MEMORANDUM FOR US Army Uniform Business Offices

SUBJECT: U.S. Coast Guard (USCG) Billing Guidance

1. References:
   a. Office Assistant Secretary of Defense Memo, 8 December 2012, subject: Interagency Agreement for the Provision of Healthcare Services to USCG Beneficiaries at Department of Defense Military treatment facilities

2. Purpose: In accordance with the reference listed above, billing procedures for USCG beneficiaries will transition into the prospective payment methodology beginning FY12.

3. Applicability: This memorandum applies to USCG billing at Army Military Treatment Facilities (MTF).

4. Procedure: The DoD-USCG Interagency Agreement (IAA) will implement advanced funding to U.S. Army Medical Command (MEDCOM) for medical treatment provided to USCG beneficiaries.
   a. Effective immediately, Army MTFs will receive advanced funding via the US Coast Guard Prospective Payment System (USCG PPS) in accordance with the IAA referenced above. The IAA implements a methodology whereby the Department of Homeland Security (DHS) will fund healthcare provided to USCG beneficiaries in Army MTFs based on the level of care provided historically. Reimbursement for the applicable FY will be calculated from treatment provided to USCG beneficiaries in Prior Year 2 (e.g. reimbursement for FY12 was calculated using FY10 encounter data). Reimbursement will be adjusted for yearly inflation as well as for an Other Health Insurance assumption factor.
   b. MTF Uniform Business Offices (UBO) will no longer conduct patient-level itemized billing utilizing the DD Form 7/7A (Report of Treatment Furnished Pay Patients: Hospitalization Furnished (Part A)), which is processed from the Composite Health Care System (CHCS), and will no longer be required to submit an SF 1080 (Voucher for Transfer Between Appropriations and/or Funds) to the USCG. UBOs will continue to print DD Form 7/7A from CHCS but will not process the applicable USCG forms.
   c. Annually, MEDCOM UBO will receive from TMA UBO amounts to be reimbursed. MEDCOM UBO will coordinate with MEDCOM Resource Management (RM) to establish sales
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orders in the General Fund Enterprise Business System (GFEBS) and forward information to the
DHS. DHS will reimburse each MTF via the Intra-Governmental Payment and Collection
System.

d. MEDCOM UBO will forward reimbursement amounts to each MTF UBO for coordination
with the MTF RM, to ensure that 1/12 of the reimbursement is earned in GFEBS each month.

5. Point of contact for this memorandum is Hector Laureano at (210) 221-8339, DSN 471-8339.

2 Encl  
1. OASD IAA Action Memo
2. MTF LOA spreadsheet

KELLEY S. LOCKE  
MEDCOM UBO Program Manager
HQ U.S. Army Medical Command
FOR: JONATHAN WOODSON, M.D., ASSISTANT SECRETARY OF DEFENSE  
(HEALTH AFFAIRS)

FROM: Allen W. Middleton, SES, DASD, Health Budgets and Financial Policy

SUBJECT: Interagency Agreement for the Provision of Healthcare Services to  
United States Coast Guard Beneficiaries at Department of Defense Military  
Treatment Facilities

- The memorandum at TAB A requests that the United States Coast Guard (USCG) Assistant  
Commandant for Human Resources approve for implementation a new Interagency  
Agreement (IAA) covering care for USCG beneficiaries at Department of Defense (DoD)  
Military Treatment Facilities (MTFs). TAB A also contains the IAA for the Provision of  
Healthcare Services to USCG Beneficiaries at DoD MTFs.

- The IAA implements a new prospective payment methodology whereby the USCG will fund  
the healthcare provided to USCG beneficiaries in DoD MTFs based on the level of care  
provided historically. This approach eliminates the need for patient-level itemized billing  
and greatly reduces the administrative burden of billing and payment for healthcare services.  
In addition, by compiling the payment calculation data in one location, it creates an auditable  
process.

- The new agreement carries forward the current practice of providing USCG beneficiaries the  
same level of access to care at MTFs as that provided to DoD beneficiaries.

- TAB B contains the current Memorandum of Understanding between the DoD and the  
USCG. The IAA provides update of MOU section X (Financial) as it applies to  
billing/payment for USCG beneficiaries at DoD MTFs.

RECOMMENDATION: That Dr. Woodson sign the memorandum and the IAA at TAB A  
(signature block on page 4 of 4 and page 4 of 5).

COORDINATION: TAB C

Attachments:
As stated

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