2 Background. As noted in a memorandum (see Appendix A) from the Assistant Secretary of Defense, Health and Environment, dated 1 October 1974, it was agreed during Hearings on Appropriations for Fiscal Year (FY) 1975 Medical Operations, that a test of the expanded use of Nonavailability Statements (NASs) would be conducted by the Department of Defense (DOD). The basic purpose of the test was to determine whether or not a significant number of CEBs obtaining hospitalization under CHAMPUS could obtain that same care in uniformed services medical treatment facilities.

The memorandum continued by indicating that the policy, wherein dependents of active duty members were required to obtain a NAS from a military medical treatment facility before receiving inpatient care under CHAMPUS, would be expanded in selected areas to include retired military personnel and dependents of retired/deceased military personnel.

Although the DOD memorandum primarily concerned CEB inpatient care, the Army study proposal addressed increased CEB utilization of FAMC in both inpatient and outpatient care areas. The Army study proposal was accepted and effective 1 February 1975 the FAMC CHAMPUS study was initiated under the monitorship of DOD. (See Appendix B.)

During the period of February 1975 through January 1976, monthly reports based on data received from FAMC were forwarded to DOD. Information contained in these reports included: staffing for inpatient and outpatient care areas by type of health care provider, number and type of NASs issued for inpatient and outpatient services, number and

type of inpatient and outpatient clinic visits, and inpatient average daily patient load (ADPL).

On 9 February 1976, the implementation date of statutory changes to CHAMPUS regulations, the inpatient portion of the FAMC CHAMPUS study was terminated. However, on the basis of a letter (see Appendix C) from Headquarters, US Army Health Services Command (HSC), dated 7 April 1976, authority to continue the outpatient portion of the FAMC CHAMPUS study was approved. At that time, monitorship of the study was shifted from DOD to the Office of The Surgeon General (OTSG) at the Headquarters, Department of the Army (HQDA) level.

2. OBJECTIVES.

One of the study objectives was to establish a data collection and reporting system which would:

a. Identify the CEB portion of the inpatient and outpatient population receiving care at FAMC.

b. Account for the CEBs that were issued a NAS, and thus did not receive care at FAMC.

c. Monitor changes in staffing patterns of selected inpatient and outpatient health care providers at FAMC.

d. Compare workload and cost data prior to and during the study to determine if significant change occurred at FAMC.

Another study objective was to obtain and analyze CHAMPUS expenditures in the Denver metropolitan area prior to and during the study. The intent of this objective was to ascertain whether the government share of CHAMPUS expenditures would be significantly changed by virtue of the requirement for CEBs to utilize FAMC whenever care was available there.

3. METHODOLOGY.

3.1 Overview. In order to monitor and evaluate the impact of requiring all CEBs to obtain care at FAMC when available, certain study criteria were established. Approved study criteria are contained in the inclosure to the DOD Memorandum attached as Appendix B. A synoptic assessment of the study criteria considered to be external and internal to FAMC are noted as follows.

3.1.1 External Study Criteria.

a. The site (location) selected for the study included that portion of the Denver metropolitan area contained within a circle of a 30 mile radius of FAMC. As an exception, the city of Boulder, Colorado,

was not included. This exclusion was due to the fact that only the easternmost part of the city of Boulder was within the 30 mile radius.

b. The population selected for the study included all CEBs living within the 30 mile radius of FAMC, excluding those residing apart from their sponsor. CEBs are defined and categorized as being either: dependents of active duty military personnel, or retired military personnel, or dependents of retired/deceased military personnel. As a matter of explanation, CEBs residing apart from their sponsor refers to those active duty dependents whose sponsor (an active duty military member) is permanently assigned to a duty station beyond the 30 mile radius of FAMC.

c. Notification to CEBs regarding the implementation of the study was accomplished through the media of radio and television spot announcements, as well as through local newspaper articles. In addition, checks mailed by the US Army Finance Center to retirees in the Denver metropolitan area contained information concerning the study.

d. DOD coordination with Fiscal Agents (FAs) for CHAMPUS assured that reimbursement would not be made for CEB civilian acquired medical care unless properly supported by a FAMC-issued NAS.

3.1.2 Internal Study Criteria. Since the CEB patient constituted an unpredictable study variable (that is, there was little likelihood that precisely the number of CEBs who sought CHAMPUS care prior to the study would seek that same care during the study) certain internal and controllable criteria at FAMC were necessary in order to assess the impact of external study criteria. Internal study criteria at FAMC concerned staffing and the issuance of NASs, explained as follows.

3.1.2.1 Staffing. Unless programmed and approved prior to the start date of the study, staffing changes at FAMC were not permitted. Further, staffing fluctuation of selected inpatient and outpatient health care providers at FAMC were monitored and reported on a monthly basis.

3.1.2.2 Nonavailability Statements (NASs). Effective 1 February 1975, the study start date, FAMC was required to evaluate all test area CEBs who were receiving civilian-provided inpatient or outpatient medical care under CHAMPUS. Following evaluation, if it was determined that FAMC could not provide the care, or that interruption of the existing care would be detrimental to the patient, a NAS was issued. In this latter instance, if civilian medical care had been initiated prior to the start date of the study, FAMC was authorized to issue a NAS to maintain the continuity of that care. Further, from 1 February 1975 forward, all test area CEBs seeking either inpatient or outpatient medical care under CHAMPUS had to be evaluated at FAMC. If the required care was not available at FAMC, or if the service was not readily available due to excessive patient waiting time, or occasionally in the

case of a professional difference of opinion, a NAS was issued to the CEB. In any instance a FAMC-issued NAS was required to support all CHAMPUS provided care, except in cases of bonafide emergency or for care provided under the Program for the Handicapped.

3.2 Procedures. Since one of the study objectives was to compare FAMC workload and cost data prior to and during the test, it was necessary to establish baseline data. Baseline data consisted of compiling FAMC monthly reported clinic visits, average daily patient load, and supply dollar costs for the period of February 1974 through January 1975. This period of time was designated as the Base Year (BY).

Procedures used to identify and determine the impact of CEB utilization of FAMC during the study effort consisted primarily of receiving and tabulating outpatient workload (in terms of clinic visits) and inpatient workload (in terms of ADPL) from the existing records and reports system. This data was evaluated for evidence of stabilization by the Health Care Studies Division (HCSD), and subsequently forwarded on a monthly basis through HSC and OTSG to DOD.

In the area of NASs, which accounted for those CEBs who sought but did not receive care at FAMC, the following procedures were utilized. First, FAMC reproduced each DD Form 1251 (Nonavailability Statement) issued and forwarded a copy to the HCSD. In addition to the normal information required for a NAS, the following data was included on each form: CEB category; FAMC department or clinic recommending the issuance; ICDA (International Classification of Diseases, Adapted) coding identifying the basis for issue; information as to whether the NAS was for inpatient or outpatient (or both inpatient and outpatient) care; the ZIP code area of the CEB; the rationale for issuance (e.g., service not available at FAMC); and the length of time for which the NAS was valid. Second, the HCSD coded, keypunched, and computerized the NAS data for frequency analysis. Third, the NAS data was observed for evidence of a leveling effect and a descriptive report was submitted monthly through channels to DOD.

The procedure used for monitoring staffing consisted of receiving monthly information from FAMC concerning the distribution of selected health care providers in inpatient and outpatient treatment areas. The selected health care providers were: physicians, nurse clinicians, registered nurses, physicians assistants, other professionals (e.g., psychologists, social workers, etc.), and ancillary personnel (primarily medical corpsmen). As was the case with FAMC workload and NASs, the data received was analyzed by the HCSD and a monthly report was submitted to DOD.

