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TRICARE
MANAGEMENT
ACTIVITY

DEC 21 1999

MEMORANDUM FOR SURGEON GENERAL OF THE ARMY
SURGEON GENERAL OF THE NAVY
SURGEON GENERAL OF THE AIR FORCE

SUBJECT: Policy for Implementation of the Medical Expense and Performance Reporting System/Expense Assignment System (MEPRS/EAS) Data Validation and Reconciliation

This memorandum establishes Military Health System (MHS) policies, procedures and guidelines for the systematic review, validation, reconciliation and auditing of MEPRS/EAS source financial, workload and personnel data reported in MEPRS/EAS. It assigns responsibility for compliance with the procedures, reporting timeliness, and is an integral component of the Military Treatment Facility (MTF) internal management control program for data quality. (Reference: HA policy 99-010. Policy for Data Quality Improvement for Military Health System Financial Systems, 26 February 1999). The Tri-Service MEPRS Management Improvement Group developed these data validation and reconciliation procedures in response to GAO findings in an audit of the TRICARE Senior Prime Demonstration program. The framework for achieving and maintaining these standards relies heavily on command involvement, aggressive oversight of data quality, standardization of MHS business practices and persistent validation of the data. Senior level leadership and oversight by TRICARE Management Activity (TMA), Service Headquarters and (MTF) Commanders is imperative for the successful implementation of this policy and essential to achieving the desired outcome.

MHS Commanders must provide necessary oversight to ensure reporting activities under their responsibility comply with DoD MEPRS/EAS procedures, policies and requirements. MHS activities that generate data that is entered into MEPRS/EAS will validate the integrity of the data at least monthly. They will also participate in the monthly procedures to reconcile the data reported in MEPRS/EAS with data from the source systems.

MTF Commanders will organize and establish Decision Support Teams to monitor MEPRS/EAS data quality assurance and reporting compliance. Effective teams, at a minimum, should consist of directors of clinical activities, the facility MEPRS/EAS coordinator and key personnel for Budgeting/Accounting, Patient Administration and Information Management. The team will operate as a subcommittee of, and report directly to, the MTF Executive Committee.

MEPRS/EAS Reconciliation Procedural Templates and Workbooks for inpatient and outpatient data have been developed and are attached to this memo. Templates and Workbooks for ancillary data will be coming later under separate cover. Procedural Templates and guidance

for reconciling Service unique financial data have also been developed and distributed by each Service MEPRS/EAS Program Manager. MTFs are encouraged to coordinate findings with the Service MEPRS/EAS Program Managers and to seek guidance in interpretation and data analysis. Service Program Managers can assist in establishing appropriate benchmarks for data reconciliation as well as insight regarding lessons learned across the MHS.

Monthly reconciliation and validation activities are part of the MTF Internal Management Control (IMC) program. These activities will be documented in detail and retained for internal and external audit. Documentation of validation and reconciliation procedures is to be retained in the Office of Resource Management as part of the MTF's IMC program. Records will be maintained for the current fiscal year and three previous fiscal years. Future distribution of all MEPRS/EAS policy, procedures, guidance and requirements will automatically include MHS Internal Review Offices, Service Audit Agencies, the Office of the DoDIG and the Executive Director, TMA to support an informed and sustained audit program.

MEPRS/EAS is a Tri-Service system for health care cost identification and management. The system defines a set of functional work centers, prescribes a cost assignment methodology, applies uniform performance measurements and provides a standard format for reporting information for each fixed MTF. MEPRS/EAS data is used in local decision support and by higher authority to support resource planning, allocation and utilization. MEPRS/EAS data is central to MHS initiatives such as Optimization and Reengineering, Medicare Subvention, Third Party Collections (TPC) and DoD Military Retiree Health Care Benefits Accrual Liability studies. This data is also used for DoD health care reimbursement rate setting, TPC pricing activities, marginal cost transfer prices and interagency reimbursements. These new policies, procedures and guidelines will help to ensure accurate information is used for decision making throughout the MHS.

Implementation of these procedures is mandatory and will begin no later than February 1, 2000. Further questions regarding these policies, procedures and guidelines may be directed to your Service MEPRS/EAS Program Manager (Army – Sherry Stone, DSN 761-3275; Navy – Jane Cunningham, DSN 762-3564; USAF – Major Leslie Ness, DSN 297-5706.)

H. James T. Sears, M.D.
Executive Director

Attachment:
As stated