DATES: Consideration will be given to all comments received by October 15, 2019.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.

Mail: Department of Defense, Office of the Chief Management Officer, Directorate for Oversight and Compliance, 4800 Mark Center Drive, Mailbox #24, Suite 08D09, Alexandria, VA 22350–1700.

Instructions: All submissions received must include the agency name, docket number and title for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the internet at *http://www.regulations.gov* as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: To request more information on this proposed information collection or to obtain a copy of the proposal and associated collection instruments, please write to the Office of the Defense Finance and Accounting Service Information Management Control Officer, 8899 E 56th St., Indianapolis, IN 46249, Ms. Denise Shaffer or call 317–212–4461.

SUPPLEMENTARY INFORMATION:

Title; Associated Form; and OMB Number: Application for Trusteeship, DD Form 2827, OMB License 0730–0013.

Needs and Uses: The information collection is needed to identify the prospective trustees for active duty military and retirees. The information is required in order for the Defense Finance and Accounting Service (DFAS) to make payments on behalf of incompetent military members or retirees. DFAS is representing all services as the functional proponent for Retired and Annuitant Pay.

Affected Public: Individuals or households.

Annual Burden Hours: 19 hours.

Number of Respondents: 75.

Responses per Respondent: 1.

Annual Responses: 75.

Average Burden per Response: 15 minutes.

Frequency: On occasion.

Dated: August 13, 2019.

Shelly E. Finke,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2019–17649 Filed 8–15–19; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Office of the Secretary

TRICARE; Accountable Care Organization Demonstration

AGENCY: Office of the Secretary, Department of Defense.

ACTION: Notice of demonstration.

SUMMARY: Section 705(a) of the National Defense Authorization Act for Fiscal Year 2017 (NDAA for FY17) requires the Secretary of Defense to develop and implement value-based incentive programs for the TRICARE Program. It also outlines recommendations for adapting existing value-based models, to include value-based incentive programs. The Defense Health Agency (DHA) intends to conduct and evaluate value-driven initiatives to move from volume-based reimbursement to value-based reimbursement for health care services. The proposed Accountable Care Organization (ACO) demonstration will help DHA assess whether value-driven incentives can reduce health care spending and improve health care quality for TRICARE beneficiaries.

DATES: This demonstration is a value-based incentive program consistent with Section 705(a) of the NDAA for FY17, with an effective and implementation date of January 1, 2020. This demonstration authority will remain in effect until December 31, 2022, unless terminated or extended by the DHA via a subsequent **Federal Register** notice. KP and HGB may begin marketing and beneficiary education activities on or after August 16, 2019.

FOR FURTHER INFORMATION CONTACT: Mr. Joseph Mirrow at *joseph.b.mirrow.civ@mail.mil.*

SUPPLEMENTARY INFORMATION: This notice is to advise all parties of a DHA demonstration project under the authority of Title 10, United States Code, Section 1092, entitled, ''TRICARE Accountable Care Organization Demonstration'' that will monitor whether higher levels of beneficiary satisfaction, cost containment, efficiency and effectiveness can be reached using an ACO. The demonstration will develop and evaluate an incentive payment model that: (1) Links improvement of health (core performance metrics); (2) improves beneficiary experience as Section 705(a) requires; and (3) compares the health outcomes of geographically overlapping TRICARE Prime beneficiary populations. This demonstration is being conducted in compliance with Section 705(a) of the NDAA for FY17. The demonstration will be conducted under the purview of the DHA and administered through the Managed Care Support Contractor (MCSC), Humana Government Business, Inc. (HGB), in conjunction with Kaiser Permanente (KP).

The DHA will monitor several areas of the ACO demonstration including but not limited to:

—Beneficiary experience and whether it is impacted, positively or negatively, by delivering care through an ACO model, which will be measured through existing tools (*e.g.* the Joint Outpatient Experience Survey) and reenrollment rates.

—Financial costs incurred under traditional TRICARE Prime and Select plans, and compare those cost to the negotiated capitated per member, per month (PMPM) rate under this demonstration. The demonstration will enable DHA to demonstrate proof of concept for future implementations throughout the TRICARE Program.

