



ARMY MEDICINE

Serving to Heal...Honored to Serve



FY17 IRIS [101]

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22-26 August 2016

UNCLASSIFIED

Purpose: This brief is intended to provide an overview of the Army MEDCOM Budget and the Integrated Resources & Incentive System (IRIS)

Outline:

1. MEDCOM Budget Background & Overview
2. Budget Framework
3. IRIS Process (Domains)
4. IRIS Core Methodology
5. Funding Model Components

What is IRIS?

VISION

Alignment of resources, funding, and incentive mechanisms to enhance MTF value production while balancing costs with outcomes.

MISSION

Combat Casualty Care

Readiness of the Force

Ready and Deployable Medical Force

Health of the Soldier and Beneficiaries (Families & Retirees)

STRATEGIC & ENABLING PILLARS

Performance Plan

Statement of Operations

Service Lines

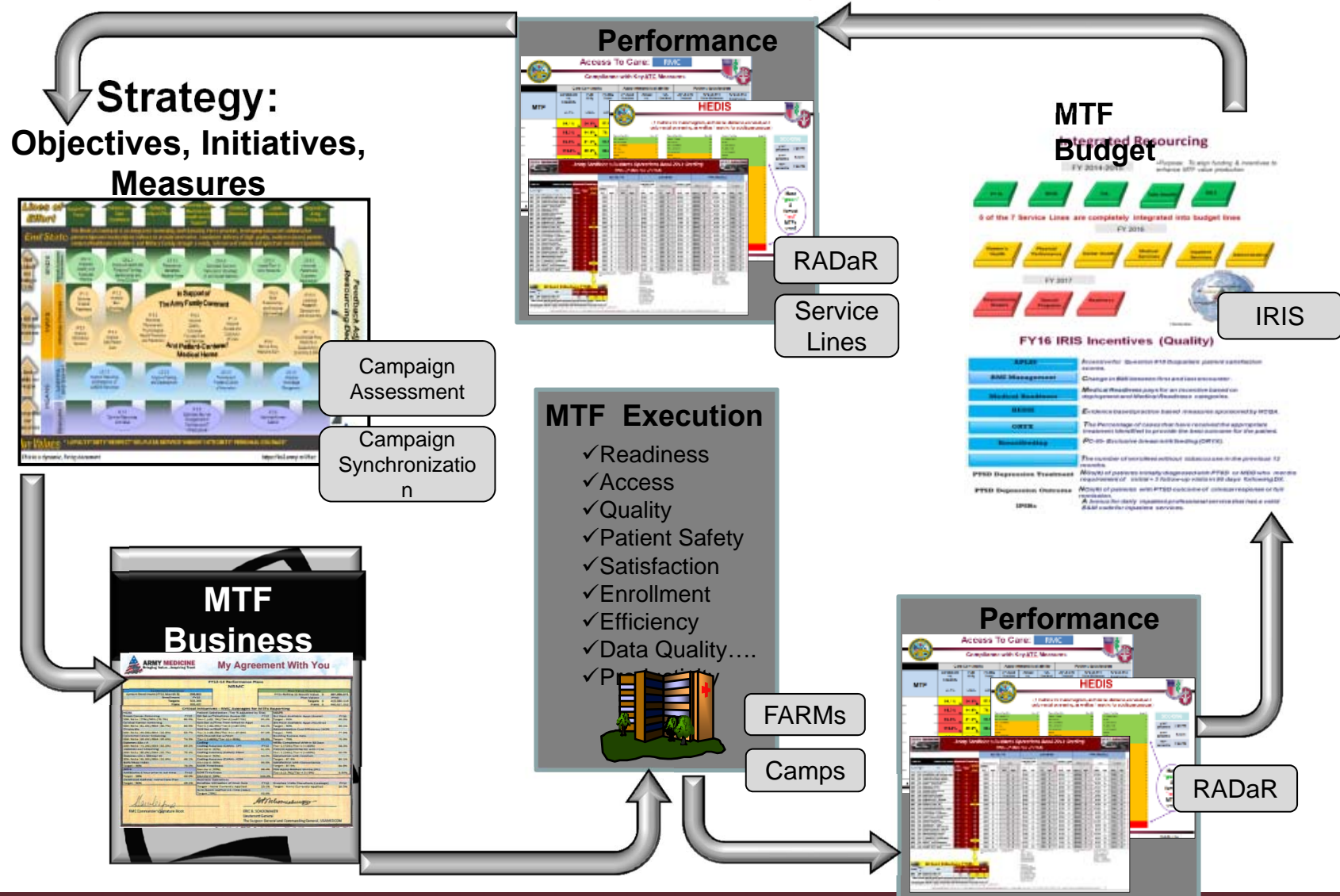
PC Sub-Capitation Model

Fees-for-Service Models

Quality & Administrative Incentives

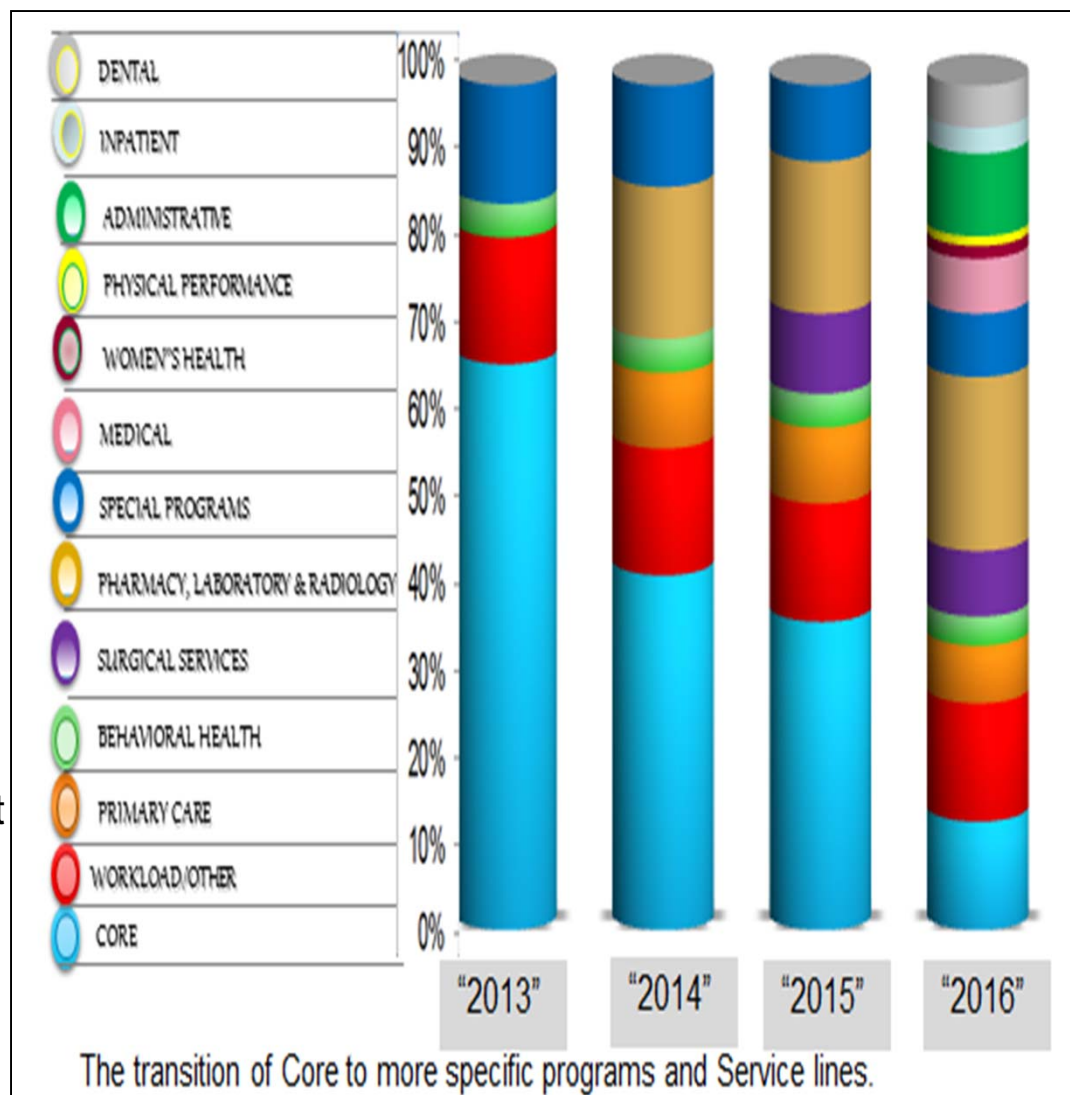