The foregoing procedures of receiving, tabulating, monitoring, evaluating (or analyzing), and reporting FAMC data to DOD on a monthly basis began in February of 1975 and continued through January of 1976.

Since this period constituted the first twelve months of the study, it was considered as being Test Year (TY) I.

As noted in paragraph 1.2, Background, the DOD portion of the study was terminated 9 February 1976, the effective date of implementation of statutory changes to CHAMPUS regulations. Basically, the change to CHAMPUS regulations required that all CEBs living within a 40 mile radius of any uniformed services medical treatment facility seek inpatient care at that facility. If the inpatient care could not be provided, or was not reasonably available, then the CEB would be provided a NAS which authorized procurement of the inpatient care in the civilian health care sector. Prior to the implementation of the statutory changes governing all CEBs, only the CEB category of dependents of active duty personnel (residing with their sponsor and within a 30 mile radius of a uniformed services medical treatment facility) were obligated to meet the requirement of obtaining a NAS before receiving inpatient care under CHAMPUS in the civilian sector.

As further indicated in the Background section, although DOD interest was terminated, the FAMC CHAMPUS study was permitted to continue under the auspices of OTSG. The authorization for study continuance, attached as Appendix C, indicated that the moratorium on FAMC staffing changes was canceled effective 1 April 1976. With the transfer of study monitorship from DOD to OTSG, and the lifting of the FAMC staffing moratorium, study procedures were changed as follows. First, from the period of February of 1976 forward, known as Test Year (TY) II, data relating to FAMC staffing fluctuation was no longer collected. Second, FAMC workload data in the inpatient and outpatient treatment areas was not monitored nor reported as a part of the continuing study effort. Third, monthly data pertaining to FAMC-issued inpatient NASs was no longer collected nor analyzed. Fourth, monthly data pertaining to FAMC-issued outpatient NASs was continued. This outpatient NAS data was subject to frequency analysis by computer, and monthly reports were submitted through channels to OTSG.

The procedures used to determine change in the government share of CHAMPUS expenditures in the Denver metropolitan area (30 mile radius), which occurred as a result of the study (or test) effort, were as follows:

a. Computerized monthly printouts of expenditures were obtained from CHAMPUS for both the BY and TY I.

b. The government share of CHAMPUS expenditures for both the BY and TY I were extracted from computer printouts in the general areas of: Inpatient Services (civilian hospital charges), Inpatient Professional Services (admitting and attending physician fees), and Outpatient Professional Services (outpatient physician or other health care provider fees). Within the general areas described above, the government share of CHAMPUS expenditures assessed to the specific

services of delivery (childbirth), psychiatry, medicine, and surgery were also extracted from the CHAMPUS printouts.

c. All government shares of CHAMPUS expenditures were adjusted to a 100 percent degree of completeness (which will be explained in paragraph 4.3) and subjected to a one-way analysis of variance (ANOVA) to determine if there was a significant difference between BY and TY I means.

4. FINDINGS.

Study findings are presented in three sections. The first section deals with CEB utilization of FAMC during the study, and considers those test area CEBs who sought but did not receive care at FAMC and were thus issued a NAS. In addition, the monitored changes in FAMC staffing during the test are displayed. Findings related in the first section pertain to TY I (February 1975 through January 1976), and in some cases to the first half of TY II (February 1976 through July 1976). The second section relates to a comparison of FAMC workload and supply dollar costs prior to and during the study, or between the BY and TY I. The third section deals with the change in the government share of CHAMPUS expenditures in the Denver metropolitan area between the BY (February 1974 through January 1975) and TY I.

4.1 CEB Utilization During the Study.

4.1.1 FAMC Outpatient Utilization. CEB utilization of outpatient services at FAMC during TY I represented, on the average, slightly more than 77 percent of the total outpatient (clinic visit) care provided. Table 1 reflects FAMC clinic visit workload on a monthly basis for TY I and indicates the number of CEB visits, as well as the CEB percent of total visits.

FITZSIMONS ARMY MEDICAL CENTER
CLINIC VISIT WORKLOAD
(1 Feb 75 to 31 Jan 76)
TABLE 1

CATEGORY	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	CUMULATIVE
Total Visits	70306	60707	73630	60223	61379	56985	66269	64043	56481	65163	58120	49047	742353
(-) AD mil	13506	12836	15816	13414	12946	11725	11977	12348	10050	16953	19721	8155	158443
(-) Others	1265	874	1199	739	770	483	314	637	567	708	356	408	8370
CEB Visits	55535	46997	56615	47070	47663	44777	53978	51058	45864	47502	38043	40484	575568
CEB percent of Total Visits	78.99	77.42	76.89	78.16	77.65	78.58	81.45	79.72	81.20	72.90	65.46	82.54	77.54

4.1.2 FAMC Inpatient Utilization. During TY I, on the average, slightly more than 39 percent of the FAMC inpatient workload (as expressed in ADPL) was provided for selected CEB recipients. These selected CEB recipients were identified as CEBIs, or CHAMPUS-eligible beneficiary inpatients. More specific identification defined the CEBI as being either retired military personnel, or a dependent of retired/deceased military personnel. It should be noted that dependents of active duty military personnel were not considered as being CEBIs. This was due to the fact that prior to the implementation of the study, dependents of active duty military personnel (living with their sponsor) were already required to seek inpatient care from the nearest uniformed services medical treatment facility within a 30 mile radius of their residence. Table 2 reflects the monthly reported FAMC ADPL and the CEBI percentage of the ADPL total.

FITZSIMONS ARMY MEDICAL CENTER
AVERAGE DAILY PATIENT LOAD
(1 Feb 75 to 31 Jan 76)
TABLE 2

CATEGORY	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	$\bar{X}$ MON ADPL*
CEBI													
Rtd, mil	98.14	90.23	84.67	85.74	88.53	92.74	84.90	89.37	85.38	85.03	79.77	86.00	87.41
Dep, rtd/dec	86.11	83.81	82.67	86.74	91.50	93.90	96.58	86.83	90.53	84.67	67.42	80.26	86.00
Sub-total	184.25	173.04	167.34	172.48	180.03	186.64	181.48	176.40	176.13	169.70	147.19	166.26	173.41
Non-CEBI													
Dep, AD	85.00	83.26	87.77	83.48	86.97	73.52	78.42	84.60	79.77	77.37	70.74	78.48	80.77
Others	18.43	14.48	15.47	14.00	20.27	14.03	14.45	15.43	15.35	13.30	11.10	13.06	15.61
AD mil	184.14	193.39	188.53	176.87	173.40	183.48	190.68	182.97	176.00	161.80	117.06	158.49	173.28
Sub-total	287.57	291.13	291.77	274.35	280.64	271.03	283.55	282.50	271.12	252.47	198.90	249.73	270.17
ADPL TOTAL	471.82	464.17	459.11	446.83	467.67	457.67	465.03	458.20	447.25	422.17	346.09	415.99	443.58
CEBI percent of ADPL	39.05	37.28	36.45	38.60	38.50	40.78	39.03	38.41	39.38	40.20	42.53	39.97	39.09

*$\bar{X}$ = Cumulative monthly ADPL divided by 12.

4.1.3 FAMC-Issued Nonavailability Statements (NASs). Throughout the study effort all test area CEBs who sought but did not receive care at FAMC were issued a NAS. During TY I NASs were issued for inpatient care, for outpatient care, and for both inpatient and outpatient care combined. Specific FAMC services that requested the initiation of NASs throughout TY I are reflected in Table 3, which shows that the Department of Psychiatry was responsible for the initiation of 71.69 percent of the total 1,247 NASs issued during TY I. If only TY I outpatient NASs are considered, analysis shows that 807 of the 1,105 NASs (or 73 percent) were initiated by the FAMC Department of Psychiatry.

