

secretaries may exercise the expanded authority to remit and cancel indebtedness from one year to five years.

TITLE VII—HEALTH CARE PROVISIONS

OVERVIEW

The committee is concerned about the capability of the Defense Health Program to sustain the long-term quality and accessibility of the health care provided to the members of the armed forces and their families, along with retirees and their families. In the face of the growing cost of health care, the committee recognizes that the Department of Defense (DOD) may face significant challenges controlling that cost while providing for the medical readiness and force health protection for the men and women in uniform and ensuring health care services to all other beneficiaries. In this context, the committee closely examined the Department of Defense proposals to reduce the cost of health care and concluded that the plan relies too narrowly on increasing the costs of TRICARE to retirees. The committee believes that a more comprehensive approach to sustaining the military health care benefit is required and that changes to the military health care benefit require careful, deliberate consideration with a full accounting of the impact across the board. Therefore, the committee recommends legislation to require a review of DOD plans to reduce the cost of health care and an assessment and recommendations for sustaining the military health care services provided to members of the armed forces, retirees, and their families. The committee makes these recommendations to allow for a period of time to shape a comprehensive approach to address the cost of military health care.

The committee remains strongly committed to ensuring that members of the armed forces, retirees, and their families have access to quality health care. Accordingly, the committee recommends legislation to provide coverage for forensic examinations following sexual assaults and domestic violence and coverage for anesthesia and hospital costs for dental care provided to children and certain other beneficiaries. In addition, the committee directs the Secretary of Defense to conduct a demonstration project to provide over-the-counter medications under the pharmacy benefit program.

Finally, the committee is steadfast in its view that the Department of Defense and the federal government should not be doubly liable for the cost of financial incentives paid by DOD contractors to employees to enroll in the TRICARE program and still be at risk for the cost of providing health care to TRICARE-eligible employees. As such, the committee recommends legislation that would establish as unallowable the contract costs that result when DOD contractors pay or otherwise create financial incentives for TRICARE-eligible employees to use the TRICARE or other government-sponsored health care programs in lieu of the contractor-provided health care program.

In light of the many challenges faced by the military health care system, the committee continues to believe that the Defense Health Program must be fully funded.

ITEMS OF SPECIAL INTEREST

Comprehensive Combat Casualty Care Center

The committee is aware of an effort by the Department of the Navy to establish a comprehensive combat casualty care center at the Naval Medical Center, San Diego, California, for all military personnel. The center would allow wounded servicemembers to continue their rehabilitation closer to their families in the western region of the United States. Currently, there is no regional Department of Defense (DOD) center to support such efforts in the west. The center would complement the activities at Walter Reed Army Medical Center and Brooke Army Medical Center, enhance efforts with the Department of Veterans Affairs (VA) in providing specialized care to wounded servicemembers, and allow for a seamless transition the Department of Veterans Affairs, if necessary. The committee urges the Department of Defense to consider funding such a center through the DOD–VA Joint Incentive Fund.

Comptroller General Report on a Unified Medical Command Plan

The committee notes with great interest the Department of Defense's (DOD) effort to improve the effectiveness and enhance military medicine through a unified medical command. The Army, Navy, and Air Force medical communities have provided superior, high-quality health care to our servicemembers, particularly those who have been injured or wounded on the front lines of combat. However, efforts to improve and streamline care have been hampered by the lack of standardized equipment and processes. The committee believes a unified medical command could improve the care being provided by the services with significant cost savings. The committee understands that the Department has established a Joint/Unified Medical Command Working Group to develop recommendations for two specific commands, a single joint/unified medical command responsible for all market areas of private sector care, and a joint/unified medical command responsible for operational/deployed medicine. The committee is concerned that two separate and distinct commands, one for operational medicine and one for private sector care, may actually hamper efforts to achieve greater efficiencies. As such, the committee directs the Comptroller General to conduct a review of the various studies that the Department of Defense and other organizations have undertaken and provide an analysis of the various unified medical command structures under consideration by the Department and outside organizations. The Comptroller General review shall include the studies undertaken by DOD's Joint/Unified Medical Command Working Group, as well as reviews conducted by the Center for Naval Analysis Corporation and other organizations, such as the Defense Business Board. The committee directs the Comptroller General to submit a report on his findings to the Senate Committee on Armed Services and the House Committee on Armed Services by March 31, 2007.