Business Framework

Performance Planning Lifecycle



Historical Budget Practices

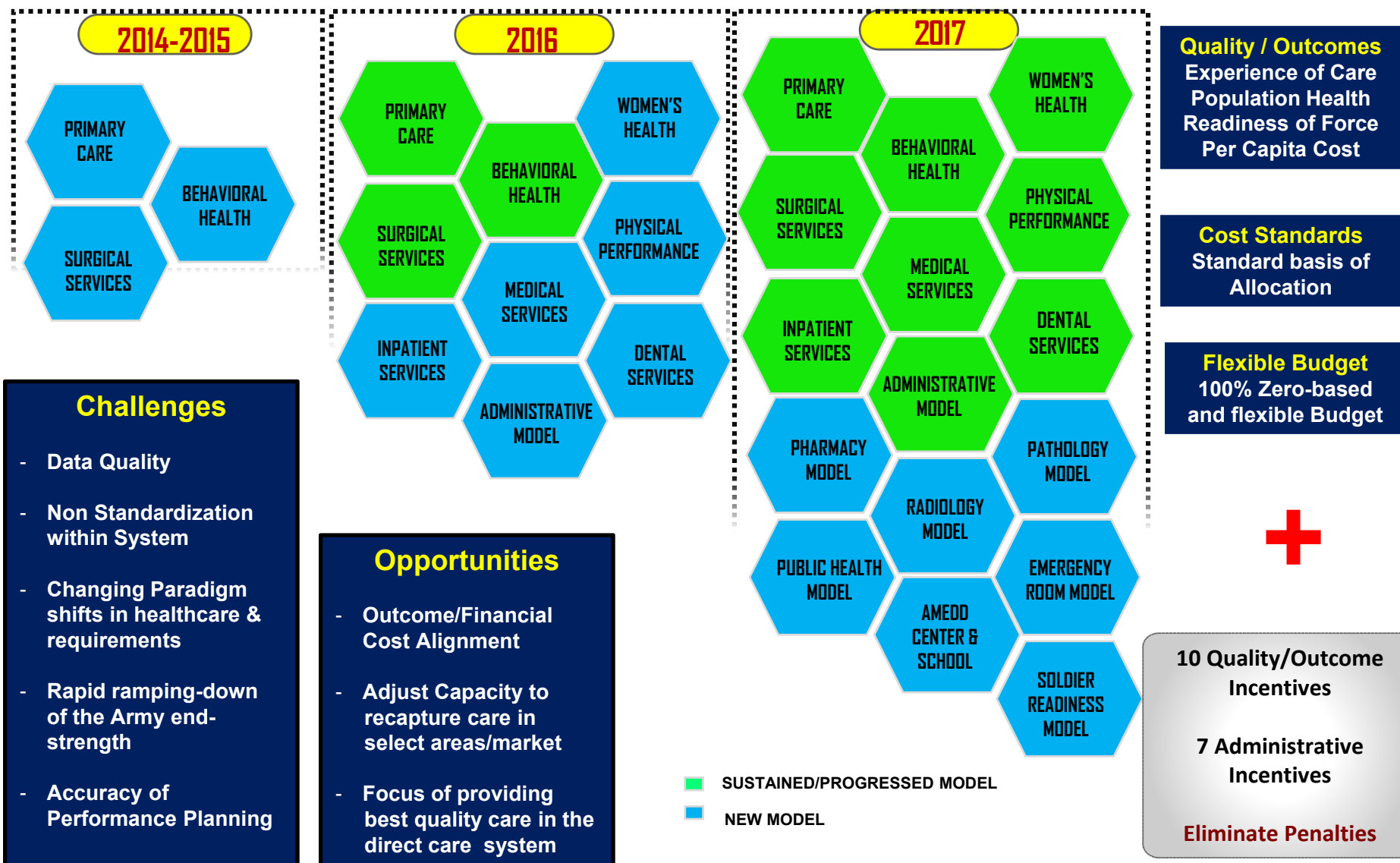
- Medical Care Composite Unit (MCCU) (up to 1990)
- Gateway to Care (1991-1993)
- The Years Adrift (1994-2001)
- The Early War Years (2002-2004)
- DoD Perspective Payment System (PPS) (2004-2012)
 - Performance Based Budgets (PBB) (2004-2006)
 - Performance Based Adjustment Model (PBAM) (2006-2013)
- Integrated Resourcing and Incentive System (IRIS) (Oct 2013-present)