FITZSIMONS ARMY MEDICAL CENTER
NONAVAILABILITY STATEMENTS ISSUED BY CLINIC
TEST YEAR I (1 Feb 75 to 31 Jan 76)
TABLE 3

CLINIC	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL	PERCENT
Psychiatry	216	88	61	69	56	15	48	39	51	26	82	84	835	66.96*
Child Guidance	2		17	6		2	25	7					59	4.73*
General Surgery	10	3	7	5	3	2	3	4	3	5	4	3	52	4.17
Obstetrics	8	3	3	2	3	3	3	1		2	6	4	38	3.05
Medicine	4	2	4	5	4		2	3	4	1	10	7	46	3.69
Gynecology	5	5		4	2	1	2	4		1		2	26	2.08
Pediatrics	8		1	1	2	3	6	3	8	7	5	4	48	3.85
Adolscent Medicine	3	1	3	4		1	2	2					16	1.28
Cardiology	7	2	1		2			1		1		1	15	1.20
Otolaryngology	2		2	5	1		1	1					12	.96
Orthopedic	5	2		2			2	2			1		14	1.12
Ophthalmology	4	1		2		1	1	2			1	1	13	1.04
Neurology	1	2	1	2		1	2		1		1	2	13	1.04
Urology	3	1			2	1	1	1		1			10	.80
Neurosurgery		4	1	1			1	2	1			2	12	.96
Allergy				5									5	.40
Gastroenterology		1		1									2	.17
Nephrology	1					1	1						3	.24
Physical Medicine		1	1					1			2		5	.40
Pulmonary Disease						2	1						3	.24
Thoracic Surgery		1				1	1		1				4	.32
Clinics & Comm Hlth Care Svc					1			1	1				3	.24
Dermatology			1								1		2	.17
Drug & Alcohol			1										1	.08
Endocrinology		1											1	.08
Family Planning						1							1	.08
Hematology-Oncology						1	1	1					3	.24
Peripheral Vascular		1											1	.08
Physical Therapy					1								1	.08
Radiation Therapy	1												1	.08
Dentistry											2		2	.17
TOTAL	280	119	104	114	77	36	103	75	70	44	115	110	1247	100.00

*NOTE: Department of Psychiatry (including Child Guidance Clinic) accounts for 71.69 percent of all Nonavailability Statements.

During the first half of TY II, only outpatient NASs were issued by FAMC. Table 4 shows that the FAMC Department of Psychiatry was responsible for initiating 70.16 percent of the 620 NASs issued during the first half of TY II.

FITZSIMONS ARMY MEDICAL CENTER
NONAVAILABILITY STATEMENTS ISSUED BY CLINIC
TEST YEAR II (1 Feb 76 to 31 Jul 76)
TABLE 4

CLINIC	FEB	MAR	APR	MAY	JUN	JUL	TOTAL	PERCENT
Psychiatry	67	92	63	59	72	69	422	68.06*
Child Guidance						13	13	2.10*
General Surgery	4	2		5	5	1	17	2.74
Obstetrics					4	2	6	.97
Medicine	5	7	2	4	3		21	3.39
Gynecology	2	1	1		1	1	6	.97
Pediatrics	5	18	11	11	3	6	54	8.71
Adolscent Medicine	1			1	1	2	5	.81
Cardiology			2				2	.32
Otolaryngology				1	2	1	4	.64
Orthopedic	2	3	2	5	4		16	2.58
Ophthalmology	1	3		2			6	.97
Neurology	2	1	1		1	1	6	.97
Urology		1	2				3	.48
Neurosurgery	1	1	2		1	1	6	.97
Allergy	2				1		3	.48
Gastroenterology					1	1	2	.32
Nephrology		2	1	1			4	.64
Physical Medicine				2		1	3	.48
Pulmonary Disease					1		1	.16
Thoracic Surgery		1		3	1		5	.81
Clinics & CHCS							0	.00
Dermatology						1	1	.16
Drug & Alcohol							0	.00
Endocrinology		1					1	.16
Family Planning							0	.00
Hematology-Oncology							0	.00
Peripheral Vascular							0	.00
Physical Therapy	1	1					2	.32
Radiation Therapy			1	1			2	.32
Dentistry			2		5	2	9	1.47
TOTAL	93	134	90	95	106	102	620	100.00

*NOTE: Department of Psychiatry (including Child Guidance Clinic) accounts for 70.16 percent of all Nonavailability Statements.

The fact that the Department of Psychiatry was responsible for the initiation of more than 70 percent of all outpatient NASs during both TY I and the first half of TY II demonstrates that limited psychiatric services were available at FAMC for the CEB.

4.1.4 FAMC Staffing Changes. During TY I, staffing changes (fluctuations) among selected FAMC health care providers did occur, and these changes were monitored. Monthly staffing fluctuation as displayed in Table 5 shows that the provisions of the staffing moratorium were adhered to by FAMC.

FITZSIMONS ARMY MEDICAL CENTER
STAFF FLUCTUATION ANALYSIS
(1 Feb 75 to 31 Jan 76)
TABLE 5

MON	I-MC	O-MC	+/-	I-NC	O-NC	+/-	I-RN	O-RN	+/-	I-PA	O-PA	+/-	I-OP	O-OP	+/-	I-A	O-A	+/-	TOTAL	GAINS & LOSSES
FEB	141	28		5	2		155	20		-	-		32	7		315	41		746	
MAR	144	27	+2	5	2		163	16	+4		1	+1	33	7	+1	305	37	-14	740	+2 MC +4 RN +1 PA +1 OP -14 A = -6
APR	141	29	-1	5	2		159	16	-4		0	-1	32	7	-1	296	37	-9	724	-1 MC -4 RN -1 PA -1 OP -9 A = -16
MAY	138	27	-5	5	4	+2	163	15	+3				32	7		292	39	-2	722	-5 MC +2 NC +3 RN -2 A = -2
JUN	140	25		5	4		161	14	-1				32	6	-1	310	39	+18	736	-3 RN -1 OP +18 A = +14
JUL	137	24	-4	5	6	+2	158	16	-1				30	6	-2	291	37	-21	710	-4 MC +2 NC -1 RN -2 OP -21 A= -26
AUG	146	27	+12	5	4	-2	151	16	-7				31	6	+1	321	37	+30	744	+12 MC -2 NC -7 RN +1 OP +30A= +34
SEP	144	28	-1	4	4	-1	154	14	+1				29	7	-1	320	35	-3	739	-1 MC -1 NC +1 RN -1 OP -3 A = -5
OCT	141	29	-2	4	4		157	13	+2				28	7	-1	321	30	-4	734	-2 MC +2 RN -1 OP -4 A = -5
NOV	145	29	+4	4	4		160	14	+4				27	7	-1	325	32	+6	747	+4 MC +4 RN -1 OP +6 A = +13
DEC	143	27	-4	5	4	+1	162	14	+2		1	+1	28	7	+1	324	35	+2	750	-4 MC +1 NC +2 RN +1 PA +1 OP +2 A = +3
JAN	147	26	+3	5	4		156	12	-8		1		30	7	+2	312	30	-17	730	+3 MC -8 RN +2 OP -17 A = -20
JAN vs. FEB			+4			+2			-7			+1			-2			-14		+4 MC +2 NC -7 RN +1 PA -2 OP -14 A = -16

Key to Abbreviations: I = Inpatient, O = Outpatient, MC = Medical Corps, NC = Nurse Clinician, RN = Registered Nurse, PA = Physicians Assistant, OP = Other Professional (eg. - Optometrist, etc.), and A = Ancillary Personnel.