—Evaluate quality of care delivered under the ACO model compared to other TRICARE plans.

A. Background

Section 705(a) of the National Defense Authorization Act (NDAA) for FY 2017 directed the Department of Defense to conduct demonstration projects on incentives to improve health care provided under the TRICARE Program, also known as paying for value, or value-based reimbursement, rather than paying for volume. The incentive programs should link payments to hospitals and health care providers under the TRICARE Program to improve performance with respect to quality, cost, and reduction in the provision of inappropriate care. In addition, Section 705(a) of NDAA FY 17 authorizes adaptation of existing value-based models, including value-based incentive programs. As such, this demonstration program is partially based on a capitation payment model with the outpatient and pharmacy portions of the care being capitated while inpatient care will be provided through a joint TRICARE network with Humana. A full or partial capitation model requires that a health care provider undertake the full (or partial) risk for health care quality and spending. This model is frequently used by commercial health plans as part of an overall approach to value-based reimbursement.

In an effort to mitigate rising health care costs and develop higher-quality patient care, the DHA intends to conduct an ACO demonstration to determine if greater levels of beneficiary satisfaction, cost containment, efficiency, and effectiveness can be

reached using a capitation model. To achieve this goal, the DHA will conduct a three-year demonstration program that will address the NDAA FY 17, Section 705(a) requirements. The ACO demonstration will be conducted in Atlanta, Georgia. This area was selected due to the lack of Military Medical Treatment Facilities (MTFs), the existence of which could confound the demonstration outcomes, as well as providing an ideal population size in the Atlanta metropolitan area.

B. Description of the Demonstration Project

TRICARE's three-year demonstration project will be voluntary for TRICARE Prime Active Duty Family Members, Prime Retirees, Prime Retiree Family Members, and TRICARE Select beneficiaries in the metro Atlanta area. Beneficiaries will be invited to participate in any of the three years during the demonstration time period by enrolling in the ACO demonstration. From the ACO demonstration enrolled beneficiary's perspective, this will be a TRICARE Prime option, with KP serving as the primary care manager (PCM), and coordinating referrals to other KP specialties, or affiliated providers, as appropriate. KP will provide education to all interested beneficiaries regarding plan differences at the time of enrollment in the ACO demonstration. To ensure a sufficient number of beneficiaries participate in the demonstration, a target of 3,000 to 4,000 demonstration enrollees is set for year one with a goal of 8,000 to 10,000 enrollees by year three. The total number of eligible beneficiaries in the Atlanta area is approximately 70,000.

This demonstration will be implemented as an integrated ACO model with HGB serving as the DHA MCSC with KP working under HGB in compliance with HGB's contract. HGB will provide oversight, management, billing and enrollment, operational support, customer service for beneficiaries and military, a provider network for out-of-area care, delegated medical management and referral services for beneficiaries, and management of claims payments, encounter reporting and beneficiary eligibility. KP will provide ACO demonstration enrollees access to all KP primary and specialty providers in the Atlanta, Georgia area, virtual and video visits and consults, as well as match the current TRICARE Prime benefit and prescription benefits to include copayments, cost shares, deductibles, and coinsurance.

Applicable annual TRICARE enrollment fees will be waived for TRICARE beneficiaries who elect to participate in the ACO demonstration, for the first year in which they enroll. TRICARE Prime and TRICARE Select beneficiaries are eligible to participate in the demonstration. Under this demonstration, TRICARE beneficiaries are subject to the current Open Season enrollment restrictions unless they have a Qualifying Life Event. Beneficiaries with Other Health Insurance, TRICARE for Life beneficiaries not eligible to enroll in TRICARE Prime, Continued Health Benefit Care Benefit Program beneficiaries, Sponsors in the Guard/Reserves, and Active Duty Service Members are not eligible to participate in the program.