Fort Drum Health Care Pilot Program

The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375) established a pilot program to test initiatives that build cooperative health care arrangements

and agreements between military installations and local regional non-military health care systems. As an installation undergoing profound growth, Fort Drum, New York, was selected as one of two test sites for the pilot program. The committee recommends \$0.4 million for the Fort Drum regional health planning organization that has been organized to coordinate the pilot program, as well as to help conduct necessary assessments and/or studies.

Mental Health Programs for Combat Veterans and Their Families

The committee recognizes the need for programs that assist military veterans who return from Iraq and Afghanistan to effectively deal with mental health issues and applauds the efforts of the Department of Defense and the Veterans Administration to provide mental health programs to combat veterans and their families. The committee urges both Departments to expand their current programs to include training programs, services and resources designed by behavioral health personnel with experience in a combat theater and focused on addressing combat stress and reintegration issues for active and reserve component personnel and their families.

Screening for Traumatic Brain Injury

The committee applauds the efforts of the Department of Defense to implement a comprehensive policy for assessing the health status of military personnel prior to deploying, upon redeployment and again three to six months after returning home. However, the committee is aware of Defense and Veterans Brain Injury Center studies showing that 31 percent of combat injured patients evacuated from Iraq and Afghanistan have a traumatic brain injury (TBI). According to the studies, many of these injuries result from blasts and are not always accompanied by obvious head trauma. Formal screening by trained medical personnel is required to identify these injuries and many injuries are never diagnosed. The committee is concerned that servicemembers with undiagnosed and untreated traumatic brain injuries may compromise operational readiness and may experience long-term medical effects from the injury. To address this issue, the committee directs the Secretary of Defense to modify the pre- and post-deployment assessments and the post-deployment reassessment by March 31, 2007, to contain questions that screen for traumatic brain injury.

In addition, the committee directs the Secretary to develop a comprehensive and systematic approach for the identification, treatment, disposition and documentation of TBI, including mild to moderate TBI, for combat and peace time injuries. The committee directs the Secretary to develop a comprehensive approach by May 1, 2007, and to report its actions to the Senate Committee on Armed Services and the House Committee on Armed Services.

TRICARE Mail Order Pharmacy Program

The committee is aware that the TRICARE Mail Order Pharmacy program is an outstanding benefit for members of the armed services, retirees and their families. The mail order pharmacy is a cost effective and burden free method for beneficiaries to obtain medications. However, the committee is concerned that a lack of

awareness and understanding of the program may exist among providers who prescribe medication within the facilities of the uniformed services and in the purchased care system. In addition, the committee is concerned that prescribing medications for distribution through the TRICARE Mail Order Pharmacy is time consuming and burdensome for providers.

The committee directs the Secretary of Defense to implement a comprehensive education program on the TRICARE Mail Order Pharmacy program that targets providers within the facilities of the uniformed services and in the purchased care system. The committee further directs the Secretary to take the necessary steps to ensure that the Pharmacy Data Transaction System and the Armed Forces Health Technology Application are modified to provide electronic transmission of prescriptions directly to the TRICARE Mail Order Pharmacy System. The committee directs the Secretary of Defense to implement these recommendations and submit a report on the progress of the implementation to the Senate Committee on Armed Services and the House Committee on Armed Services by December 31, 2007.

LEGISLATIVE PROVISIONS

SUBTITLE A—TRICARE PROGRAM IMPROVEMENTS

Section 701—TRICARE Coverage for Forensic Examination Following Sexual Assault or Domestic Violence

This section would provide coverage under the TRICARE program for forensic examinations following sexual assault or domestic violence.