4.2 Comparison of FAMC Workload and Cost Prior To and During the Study.

In order to assess change at FAMC as a result of the study effort, baseline data was collected for the period of February 1974 through January 1975 in the areas of: outpatient workload (expressed as total clinic visits), inpatient workload (expressed as average daily patient load), and supply dollar cost. Similar data was collected for each month of TY I, and a one-way analysis of variance (ANOVA) was performed with results evaluated using the .05 level of significance as the cutoff criterion.

4.2.1 FAMC Outpatient Workload. As reflected in Table 6, there was no statistically significant difference in the comparison of BY and TY I FAMC overall outpatient (total clinic visit) workload.

FITZSIMONS ARMY MEDICAL CENTER
OUTPATIENT WORKLOAD COMPARISON
TOTAL CLINIC VISITS[1]
TABLE 6

PERIOD	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	MON AVG
BY	5.44	6.18	6.31	5.24	5.56	5.16	5.40	5.91	5.92	6.38	5.88	5.64	5.750
TY I	7.03	6.07	7.36	6.02	6.14	5.70	6.63	6.40	5.66	6.52	5.81	4.90	6.186

[1]Total Clinic Visits expressed in ten thousands.

F=3.77 (1/23) p> .05, not significant.

Further, as indicated in Table 7, there was no statistically significant difference in the comparison of CEB clinic visits between the BY and TY I.

FITZSIMONS ARMY MEDICAL CENTER
OUTPATIENT WORKLOAD COMPARISON
CEB CLINIC VISITS[1]
TABLE 7

PERIOD	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	MON AVG
BY	4.30	4.76	4.97	4.23	4.45	4.04	4.27	4.45	4.50	4.96	4.56	4.49	4.496
TY I	5.55	4.70	5.66	4.70	4.77	4.48	5.40	5.11	4.59	4.75	3.80	4.05	4.796

[1]CHAMPUS-eligible beneficiary visits expressed in ten thousands.

F=2.72 (1/23) p> .05, not significant.

4.2.2 FAMC Inpatient Workload. Table 8 shows that BY and TY I comparison of FAMC inpatient workload (expressed as average daily patient load) reflected no statistically significant difference at the .05 level of confidence.

FITZSIMONS ARMY MEDICAL CENTER
INPATIENT WORKLOAD COMPARISON
TOTAL ADPL[1]
TABLE 8

PERIOD	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	$\bar{X}$ MON[2]
BY	4.70	4.51	4.27	4.20	4.21	4.43	4.58	4.28	4.32	4.18	3.39	4.12	4.265
TY I	4.72	4.64	4.59	4.47	4.68	4.58	4.65	4.59	4.47	4.22	3.48	4.16	4.435

[1]Total average daily patient load in one hundreds.

[2]Cumulative monthly average daily patient load divided by 12.

F=1.49 (1/23) p> .05, not significant.

Table 9 reflects a BY and TY I comparison of the CEBI portion of the total FAMC inpatient workload. In this instance a statistically significant difference does exist in the comparison of BY versus TY I CEBI ADPL.

FITZSIMONS ARMY MEDICAL CENTER
INPATIENT WORKLOAD COMPARISON
CEBI ADPL[1]
TABLE 9

PERIOD	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	$\bar{X}$ MON[2]
BY	1.76	1.60	1.49	1.53	1.53	1.57	1.73	1.50	1.44	1.44	1.26	1.54	1.533
TY I	1.84	1.73	1.67	1.72	1.80	1.87	1.81	1.76	1.76	1.70	1.47	1.66	1.734

[1]Total CHAMPUS-eligible beneficiary inpatient average daily patient load in one hundreds.

[2]Cumulative monthly CEBI average daily patient load divided by 12.

F=17.11 (1/23) p< .05, significant.

4.2.3 FAMC Supply Dollar Cost. Comparison of FAMC BY and TY I supply dollar cost shows no statistically significant difference as indicated in Table 10.

FITZSIMONS ARMY MEDICAL CENTER
SUPPLY DOLLAR COST[1]
TABLE 10

PERIOD	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	MON AVG
BY	5.09	6.02	7.12	7.84	6.89	5.96	5.97	5.80	6.72	6.67	7.20	8.64	6.660
TY I	5.64	6.79	7.98	6.41	9.19	7.41	6.76	7.20	7.93	6.35	8.25	7.64	7.295

[1]Supply dollar cost expressed in one hundred thousands.

F= 2.56 (1/23) p> .05, not significant.

4.3 Government Share of CHAMPUS Expenditures.

As indicated in the Procedures section, computerized printouts of CHAMPUS expenditures in the Denver metropolitan area were received for each month of the BY (February 1974 through January 1975) and TY I (February 1975 through January 1976). The government share of CHAMPUS expenditures (hereafter referred to as "government cost" or "government CHAMPUS annual dollar cost") was then extracted from the printouts and adjusted to reflect a 100 percent degree of completeness. This cost adjustment was necessary since a considerable time lag occurred between the actual date the CEB received civilian health care, the submission of a claim through the FA, and the ultimate CHAMPUS reimbursement for the medical services that had been provided to the CEB. CHAMPUS determined the degree of completeness of reimbursement for each month of the BY and TY I, and provided this information in letters which accompanied the computer printouts. Copies of these letters are attached in Appendix D.

Following adjustment of government costs to a 100 percent degree of completeness, an ANOVA was performed as described previously in paragraph 4.2. Elements of detailed ANOVA data for BY and TY I government CHAMPUS annual dollar cost are contained in Appendix E.

4.3.1 Government CHAMPUS Annual Dollar Inpatient Services Cost.

BY versus TY I government CHAMPUS annual dollar cost for Inpatient Services (hospital charges), as reflected in Table 11, showed a significant difference in delivery (childbirth) and psychiatry subelements, as well as in the total cost of Inpatient Services. TY I government costs in the medicine and surgery subelements were not significant, and the total apparent savings was $359,222.

GOVERNMENT CHAMPUS ANNUAL DOLLAR COST*
INPATIENT SERVICES
FITZSIMONS ARMY MEDICAL CENTER AREA
TABLE 11

	DEL**	PSY	MED	SURG	TOTAL
BASE YEAR	101,152	692,351	604,314	507,845	1,905,662
TEST YEAR I	61,597	524,635	554,737	405,471	1,546,440
APPARENT SAVINGS	39,555	167,716	49,577	102,374	359,222
SIGNIFICANT DIFFERENCE	YES	YES	NO	NO	YES

*Total annual expenditures for each category, which are adjusted to reflect 100 percent degree of completeness.
** Childbirth

4.3.2 Government CHAMPUS Annual Dollar Inpatient Professional Services Cost.

Comparison of BY and TY I government CHAMPUS annual cost for Inpatient Professional Services (admitting and attending physician fees), indicated in Table 12, showed a significant difference in total cost and in each subelement cost, except psychiatry. Apparent total savings in government CHAMPUS annual dollar cost for Inpatient Professional Services in TY I was $174,529.