ACO demonstration enrolled beneficiaries will have the option to select a provider via the KP website located at KP.org, telephone, or while in a network provider's medical office. KP will send a letter to the ACO demonstration enrolled beneficiary if a choice is not made after a 60 day period and a Primary Care Manager (PCM) will be assigned to the enrolled beneficiary based on their residential zip code. KP will also send a letter to the ACO demonstration enrolled beneficiary if there are provider panel or location changes. ACO demonstration enrolled beneficiaries may change their primary care provider as long as the provider is within the KP provider network. TRICARE beneficiaries, enrolled under the ACO demonstration, will use the online KP provider network directory to include national vendors for durable medical equipment (DME), ambulance transport, transplants, and centers of excellence.

The TRICARE Pharmacy benefit will be matched by KP for the ACO demonstration. This will include the KP formulary listing, mail order, and specialty drugs. However, demonstration enrolled beneficiaries will not be eligible to receive vaccinations administered at a pharmacy. All beneficiaries enrolled in the demonstration will be able to fill prescriptions at KP pharmacies including mail service and specialty/compounded drugs.

C. Communications

The DHA will proactively educate beneficiaries and other stakeholders about this change through the TRICARE MCSC—HGB—as well as through marketing materials presented by KP. Marketing materials will explain the ACO demonstration benefit to the beneficiaries while allowing TRICARE sponsors and beneficiaries to make the best choice for their families. KP will begin marketing to potential beneficiaries on or after the date of publication of this notice. KP will inform and collect the consent of beneficiaries at the time of demonstration enrollment of any benefit or process differences compared to the traditional TRICARE Prime and Select programs.

D. Evaluation

This demonstration project will assist the DHA in evaluating whether capitated payment models will result in a reduction in health care spending and/or improvements in health care quality for TRICARE beneficiaries. The demonstration will add to the DHA's body of knowledge regarding the requirements for implementing successful value-based payments. Regular status reports and a full analysis of the demonstration outcomes will be conducted consistent with the requirements in Section 705(a) of the NDAA FY17.

Regular evaluations of health care claims, patient satisfaction, and cost of care for the ACO demonstration beneficiaries and a comparison group will provide data relating to the impact of health care spending in order to ascertain whether accountable care and capitation reimbursement result in positive changes in cost trends and/or if there has been an improvement in the quality of health care. Following the conclusion of each demonstration year, costs and performance will be analyzed and compared to previous years of the demonstration as well as to care received across the TRICARE Program to determine whether capitated payment structures, as well as incentive payments were effective in reducing health care spending and/or improving health care quality. The DHA Director reserves the right to terminate the demonstration early if the enrollment, cost, or quality do not support continuation of the demonstration.

E. Reimbursement

The PMPM will be negotiated based on DHA claims history from the prior three years of beneficiaries enrolled in the same geographic area. Reimbursement under the ACO demonstration will be notionally modeled after a capitation reimbursement structure with care being divided into three separate Parts; A, B, and D (modeled after the traditional Medicare program). KP will receive a PMPM payment for all ambulatory care as aligned with Part B and D services (as outlined below).

Notional Part A Fund expenses include, but are not limited to: Costs identified for inpatient hospital medical

and surgical services; inpatient hospital psychiatric services; home health care services; skilled nursing facility care; and inpatient rehabilitation. HGB will reimburse all inpatient care, as aligned with Part A services, utilizing existing reimbursement systems (*e.g.,* Diagnosis Related Groups) with inpatient providers submitting claims for reimbursement to HGB. As long as the inpatient admission was directed by a KP provider, ACO beneficiaries will be subject to ''in network'' cost-sharing. HGB will report reimbursements for Part A services to KP on a monthly basis. Expenses will also include the cost of other covered services or costs which may be mutually defined and approved by KP, HGB, and the DHA.

Notional Part B Fund expenses include, but are not limited to: Primary care; hospital-based physician fees; specialists fees; hospital outpatient services; outpatient surgery procedures; podiatry; outpatient rehabilitation; physical therapy; occupational therapy; speech therapy; vision; supply costs of covered immunizations; therapeutic radiology; outpatient renal dialysis; outpatient laboratory; outpatient radiology; durable equipment and durable medical equipment;, Medicare defined Part B drugs; ambulance; and other outpatient diagnostic or treatment services. Expenses will also include the cost of other covered services or costs which may be mutually defined and approved by KP, HGB, and the DHA.