Budget Framework

- Statement of Operations
- Resource Planning Tool
- Resource Summary
- IRIS Models & Incentive Baseline
- Primary Care
- Behavioral Health
- Surgical Services
- Physical Performance
- Women's Health
- Medical Services
- Inpatient Services
- Dental Services
- Administrative Model
- Public Health
- Readiness Model
- IDES, AMAP, OCO
- Pharmacy, Radiology & Pathology
- House Keeping & Utilities

<input type="checkbox"/> Position Improved <input type="checkbox"/> No Change <input type="checkbox"/> Position Diminished		1. SELECT MAJOR COMMAND ----> 2. SELECT RHC / MSC ----->>> 3. SELECT ACTIVITY ----->>>>		MEDCOM Rollup Rollup		FOR OFFICIAL USE ONLY SENSITIVE BUT UNCLASSIFIED DISTRIBUTION LIMITED TO MEDCOM \$s in Thousands			
DEFENSE HEALTH PROGRAM (DHP) - STATEMENT OF OPERATIONS -- FY17									
MEDCOM Total (All Activities)									
FY17 Target: D, V, M, H, W, L, & S - lines									
MISSION SET (RAW UNITS)									
VARIANCE FROM CURRENT									
1	Primary Care Services (M-PC)	FY17 TARGET		1,278,815					
	(a) Enrollment (Prime)/Sub-Capitation	Work RVU	PE RVU	APCs		Work RVU	PE RVU	APCs	
	Primary Care Services (M-PC)	6,296,451	9,358,428	31,962		-	-	-	
	(b) Primary Care FFS (FFS Includes Reliant)	Work RVU	PE RVU	APCs		Work RVU	PE RVU	APCs	
	Emergency Services (M-PC)	808,544	573,002	1,537,377		-	-	-	
	(c) Emergency Services	121,152	75,192	221,290		-	-	-	
	(d) Non-Emergency Workload in ER	Work RVU	PE RVU	Mental Health Bed Days		Work RVU	PE RVU	Mental Health Bed Days	
2	Behavioral Health (M-BH)	3,055,335	907,726	60,457		-	-	-	
	Behavioral Health Services Units	Work RVU	PE RVU	APCs		Work RVU	PE RVU	APCs	
3	Surgical Services (M-3S)	2,118,553	2,368,224	2,520,141	29,702	-	-	-	
	Surgical Units	Work RVU	PE RVU	APCs	RWPs	Work RVU	PE RVU	APCs	RWPs
4	Women's Health Services (M-WH)	1,380,632	1,224,647	262,807	16,940	-	-	-	
	Women's Health Units	Work RVU	PE RVU	APCs	RWPs	Work RVU	PE RVU	APCs	RWPs
5	Physical Performance Services (M-PP)	1,973,363	2,002,620	44,633		-	-	-	
	Physical Performance Units	Work RVU	PE RVU	APCs	RWPs	Work RVU	PE RVU	APCs	RWPs
6	Medical Services (M-MSS)	2,143,489	2,893,770	550,200	27,931	-	-	-	
	Medical Services Units	Work RVU	PE RVU	APCs	RWPs	Work RVU	PE RVU	APCs	RWPs
7	Public Health (PH)	157,043	257,645	40		-	-	-	
	Public Health Services	Work RVU	PE RVU	APCs	RWPs	Work RVU	PE RVU	APCs	RWPs
8	Inpatient Services (-) (MHBDS & SLs) (M-IP)	Inpatient RWPs (-) Service Lines & MHBDS		31,603		Inpatient RWPs (-) Service Lines & MHBDS			
	Inpatient RWPs	DRC1	DRC2	DRC3	DWVs	DRC1	DRC2	DRC3	DWVs
9	Dental Services (D-DS)	243,976	128,073	2,986	5,427,059	-	-	-	
	Dental DRCs & Dental Weighted Value	Total PA RVUs	Total APCs	Total RWPs	Total MHBDS	PA RVUs	APCs	RWPs	MHBDS
	TOTAL WORKLOAD UNITS	37,715,814	5,178,450	106,177	60,457	-	-	-	
	Performance Plan (-) VA & CG/ Work + PE - Total PA RVUs								
VALUE AND FUNDING									
	Services and Funded Program	VALUE (A)	Receipts Rate (B)	MILPAY (C)	QUALITY (D)	FIXED (E)	BRIDGE (F)	GS HOLD (G)	Funding (A-G)
11	Primary Care Services (M-PC) (1a, b, c, & d)	\$ 979,455.6	\$ (41,173.0)	\$ (281,416.3)	\$ -	\$ 10,781.4	\$ 3,689.7	\$ -	\$ 671,337.5
12	Behavioral Health Services (M-BH)	\$ 258,796.8	\$ -	\$ (74,183.4)	\$ -	\$ 9,690.4	\$ 40,286.7	\$ -	\$ 234,590.3
13	Surgical Services (M-3S)	\$ 729,801.4	\$ -	\$ (195,838.9)	\$ 6,169.4	\$ 11,753.1	\$ 25,362.6	\$ -	\$ 577,252.6