GOVERNMENT CHAMPUS ANNUAL DOLLAR COST*
INPATIENT PROFESSIONAL SERVICES
FITZSIMONS ARMY MEDICAL CENTER AREA
TABLE 12

	DEL**	PSY	MED	SURG	TOTAL
BASE YEAR	49,866	117,032	113,166	211,440	491,504
TEST YEAR I	25,353	113,694	73,594	104,334	316,975
APPARENT SAVINGS	24,513	3,338	39,572	107,106	174,529
SIGNIFICANT DIFFERENCE	YES	NO	YES	YES	YES

*Total annual expenditures for each category, which are adjusted to reflect 100 percent degree of completeness.
** Childbirth

4.3.3 Government CHAMPUS Annual Dollar Outpatient Professional Services Cost.

Analysis of BY and TY I government CHAMPUS annual dollar cost for Outpatient Professional Services (physician or other health care provider fees), depicted in Table 13, showed a significant difference only in the subelement of medicine. A significant difference did not exist in the total cost, nor in the subelement costs of surgery or psychiatry. In fact, the government CHAMPUS annual dollar cost for psychiatry during TY I INCREASED by $66,016 over the BY cost. The apparent savings of government CHAMPUS annual dollar cost for Outpatient Professional Services for TY I was $52,383.

GOVERNMENT CHAMPUS ANNUAL DOLLAR COST*
OUTPATIENT PROFESSIONAL SERVICES
FITZSIMONS ARMY MEDICAL CENTER AREA
TABLE 13

	PSY	MED	SURG	TOTAL
BASE YEAR	354,340	260,012	16,654	631,006
TEST YEAR I	420,356	146,991	11,276	578,623
APPARENT SAVINGS	(-66,016)**	113,021	5,378	52,383
SIGNIFICANT DIFFERENCE	NO	YES	NO	NO

* Total annual expenditures for each category, which are adjusted to reflect 100 percent degree of completeness.

**In terms of annual dollars, the Test Year cost of outpatient psychiatric care increased $66,016 over the Base Year cost.

4.3.4 Estimated Test Year Government CHAMPUS Annual Dollar Savings.

A recapitulation of TY I government CHAMPUS annual dollar cost, presented in Table 14, showed an estimated savings of $586,134 in the Denver metropolitan area (30 mile radius of FAMC) as a result of the changed CHAMPUS rules for the study.

ESTIMATED TEST YEAR CATEGORY SAVINGS OF
GOVERNMENT CHAMPUS ANNUAL DOLLAR COST
FITZSIMONS ARMY MEDICAL CENTER AREA
TABLE 14

CATEGORY	ESTIMATED ANNUAL DOLLAR SAVINGS*
Inpatient Services	$ 359,222
Inpatient Professional Services	174,529
Outpatient Professional Services	52,383
Total Estimated Savings	$ 586,134

*Estimated Annual Dollar Savings represents the difference between Test Year and Base Year CHAMPUS provided monthly government cost by category. All CHAMPUS-provided costs have been adjusted on a monthly basis to reflect 100 percent degree of completeness.

5. DISCUSSION.

This discussion is intended to more fully develop a perspective of the entire study effort. It will include and identify both observed and implied relationships.

5.1 Apparent Savings in the Government Share of CHAMPUS Expenditures.

In the ANOVA comparison of the government share of CHAMPUS expenditures between the BY and TY I, it has been demonstrated that a statistically significant difference did exist in the total government cost for Inpatient Services and also Inpatient Professional Services CHAMPUS reimbursements. A statistically significant difference did not exist in the government cost of Outpatient Professional Services CHAMPUS reimbursement. During TY I, the apparent savings of the government share of CHAMPUS expenditures for combined Inpatient Services and Inpatient Professional Services amounted to $533,751 or 91 percent of the total estimated savings of $586,134. This clearly demonstrates that the requirement for test area CEBs to seek inpatient care at FAMC constitutes the vast proportion of the apparent savings in the government share of CHAMPUS expenditures in the Denver metropolitan area. As one explanation for this significant difference between BY and TY I Inpatient Services/Inpatient Professional Services government cost, the number of CHAMPUS inpatient care users was extracted from the computer printouts. It was observed that there were 1,934 CHAMPUS inpatient users during the BY and 1,041 users throughout TY I. Thus it is implied that the net difference (decrease) of 893 users had a direct relationship in contributing to the significant difference evident between BY and TY I Inpatient Services/Inpatient Professional Services government cost.

As noted previously in paragraph 4.3.3, the ANOVA comparison between the BY and TY I showed that a statistically significant difference did not exist in the government cost of Outpatient Professional Services CHAMPUS reimbursements. In fact, the TY I CHAMPUS reimbursement for the subelement of psychiatry actually increased an estimated $66,016 over the BY cost for this same service. In an effort to further define what occurred in CHAMPUS reimbursed outpatient workload (even though the apparent savings was not statistically significant), the total numbers of CHAMPUS reimbursed clinic visits were obtained from the computer printouts for both the BY and TY I. This showed that there were 6,169 CHAMPUS reimbursed clinic visits during the BY and 4,141 clinic visits during TY I, or a net difference (decrease) of 2,028 CHAMPUS reimbursed clinic visits. This implies a relationship between a lesser number of clinic visits and the apparent (albeit not statistically significant) savings in the government cost for Outpatient Professional Services CHAMPUS reimbursements during TY I.

5.2 Nonavailability Statements (NASs).

Test area CEBs who sought but did not receive care at FAMC were issued a NAS. As noted in paragraph 4.1.3, the FAMC Department of Psychiatry was responsible for initiating more than 70 percent of the total outpatient NASs during all of TY I and the first half of TY II. As further stated, this indicates that limited psychiatric services were available at FAMC for the CEB.

Another factor concerning NASs was the observation that the total number of NASs (280) issued during the first month (February 1975) of the test was considerably greater than total number of NASs issued in any subsequent month of TY I. In fact, the hypothesis that the first observation (280 NASs) is from the same distribution as the other eleven observations (total number of NASs each month) during TY I was rejected at the .01 level. Using Dixon's Criterion it was determined that a minimum of four months of data was necessary to demonstrate that the first observation was significantly different from the succeeding observations. This implies retrospectively that after a four month period there was a leveling effect (that is, no statistically significant difference existed) in the total number of NASs issued by FAMC in the succeeding months of TY I.

The fact that the FAMC Department of Psychiatry has been identified as initiating more than 70 percent of the outpatient NASs during TY I (and also the first half of TY II), plus the demonstrated leveling effect in the numbers of monthly issued NASs during TY I, suggests that further NAS data collection is not required and that the test in the Denver metropolitan area should be concluded.

Additional information concerning the issuance of NASs by FAMC during TY I and the first half of TY II is contained in Appendix F. This data may be of interest in any decisions concerning the possible expansion of the increased utilization concept. Elements contained in Appendix F include: primary reasons for the issuance of the NAS, categories of test area CEBs receiving a NAS, and numbers of NASs issued by ZIP code areas.

5.3 Impact of the Study on FAMC.

During TY I CEBs accounted for slightly more than 77 percent of the FAMC outpatient workload (expressed in terms of clinic visits) while slightly more than 39 percent of the FAMC inpatient workload (expressed in ADPL) could be attributed to CEBIs. Precisely how many of these CEBs (or CEBIs) would have elected to receive care under CHAMPUS (rather than at FAMC) if the test had not been in effect is not known. Nevertheless, the CEB (and CEBI) impact on utilization of FAMC during TY I has been established.

The approximate 77 percent outpatient/39 percent inpatient utilization of FAMC by CEBs/CEBIs during TY I is slightly different from the approximate 78 percent outpatient/36 percent inpatient utilization of FAMC by CEBs/CEBIs during the BY.