Section 702—Authorization of Anesthesia and Other Costs for Dental Care for Children and Certain Other Patients

This section would provide coverage under the TRICARE program for anesthesia services and institutional costs for dental treatment for beneficiaries with developmental, mental or physical disabilities and for children under the age of five.

Section 703—Improvements to Descriptions of Cancer Screening

This section would update the terminology used in the description of primary and preventive health care screenings authorized for female beneficiaries of the military health system. This section would authorize screening tests for cervical cancer and breast cancer without prescribing the use of the Papanicolaou test or the mammogram. The committee understands that as new medical technology develops, legacy screening methods may become obsolete.

Section 704—Prohibition on Increases in Certain Health Care Costs for Members of the Uniformed Services

This section would prohibit the Department of Defense (DOD) from increasing the premium, deductible and copayment for TRICARE Prime, the charge for inpatient care for TRICARE Standard, and the premium for TRICARE Reserve Select and TRICARE Standard for members of the Selected Reserve during the period from April 1, 2006 to December 31, 2007. The committee

shares the DOD's concern about the rise in the cost of military health care and the potential for the escalating cost to have a negative impact on the ability of the Department to sustain the benefit over the long-term. However, the committee believes that changes to the military health care benefit require careful, deliberate consideration with a full accounting of the impact across the board. The committee makes these recommendations to allow for a period of time to shape a more balanced approach to address the cost of military health care.

Section 705—Services of Mental Health Counselors

This section would allow mental health counselors, without prior physician referral or supervision, to be reimbursed for services provided to TRICARE beneficiaries. This section would also amend section 704 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337) to allow mental health counselors to enter into personal service contracts with the Department of Defense for the purpose of providing mental health services to TRICARE beneficiaries. Further, this section would require that mental health counselors meet the licensure or certification requirements for "health care professional" established by section 1094 of title 10, United States Code.

Section 706—Demonstration Project on Coverage of Selected Over-the-Counter Medications Under the Pharmacy Benefit Program

This section would require the Secretary of Defense to conduct a demonstration project that would authorize the use of over-the-counter medications, in lieu of the equivalent prescription drugs. The demonstration program would take place in at least two of the three venues (military treatment facilities, TRICARE mail order pharmacy and retail pharmacies) where medications are dispensed to beneficiaries. At a minimum, the Secretary would be required to conduct the demonstration in at least five sites in each of the TRICARE regions for each of the two venues selected. The committee urges the Secretary to select the retail pharmacy program as one of the two venues in which to conduct the demonstration.

Section 707—Requirement to Reimburse Certain Travel Expenses of Certain Beneficiaries Covered by TRICARE for Life

This section would allow a beneficiary who receives initial care at a military treatment facility prior to attaining the age of 65 to receive reimbursement for travel expenses associated with limited follow up care at the same facility in which the initial care was received. In addition, the beneficiary must reside over 100 miles from the military treatment facility and must be referred to the facility by a specialty care provider to be eligible.

Section 708—Inflation Adjustment of Differential Payments to Children's Hospitals Participating in TRICARE Program

This section would require the Secretary of Defense to establish an annual inflationary adjustment for the TRICARE children's hospital differential payment rate beginning in fiscal year 2007.

Section 709—Expanded Eligibility of Selected Reserve Members
Under TRICARE Program

This section would provide coverage under the TRICARE Standard program to all members of the Selected Reserves and their families while in a non-active duty status. Participants would be required to pay a premium that would be 28 percent of the total amount determined by the Secretary of Defense as being reasonable for the TRICARE coverage. This section would not extend TRICARE eligibility to reservists who were also federal employees entitled to Federal Employee Health Benefits Plan coverage under title 5, United States Code. Further, this section would repeal the three tiered cost share TRICARE program for reserves established by the fiscal year 2006 National Defense Authorization Act.