14	Women's Health Services (M-WH)	\$ 143,406.8	\$ -	\$ (33,589.3)	\$ 558.3	\$ 3,262.6	\$ 1,391.4	\$ -	\$ 115,029.0
15	Physical Performance Services (M-PP)	\$ 102,722.5	\$ -	\$ (33,251.4)	\$ -	\$ 604.2	\$ 2,231.3	\$ -	\$ 72,309.8
16	Medical Services (M-MSS)	\$ 336,339.6	\$ -	\$ (117,792.2)	\$ 4,039.2	\$ 301.2	\$ 17,055.1	\$ -	\$ 239,941.2
17	Inpatient Services (M-IP)	\$ 270,101.8	\$ -	\$ (111,468.3)	\$ 5,052.5	\$ 1,126.8	\$ 10,752.9	\$ -	\$ 175,565.6
18	Public Health Activities (PH)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Dental Services (D-DS)	\$ 372,720.0	\$ -	\$ (215,051.1)	\$ -	\$ 8,049.0	\$ 27,791.4	\$ -	\$ 193,509.4
20	Pharmacy Services (M-PLX)	\$ 1,012,884.6	\$ -	\$ (33,824.4)	\$ -	\$ 385.4	\$ 10,564.6	\$ -	\$ 1,026,611.0
21	Radiology Services (M-PLX)	\$ 163,145.9	\$ -	\$ (56,642.7)	\$ 668.1	\$ 2,157.4	\$ 14,496.4	\$ -	\$ 123,825.1
22	Pathology Services (M-PLX)	\$ 245,802.1	\$ -	\$ (64,106.1)	\$ -	\$ 354.3	\$ 13,165.8	\$ -	\$ 195,216.3
23	TOTAL MODELS VALUE	\$ 4,615,177.2	\$ (41,173.0)	\$ (1,217,164.0)	\$ 16,487.5	\$ 48,465.8	\$ 166,787.9	\$ -	\$ 3,625,187.8
DHP DIRECT FUNDING									
	FUNDING	FY16 TARGET	FY17 TARGET	VARIANCE	YOY% Change	FY17 % of Total	TREND		
24	Value Models Funding (Sum of Rows 11-22)	\$ -	\$ 3,625,187.8	\$ 3,625,187.8		61.1%	↑		
25	Administrative Operations (M-AD)	\$ -	\$ 752,666.1	\$ 752,666.1		12.7%	↑		
26	Performance Objectives Baseline	\$ -	\$ 11,422.2	\$ 11,422.2		0.2%	↑		
27	Housekeeping & Laundry	\$ -	\$ 173,495.4	\$ 173,495.4		2.9%	↑		
28	Equipment (CEEP)	\$ -	\$ 17,500.0	\$ 17,500.0		0.3%	↑		
29	AMEDD Ctr & School Flexible	\$ -	\$ 47,243.6	\$ 47,243.6		0.8%	↑		
30	IRIS Incentives Baseline (IOES/HEDIS)	\$ -	\$ 63,066.0	\$ 63,066.0		1.1%	↑		
31	Telehealth Baseline	\$ -	\$ 2,075.4	\$ 2,075.4		0.0%	↔		
32	Utilities	\$ -	\$ -	\$ -		0.0%	↔		
33	Overseas Contingency Operations (OCO)	\$ -	\$ 18,013.0	\$ 18,013.0		0.3%	↑		
34	Readiness (M-R) (Base/PAIN/TBI)	\$ -	\$ 145,178.8	\$ 145,178.8		2.4%	↑		
35	Integrated Disability Evaluation System (IDES)	\$ -	\$ 114,820.0	\$ 114,820.0		1.9%	↑		
36	Army Medical Action Plan (AMAP)	\$ -	\$ 169,567.8	\$ 169,567.8		2.9%	↑		
37	Regional Health Command Headquarters	\$ -	\$ -	\$ -		0.0%	↔		
38	Transitional Funding (General - BAG-101)	\$ -	\$ 138,786.1	\$ 138,786.1		2.3%	↑		
39	Purchased Care (BAG-102)	\$ -	\$ -	\$ -		0.0%	↔		
40	Consolidated Health Support (BAG-103)	\$ -	\$ 293,807.8	\$ 293,807.8		5.0%	↑		
41	IM/IT (BAG-104)	\$ -	\$ 11,221.9	\$ 11,221.9		0.2%	↑		
42	Management Activities (BAG-105)	\$ -	\$ 80,065.0	\$ 80,065.0		1.3%	↑		
43	Education and Training (BAG-106)	\$ -	\$ 139,796.7	\$ 139,796.7		2.4%	↑		
44	S Line (BAG-107)	\$ -	\$ -	\$ -		0.0%	↔		
45	M Line (BAG-107)	\$ -	\$ 127,180.5	\$ 127,180.5		2.1%	↑		
46	TOTAL FUNDING TARGET	\$ -	\$ 5,931,094.1	\$ 5,931,094.1		100.0%	↑		
REIMBURSABLES									
	REIMBURSABLES	FY16 TARGET	FY17 TARGET	VARIANCE	YOY% Change	% of Total	TREND		
47	Total Reimbursables	\$ -	\$ -	\$ -		0.0%	↔		
48	Collections (TPC, MAC, MSA)	\$ -	\$ -	\$ -		0.0%	↔		
49	Earnings (Gov. Elect. Surg & Subs In-Kind)	\$ -	\$ -	\$ -		0.0%	↔		
ACKNOWLEDGEMENT AND SIGNATURE									
50	FY17 Subject to funding enacted by Congress and the Defense Health Agency (DHA), signed by the President								
	I acknowledge performance and budget targets		Signature		Date		Commander		