As noted in paragraph 4.2 there was no statistically significant difference at the .05 level in the BY versus TY I comparison of FAMC overall workload (outpatient and inpatient) and supply dollar cost. Further, BY versus TY I comparison of CEB clinic visits showed no statistically significant difference, although BY versus TY I comparison of CEBI ADPL did show a statistically significant difference. The absence of a statistically significant difference in overall workload existed even though there were slight increases in the monthly averages of clinic visits (outpatient workload), average daily patient load (inpatient workload) and supply dollar costs at FAMC during TY I. As noted in paragraph 5.1, there were 893 fewer CHAMPUS inpatient users and 2,028 less CHAMPUS reimbursed outpatient clinic visits in TY I, than had been the case in the BY. Thus it can be said that a decrease in CHAMPUS reimbursed workload occurred during TY I. It is not possible to establish an exact relationship between the TY I decrease in CHAMPUS workload and the slightly increased FAMC workload. However, this data suggests that FAMC cared for a substantial number of former CHAMPUS patients during TY I, with minimal effort and without a statistically significant difference on FAMC overall average workload or supply dollar costs being indicated.

Finally, it should be recognized that this study did not attempt to measure the degree of satisfaction or acceptability on the part of FAMC personnel or test area CEBs regarding the requirement for CEBs living within a 30 mile radius to seek outpatient or inpatient care at FAMC.

6. CONCLUSIONS.

It should be recognized that the conclusions developed as a result of this study are directly relatable to the parameters established for the test (e.g., 30 mile radius, TY I staffing moratorium, etc.), as well as to the medical services and facilities that are available at FAMC. Thus, while conclusions are specifically valid for FAMC, they may have a generally limited applicability to decisions regarding proposed site selections for expansion of the concept of increased CEB utilization at other uniformed services medical treatment facilities. Conclusions of this study are as follows:

a. CHAMPUS-eligible beneficiaries (CEBs) accounted for, on the average, slightly more than 77 percent of the outpatient care and slightly more than 39 percent of the inpatient care provided by Fitzsimons Army Medical Center (FAMC), during the first full year (February 1975 through January 1976) of the study.

b. After a four month period it was possible to statistically demonstrate a leveling effect in the issuance of NASs.

c. The FAMC Department of Psychiatry was responsible for initiating more than 70 percent of all outpatient NASs during TY I and the first half of TY II.

d. FAMC did adhere to the provisions of the staffing moratorium which was in effect during TY I.

e. There was no statistically significant difference between BY and TY I FAMC-reported overall outpatient workload, inpatient workload, or supply dollar costs.

f. Comparison of the government share of CHAMPUS expenditures in the Denver metropolitan area (30 mile radius of FAMC) for the BY and TY I showed that:

(1) A statistically significant difference did exist in the government share of CHAMPUS expenditures for the total cost of Inpatient Services and Inpatient Professional Services, with an apparent government savings in the combined areas of $533,751.

(2) A statistically significant difference did not exist in the government share of CHAMPUS expenditures for the total cost of Outpatient Professional Services, even though the apparent government savings was $52,383.

7. RECOMMENDATIONS.

a. This report should be accepted as the final report and the FAMC CHAMPUS study effort in the Denver metropolitan should be considered completed.

b. In view of the February 1976 statutory change to CHAMPUS regulations which has already mandated increased CEB utilization of uniformed services medical treatment facilities in the area of inpatient care, any further CHAMPUS changes which might be contemplated by appropriate authority should consider the following:

(1) In a comparison of the BY and TY I, a statistically significant difference did not occur in the government share of CHAMPUS expenditures for the total cost of Outpatient Professional Services in the Denver metropolitan area.

(2) Psychiatric services (or any other high-demand but limited service which is henceforth identified) might reasonably be excluded from the requirement for NASs.

APPENDIX A

DOD INITIATION OF THE STUDY

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

1 OCT 1974

HEALTH AND
ENVIRONMENT

MEMORANDUM FOR THE ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS(M&RA)

SUBJECT: Expanded Use of Nonavailability Statements

During Hearings on Appropriations for FY 1975 Medical Operations before Subcommittees of the House Committee on Appropriations, it was agreed that a test of the expanded use of Nonavailability Statements would be conducted by the Department of Defense. The purpose of the test is to determine whether or not a significant number of beneficiaries now obtaining hospitalization under the CHAMPUS could obtain this care in military facilities.

The present policy wherein dependents of active duty members are required to obtain a Nonavailability Statement from military medical facilities before obtaining inpatient care under the CHAMPUS will be expanded in selected areas to military retirees, their dependents and all survivors during this test.

This effort must be implemented by January 1, 1975. A contact point within your medical service should be identified to this office prior to October 7 to insure continuity and completeness during the development and implementation stages of the test.

Vernon McKenzie
Principal Deputy Assistant Secretary

bcc: Surgeon General of the Army
Surgeon General of the Navy
Surgeon General of the Air Force

APPENDIX B

DOD STUDY PLAN APPROVAL

Advanced copy received via telecop... retyped ...

16 Dec 1974

MEMORANDUM FOR THE ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS (M&RA)

SUBJECT: Expanded Use of Nonavailability Statement Study

Reference our memorandum of 1 October 1974, subject as above.

Approval is hereby granted to proceed with the study in accordance with Department of Defense Directive 6010.4, "Dependents' Medical Care," dated April 25, 1962. Pending publication of appropriate changes to DoD Directive 6010.4, restriction on the right of election as established in Section 3-302 c., d., and o., may be applied to all CHAMPUS beneficiaries except dependents of active duty members who do not reside in the area where the member concerned is assigned.

There is no requirement to make changes to military service regulations at this time. Changes to these directives can be accomplished in the event that this study indicates that expanded use of nonavailability statements will significantly decrease CHAMPUS utilization. Administrative exceptions to the appropriate directives will suffice for study purposes.

Within the criteria outined in the enclosure, the Army plan for the Fitzsimons Army Medical Center (FAMC) area is hereby approved. This enclosure provides additional detail which will pertain to the Study conducted in each of the test areas. Navy and Air Force study plans should be submitted for review by December 30, 1974.

Vernon McKenzie
Principal Deputy Assistant Secretary

Enclosure

bcc: Army SG
Navy SG
AF SG
Mr. Hainer

STUDY CRITERIA

To ensure uniformity in implementation of this test the starting date has been reestablished as February 1, 1975.

Additionally the following criteria are provided:

a. During the period of the test--a minimum of six months--staffing changes in the selected test facilities will not be made unless they were programmed and approved prior to the test starting date.

b. The effected beneficiary population will include those residing within the 30 mile radius of a test facility as is now done for authorized inpatient care under CHAMPUS for dependents of active duty members who reside with or in the area of assignment of their sponsor.

c. In the case of the Fitzsimons Army Medical Center test area only, the beneficiary population will be required to obtain nonavailability statements for both outpatient and inpatient care. Other test areas will be for inpatient care only.

d. In anticipation of claims by beneficiaries that they were not aware of the limitation of right of election for the test areas, an appeal mechanism should be established at each test facility. When there is reasonable doubt in such cases the ruling should be in favor of the beneficiary.

e. Coordination with Fiscal Administrators will be accomplished by this office.

f. General information concerning this test effort will be disseminated by this office. Each military service will be responsible for informing effected beneficiary populations in each test area through appropriate communication channels.

g. Each test facility must place in the remarks section of the DD Form 1251 the following:

"1. CHAMPUS Test."