Section 710—Extension to TRICARE of Medicare Prohibition of
Financial Incentives Not to Enroll in Group Health Plan

This section would extend to the TRICARE program the same rule that currently applies to the Medicare program, making it unlawful for an employer or other entity to offer any financial or other incentive for a TRICARE retired beneficiary (military retirees and their dependents) not to enroll under a health plan which would under law be primary payer to TRICARE. Further, this section would authorize the Secretary of Defense to adopt exceptions to the provision that the Secretary deems necessary for implementation of the prohibition. This section would also authorize the Secretary to discontinue the relationship with a contractor for repeated violations of this section. The committee makes this recommendation to address the growing concern that employers are shifting the financial responsibility of providing health care benefits to their employees to the federal taxpayers. Such cost shifting, left unchecked, would greatly increase government costs.

SUBTITLE B—STUDIES AND REPORTS

Section 711—Department of Defense Task Force on the Future of
Military Health Care

This section would require the Secretary of Defense to establish a task force to assess the future of military health care. The task force would consist of 14 members appointed by the Secretary and would be required to develop recommendations on the actions the Department of Defense would have to take to improve and sustain the military health system over the long-term. This section would require the Secretary to develop a plan based on the recommendations of the task force, and submit the plan to the Senate Committee on Armed Services the House Committee on Armed Services not later than six months after receipt of the task force report.

Section 712—Study and Plan Relating to Chiropractic Health Care
Services

This section would require the Secretary of Defense to develop a plan for providing chiropractic health care services to all members of the uniformed services, as required by the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law

106–398). In addition, this section would require the Secretary to study the cost, feasibility, health benefit and potential cost savings of providing chiropractic care for active duty family members, members of the reserves and their family members, and retirees and their family members. The study would also include the cost of providing chiropractic care on a space available basis in those medical treatment facilities currently providing chiropractic care. The effects of chiropractic care on readiness and the acceleration of the return to duty of the members of the armed forces following an injury that can be appropriately treated with chiropractic health care services would also be included in the study. The Secretary shall submit a report, including the plan and the study, to the Senate Committee on Armed Services and the House Committee on Armed Services by March 31, 2007.

Section 713—Comptroller General Study and Report on Defense Health Program

This section would require the Comptroller General to conduct a study of the cost savings projections included by the Department of Defense in the fiscal year 2007 budget request for the Defense Health Program. The study would include an evaluation of the rationale for the Department's calculation of the cost and the cost increases of the Defense Health program, the amounts paid by beneficiaries for health care, and the estimated savings associated with implementation of cost sharing increases. Further, the study would include a review of the rates of inflation in governmental and non-governmental health care programs, as well as other health care indexes. The Comptroller General is required to present his findings to the Senate Committee on Armed Services and the House Committee on Armed Services by June 1, 2007.

Section 714—Transfer of Custody of the Air Force Health Study Assets to Medical Follow-up Agency

This section would require the Secretary of the Air Force to notify and contact participants of the Air Force Health Study (commonly referred to as the Ranch Hand Study) to obtain written consent to transfer their data and biological specimens to the Institute of Medicine of the National Academy of Science by September 30, 2007. The Secretary of the Air Force is required to submit a report to the Armed Services Committees of the Senate and the House of Representatives on the results of the disposition of the assets and must maintain the specimens that were not able to be transferred for at least one year following submission of the report.

Section 715—Study on Allowing Dependents of Activated Members of the Reserve Components to Retain Civilian Health Care Coverage

This section would require the Secretary of Defense to conduct a study on the feasibility of allowing family members of reservists who are mobilized to continue health care coverage under a civilian health care program. The study would include an assessment of the number of family members with special health care needs, who would benefit from remaining in a member's civilian health plan, the feasibility of reimbursing the member for the civilian health

coverage and a recommendation on the appropriate rate of reimbursement. Further, the study would include the feasibility of allowing family members of mobilized reservists, who do not have access to TRICARE providers, to continue civilian health care coverage. Not later than 180 days after enactment, the Secretary shall submit a report on the study to the Senate Committee on Armed Services and the House Committee on Armed Services.