Notional Part D Fund expenses include all costs for outpatient prescription drugs and vaccines that are not otherwise included in the Parts A or B Fund. Expenses will also include the cost of other covered services or costs which may be mutually defined and approved by KP, HGB, and the DHA.

Part A Services

As noted earlier, HGB will reimburse inpatient claims (Part A) for care rendered for TRICARE beneficiaries enrolled in the ACO demonstration utilizing existing TRICARE reimbursement methodologies. Prior to each demonstration year, the DHA will evaluate, and if appropriate, approve an annual cost target prepared by HGB and reviewed by KP, for Part A services defined above, with a risk corridor that results in equal sharing of risk between KP and the DHA for gains and losses. Part A services will be reconciled to the target on an annual basis using three months of run out (April 1 of each year) with settlement to occur at 6 months following close of period (July 1 of each demonstration year). The approved DHA Part A cost target will be prepared by HGB and reviewed by KP. The Director, DHA, will have the ultimate authority to approve or reject the proposed cost target.

Part B and Part D Services

The intent of this demonstration is to fully capitate all outpatient and professional care, defined in this demonstration as ''Part B'' and ''Part D'' services. Prior to the start of each demonstration year, Humana, with KP, shall propose a PMPM to the DHA. The Director, DHA, shall approve or deny the proposed PMPM amount. If the PMPM is denied and cannot be negotiated, then the demonstration will be terminated. When an ACO enrolled beneficiary receives care from KP, KP will submit the encounter data record to HGB, who will in turn, submit the TRICARE encounter data record to the DHA for reimbursement, in accordance with TRICARE operational and systems polices. However, KP will be paid on the basis of a PMPM methodology. The DHA will pay KP an additional PMPM amount (the incentive payment, mentioned earlier in this Notice) for achieving specific value and quality performance goals, as negotiated by the DHA.

Beneficiaries enrolled in the ACO demonstration who visit a provider outside of the KP demonstration may be subject to point of service charges consistent with TRICARE claims processing rules. Rarely, the DHA may elect to remove specific enrolled beneficiaries from the demonstration (or decline to re-enroll them), and require the beneficiary to make a new plan election (*e.g.,* TRICARE Prime or Select) in accordance with TRICARE procedures if the beneficiary does not follow KP processes. This demonstration is patient-centered, and changes in enrollment are disruptive to beneficiaries, and therefore will generally be considered inappropriate unless in the most extraordinary of cases. Such a determination will be made by the Director, DHA, or designee, on a case-by-case basis, when brought to the attention of DHA by HGB. Requests from HGB for patient removal must include: A beneficiary-specific justification regarding patient unwillingness to follow KP rules; a description of the specific efforts made by HGB and KP to engage the patient in care and care decisions; a description of patient and/or caregiver education efforts; along with data showing that failure to follow such rules has resulted in significant impact to the beneficiary's health, quality of care, or total cost of care to the Government or beneficiary. The Director, DHA, shall be the final authority on patient disenrollment, and decisions shall be made on the basis of the best interest of the specific patient (health, quality of care, and cost to the Government/beneficiary), and not on a basis that disenrollment is needed for financial reasons by KP or HGB.

F. Implementation

Care for ACO demonstration enrolled beneficiaries demonstration will begin effective January 1, 2020, and will continue for a period of three years from the date of the original demonstration unless terminated earlier by the Director, DHA. KP and HGB may begin patient education and marketing efforts regarding this demonstration on or after the date of publication of this notice.

Dated: August 12, 2019.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2019–17605 Filed 8–15–19; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Department of the Navy

[Docket ID: USN–2019–OS–0019]

Proposed Collection; Comment Request

AGENCY: The Office of the Under Secretary of the Navy, DoD.

ACTION: Information collection notice.

SUMMARY: In compliance with the *Paperwork Reduction Act of 1995,* the Department of the Navy announces a proposed public information collection and seeks public comment on the provisions thereof. Comments are invited on: Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; the accuracy of the agency's estimate of the burden of the proposed information collection; ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Consideration will be given to all comments received by October 15, 2019.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.

Mail: Department of Defense, Office of the Chief Management Officer,