"2. (The major specialty for which the DD Form 1251 has been issued. That is Internal Medicine, Pediatrian, otorhinolaryngology, psychiatry, obstetrics, etc.)"

h. For comparison purposes there must be a pre-test data base identified and collected. These data and the data collected during the test period must speak to the question raised by the House Appropriations Committee, i.e., military facility vs. CHAMPUS utilization. Each service may expand the data base and collection for other purposes if they so desire.

i. The format for providing information to this office concerning this test will be subsequently determined and the personnel designated as test contact points for the medical services should be identified at the earliest.

j. This office will ensure coordination of the test with the Department of Health, Education and Welfare.

APPENDIX C

DOD TERMINATION - OTSG CONTINUATION OF THE STUDY EFFORT

DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY HEALTH SERVICES COMMAND
FORT SAM HOUSTON, TEXAS 78234

HSOP-PA 7 APR 1976

SUBJECT: Care of Additional CHAMPUS Eligible Beneficiaries in Uniformed Services Facilities

Superintendent
Academy of Health Sciences, US Army
Fort Sam Houston, TX 78234

1. The 9 Feb 76 implementation of the statutory changes to CHAMPUS regarding the new requirements for issuance of nonavailability statements, DD Form 1251, terminated the inpatient portion of the FAMC CHAMPUS test.

2. The continuation of the outpatient test at FAMC has been approved by the Assistant Secretary of Defense (Health Affairs).

3. The following guidance regarding the continuance of the outpatient portion of the FAMC test is provided:

a. All eligible CHAMPUS beneficiaries residing within 30 miles of FAMC, including those active duty dependents residing apart from their sponsor, will be required to obtain a nonavailability statement (NAS), DD Form 1251. The city of Boulder, Colorado, will continue to be considered outside the 30 mile radius.

b. Effective February 1976, a new monthly report of outpatient NAS issued (RCS: MED-330(Test)) will be forwarded to this headquarters NLT 10 working days following the end of the report period. Report format will conform to previous outpatient FAMC CHAMPUS test reporting requirements.

c. The moratorium on staffing changes imposed during the inpatient/outpatient test are canceled effective 1 Apr 76.

HSOP-PA 7 APR 1976

SUBJECT: Care of Additional CHAMPUS Eligible Beneficiaries in Uniformed Services Facilities

4. Request this headquarters, ATTN: HSOP-PA, be furnished the outpatient NAS data for the February report period as soon as possible so that it may be furnished HQDA.

FOR THE COMMANDER:

R. E. TRACKWELL
CPT, AGC
Asst AG

APPENDIX D

CHAMPUS DEGREES OF COMPLETENESS

DEPARTMENT OF DEFENSE

OFFICE OF CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES

DENVER, COLORADO 80240

CH.09

7 JUN 1976

SUBJECT: COMPUTER PRINTOUTS OF CHAMPUS DATA - FITZSIMONS ARMY MEDICAL CENTER

LTC JAMES A. HUBBART
HEALTH CARE STUDIES DIVISION
ACADEMY OF HEALTH SCIENCES
FORT SAM HOUSTON, TX 78234

1. COMPUTER PRINTOUTS FOR CHAMPUS DATA PERTAINING TO THE 30 MILE RADIUS OF FITZSIMONS ARMY MEDICAL CENTER HAVE BEEN MAILED UNDER SEPARATE COVER.

2. PRINTOUTS PROVIDE DATA BY MONTH FOR EACH MONTH OF FY74 AND FY75.

3. THE DEGREE OF COMPLETENESS OF DATA CONTAINED IN THE PRINTOUTS IS AS FOLLOWS:

FITZSIMONS CHAMPUS COST AND WORKLOAD REPORT
FOR FY74-75 BY MONTH

(BASED ON CLAIMS PAID THROUGH 31 MARCH 1976 FOR CARE RENDERED DURING RESPECTIVE MONTHS IN FY1974 AND FY1975)

FY 1974	PERCENT COMPLETE
JULY 1973	99.94
AUGUST	99.93
SEPTEMBER	99.96
OCTOBER	99.97
NOVEMBER	99.94
DECEMBER	99.89
JANUARY 1974	99.94
FEBRUARY	99.91
MARCH	99.90
APRIL	99.87
MAY	99.81
JUNE	99.81

CH.09

SUBJECT: COMPUTER PRINTOUTS OF CHAMPUS DATA - FITZSIMONS ARMY MEDICAL CENTER

FY 1975	PERCENT COMPLETE
JULY 1974	99.57
AUGUST	99.43
SEPTEMBER	99.51
OCTOBER	99.49
NOVEMBER	99.30
DECEMBER	98.86
JANUARY 1975	98.95
FEBRUARY	98.88
MARCH	98.27
APRIL	98.06
MAY	97.21
JUNE	95.49

R. F. WILSON
DIRECTOR OF MANAGEMENT SERVICES

DEPARTMENT OF DEFENSE

OFFICE OF CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES

DENVER, COLORADO 80240

CH.10

31 AUGUST 1976

SUBJECT: COMPUTER PRINTOUTS OF CHAMPUS DATA - FITZSIMONS ARMY MEDICAL CENTER

LTC JAMES A. HUBBART
HEALTH CARE STUDIES DIVISION
ACADEMY OF HEALTH SCIENCES
FORT SAM HOUSTON, TX 78234

1. COMPUTER PRINTOUTS FOR CHAMPUS DATA PERTAINING TO THE 30 MILE RADIUS OF FITZSIMONS ARMY MEDICAL CENTER ARE INCLOSED.

2. PRINTOUTS PROVIDE DATA BY MONTH FOR JULY, AUGUST, SEPTEMBER, OCTOBER, NOVEMBER, DECEMBER 1975 AND JANUARY 1976.

3. THE DEGREE OF COMPLETENESS OF DATA CONTAINED IN THE PRINTOUTS IS AS FOLLOWS:

FITZSIMONS CHAMPUS COST AND WORKLOAD REPORT

(BASED ON CLAIMS PAID THROUGH 31 JULY 1976 FOR CARE RENDERED DURING THE FOLLOWING MONTHS):

MONTH	PERCENT COMPLETE
JULY 1975	98.51
AUGUST 1975	97.58
SEPTEMBER 1975	97.29
OCTOBER 1975	96.42
NOVEMBER 1975	95.45
DECEMBER 1975	93.42
JANUARY 1976	91.92

R. F. WILSON
DIRECTOR OF MANAGEMENT SERVICES

INCLOSURE
AS STATED

APPENDIX E

DETAILED ANOVA DATA OF GOVERNMENT CHAMPUS ANNUAL DOLLAR COST

GOVERNMENT CHAMPUS ANNUAL DOLLAR COST*
DETAILED ANOVA DATA: INPATIENT SERVICES
FITZSIMONS ARMY MEDICAL CENTER AREA

SVC	$\bar{X}$ BASE YEAR	$\bar{X}$ TEST YEAR	CORR (R)	F RATIO	F PROB
DEL	8429.3641	5133.0699	- .47097	15.905	.001
PSY	57695.9400	43719.5858	- .53635	5.524	.028
MED	50359.5196	46228.0383	- .09202	.783	.386
SURG	42320.3909	33789.2072	- .22574	2.961	.099
TOTAL	158805.2146	128869.9012	- .54743	13.183	.001

*Total annual expenditures for each category, which are adjusted to reflect 100 percent degree of completeness.