SUBTITLE C—OTHER MATTERS

Section 721—Costs of Incentive Payments to Employees for TRICARE Enrollment Made Unallowable for Contractors

This section would establish as unallowable the contract costs that result when Department of Defense (DOD) contractors pay or otherwise create financial incentives for TRICARE-eligible employees to use the TRICARE or other government-sponsored health care programs in lieu of the contractor provided health care program. The committee makes this recommendation because it believes that neither the DOD nor the federal government should be doubly liable for the cost of financial incentives paid by DOD contractors to employees to enroll in the TRICARE program and still be at risk for the cost of providing health care to TRICARE-eligible employees.

Section 722—Requirement For Military Medical Personnel to be Trained in Preservation of Remains

The section would require the Secretary of Defense to develop a program requiring each military department to include training in the preservation of remains for their health care professionals. The committee believes that all medical professionals need to be trained in the proper post mortem care in theater in order to ensure that the proper preservation of remains is accomplished. The committee does not intend for the responsibilities of mortuary affairs to become the responsibility of medical professionals but rather, under certain circumstances, for medical professionals to assist in the preservation of remains.

SUBTITLE D—PHARMACY BENEFITS PROGRAM IMPROVEMENTS

Section 731—TRICARE Pharmacy Program Cost-Share Requirements

This section would require the Secretary of Defense to establish beneficiary cost sharing requirements for the TRICARE Mail Order Pharmacy program that are the same as for generic and formulary drugs provided to beneficiaries at military treatment facilities. At present, beneficiaries are not charged for generic and formulary drugs obtained through the military treatment facilities. Further, the section would limit the cost sharing requirements for drugs provided through the TRICARE retail pharmacy program to amounts not more than \$6 for generic drugs, \$16 for formulary drugs and \$22 for non-formulary drugs. The committee makes these recommendations in order to provide incentives to beneficiaries to make greater use of the TRICARE Mail Order Phar-

macy Program. The cost sharing schedules established by this section would end December 31, 2007.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

OVERVIEW

Simply put, the Department of Defense (DOD) acquisition process is broken. The ability of the Department to conduct the large scale acquisitions required to ensure our future national security is a concern of the committee. The rising costs and lengthening schedules of major defense acquisition programs lead to more expensive platforms fielded in fewer numbers. The committee's concerns extend to all three key components of the Acquisition process including requirements generation, acquisition and contracting, and financial management.

The Joint Capabilities Integration and Development System (JCIDS) and Joint Requirements Oversight Council (JROC) are not operating as envisioned. The Under Secretary of Defense for Acquisition, Technology & Logistics (USD(AT&L)) is failing to control spiraling costs of major defense acquisition programs. As a result, programs to replace key weapons systems are attempting to place all necessary and imagined capabilities onto developing platforms. The JCIDS/JROC process is under intense pressure to ensure that a follow-on system meets all the military departments' current, future and anticipated needs. Consequently, by relying on one system to meet all the necessary requirements, the Department is increasing the costs and development time to field new systems. Ultimately, this process results in low quantities of higher priced systems delivered on a longer schedule.

The unintended consequence of these pressures is a JCIDS/JROC process reflecting a culture of forced cooperation, where the members must approve other military department's programs in order to have their programs approved. The "jointness" required in the JROC process creates a culture where each member faces pressure to accept the criticality of approving a new system for their sister service. The process also encourages military departments to request expensive added capabilities on systems, paid for by other departments in the name of jointness.

In the wake of a ten-year decrease in the acquisition workforce, the Department is facing a critical shortage of certain acquisition professionals with technical skills related to systems engineering, program management and cost estimation. While Congress has directed this decrease in the acquisition workforce over the past decade, the committee is dissatisfied with the Department's approach to these statutory decreases. Instead of cutting overhead and minimizing bureaucracy related to the acquisition workforce, the Department cut critical resources such as production and systems engineers, opting to outsource these functions to contractors. As a result of these workforce-structure decisions, there is a potential conflict of interest developing between contractors acting as "lead-system integrators" on projects for which they have oversight. In addition, the Department has outsourced too many processes closely related to "inherently governmental functions," ceding de facto