*GOVERNMENT CHAMPUS ANNUAL DOLLAR COST**
DETAILED ANOVA DATA: INPATIENT PROFESSIONAL SERVICES
FITZSIMONS ARMY MEDICAL CENTER AREA

SVC	$\bar{X}$ BASE YEAR	$\bar{X}$ TEST YEAR	CORR (R)	F RATIO	F PROB
DEL	4155.4902	2112.7174	- .60372	18.485	<.0001
PSY	9752.6669	9474.4812	- .21323	.029	.866
MED	9430.4953	6132.8373	- .72128	29.135	<.0001
SURG	17620.0161	8694.5041	- .74984	43.340	<.0001
TOTAL	40958.6685	26414.5400	- .79447	34.080	<.0001

*Total annual expenditures for each category, which are adjusted to reflect 100 percent degree of completeness.

GOVERNMENT CHAMPUS ANNUAL DOLLAR COST*
DETAILED ANOVE DATA: OUTPATIENT PROFESSIONAL SERVICES
FITZSIMONS ARMY MEDICAL CENTER AREA

SVC	$\bar{X}$ BASE YEAR	$\bar{X}$ TEST YEAR	CORR (R)	F RATIO	F PROB
PSY	29528.3243	35029.6424	.40135	2.503	.128
MED	21667.6326	12249.2337	- .66559	18.120	<.0001
SURG	1387.8028	939.6655	- .32092	3.724	.067
TOTAL	52583.7598	48218.5417	- .11597	.744	.398

*Total annual expenditures for each category, which are adjusted to reflect 100 percent degree of completeness.

APPENDIX F

ADDITIONAL NONAVAILABILITY STATEMENT DATA

FITZSIMONS ARMY MEDICAL CENTER
PRIMARY REASON FOR ISSUANCE OF
NONAVAILABILITY STATEMENTS

TEST YEAR (TY) I

REASON	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	SUB-TOTAL	PERCENT
Svc avail-not util	51	105	52	70	34	19	40	29	12	18	21	24	475	38.09
Lmtd capab of svc	7	3	27	16	28	7	27	18	40	14	80	83	350	28.07
Svc not pvd FAMC	222	11	25	28	15	10	36	28	18	12	14	3	422	33.84
Total	280	119	104	114	77	36	103	75	70	44	115	110	1247	100.00

TEST YEAR (TY) II

REASON	FEB	MAR	APR	MAY	JUN	JUL	SUB-TOTAL	PERCENT
Svc avail-not util	16	28	14	19	17	8	102	16.45
Lmtd capab of svc	71	95	64	60	79	81	450	72.58
Svc not pvd FAMC	6	11	12	16	10	13	68	10.97
Total	93	134	90	95	106	102	620	100.00

NOTE: The change in percentages of primary reasons for issuance of Nonavailability Statements (NASs) between TY I and TY II is explained as follows:

a. In the early months of TY I, the "Svc avail-not util" (Service available, not utilized) category was generally supported by a secondary reason of "Continuity of Care," which allowed the patient receiving pre-test care to continue that care with a civilian health care practitioner.

b. The percentage shift to "Lmtd capab of svc" (Limited capability of service) in TY II occurred after the staffing moritorium was lifted in February of 1976. Secondary reason, "Insufficient Staff Available."

FITZSIMONS ARMY MEDICAL CENTER
CATEGORIES OF CHAMPUS ELIGIBLE
BENEFICIARIES RECEIVING
NONAVAILABILITY STATEMENTS

TEST YEAR (TY) I

CATEGORY	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	SUB-TOTAL	PERCENT
Dep, AD	59	28	27	29	21	9	30	20	20	16	40	30	329	26.38
Rtd, mil	25	21	13	21	16	6	11	8	10	4	16	13	164	13.15
Dep, rtd mil	184	66	61	60	34	20	54	44	34	21	51	58	687	55.09
Dep, dec mil	12	4	3	4	6	1	8	3	6	3	8	9	67	5.38
Total	280	119	104	114	77	36	103	75	70	44	115	110	1247	100.00

TEST YEAR (TY) II

CATEGORY	FEB	MAR	APR	MAY	JUN	JUL	SUB-TOTAL	PERCENT
Dep, AD	20	39	28	25	34	22	168	27.10
Rtd, mil	11	13	10	13	19	9	75	12.10
Dep, rtd mil	52	72	44	53	44	66	331	53.39
Dep, dec mil	10	10	8	4	9	5	46	7.41
Total	93	134	90	95	106	102	620	100.00

NOTE: Stabilization exists in that approximately the same percentages of categories of CHAMPUS-eligible beneficiaries (CEBs) is evident in both Test Year I and Test Year II.

FITZSIMONS ARMY MEDICAL CENTER
NUMBERS OF NONAVAILABILITY STATEMENTS
ISSUES BY ZIP CODE AREAS

TEST YEAR (TY) I

ZIP CODE AREA	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	SUB-TOTAL	PERCENT
800	110	50	41	41	29	8	37	26	32	18	49	55	496	39.78
801	24	9	9	12	6	3	11	9	4	4	12	11	114	9.14
802	134	56	53	55	39	23	55	38	29	20	50	38	590	47.31
All others	12	4	1	6	3	2	0	2	5	2	4	6	47	3.77
Total	280	119	104	114	77	36	103	75	70	44	115	110	1247	100.00

TEST YEAR (TY) II

ZIP CODE AREA	FEB	MAR	APR	MAY	JUN	JUL	SUB-TOTAL	PERCENT
800	42	50	31	34	43	48	248	40.00
801	6	14	6	3	10	10	49	7.90
802	43	67	52	53	51	43	309	49.84
All others	2	3	1	5	2	1	14	2.26
Total	93	134	90	95	106	102	620	100.00

NOTE: Stabilization exists in that during TY I, 96.23 percent, and during TY II, 97.74 percent of all Nonavailability Statements (NASs) issued were in ZIP codes 800, 801, and 802.

9. GLOSSARY OF ACRONYMS AND ABBREVIATIONS.

ADPL..... Average Daily Patient Load.

ANOVA..... Analysis of Variance.

BY..... Base Year. From 1 February 1974 through 31 January 1975 inclusive.

CEB..... CHAMPUS-Eligible Beneficiary. Refers to a dependent of active duty military personnel, retired military personnel, or a dependent of retired/deceased military personnel.

CEBI..... CHAMPUS-Eligible Beneficiary Inpatient. Refers to retired military personnel, or a dependent of retired/deceased military personnel.

CHAMPUS.... Civilian Health and Medical Program, Uniformed Services.

DOD..... Department of Defense.

FA..... Fiscal Agent. Refers to an intermediary for processing and payment of CHAMPUS claims.

FAMC..... Fitzsimons Army Medical Center.

HCSD..... Health Care Studies Division.

HSC..... US Army Health Services Command.

HQDA..... Headquarters, Department of the Army.

ICDA..... International Classification of Diseases, Adapted.

NAS..... Nonavailability Statement. DD Form 1251.

OTSG..... Office of The Surgeon General.

TY..... Test Year.

TY I..... Test Year I. From 1 February 1975 through 31 January 1976 inclusive.

TY II.....Test Year II. From 1 February 1976 through 31 July 1976 inclusive.

10. DISTRIBUTION:

DDC (12)

OCHAMPUS, Dir Mgmt Svcs (1)

HQDA-DASG (ATTN: HCP) (5)

Dir, The Army Library, US Army Service Center for the Armed Forces, The Pentagon, Washington, DC 20310 (1)

Dir, Joint Med Library Offices of the Surgeons General, USA/USAF, The Pentagon, Rm 1B-473, Washington, DC 20310 (1)

Dir, Joint Med Library (AAFJML), Forrestal Bldg, Washington, DC 20315 (1)

USA HSC (ATTN: HSOP-PA) (3); (ATTN: HSCM-R) (5)

Cdr, FAMC (3)

AHS, Stimson Library (1)