Why do we do this?

01 Readiness

Ultimate goal of IRIS to support the Readiness of the Force and Medical Force.



02 Relevancy

Provide relevancy to Medical Mission, by resourcing based on value, cost and outcomes.



03 Population Health

IRIS incentives & resource for improving and preserving the population health.



04 Experience of Care

IRIS Promotes and Incentives Experience of Care through APLSS, JOES & TRISS.



05 Per Capita Costs

IRIS resource allocations are based on standardized unit cost for each of the service and program areas to ensure that optimal amount of resources are used.



06 Preserve our Equities

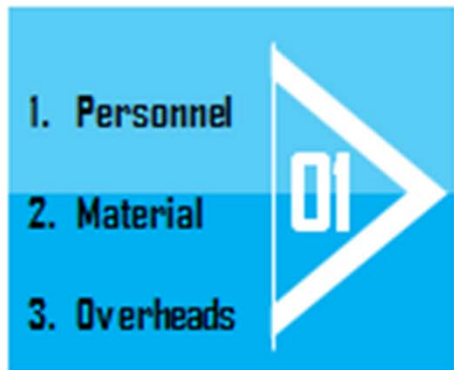
IRIS drives the delivery of value and articulates the value of healthcare delivery. Ensures that resources are used in a way which provides value to Taxpayers.



IRIS Process

INPUTS

IRIS provides the resources for the application of inputs in a standardized proportion.



01

1. Personnel
2. Material
3. Overheads



02

1. Outpatient Ops
2. Inpatient Ops
3. Operating Room
4. Emergency Room
5. CHCS
6. DMHRS
7. GFEBs

PROCESSES & SYSTEMS

IRIS tracks the processes and systems to ensure their application towards value production.

OUTPUTS

IRIS resources the activities based on the production of Relative Value Units (RVUs), Ambulatory Payment Classifications (APCs), Mental Health Bed Days (MHBDs) & Relative Weighted product (RWP)



03

1. RVUs
2. APCs
3. MHBDs
4. RWPs



04

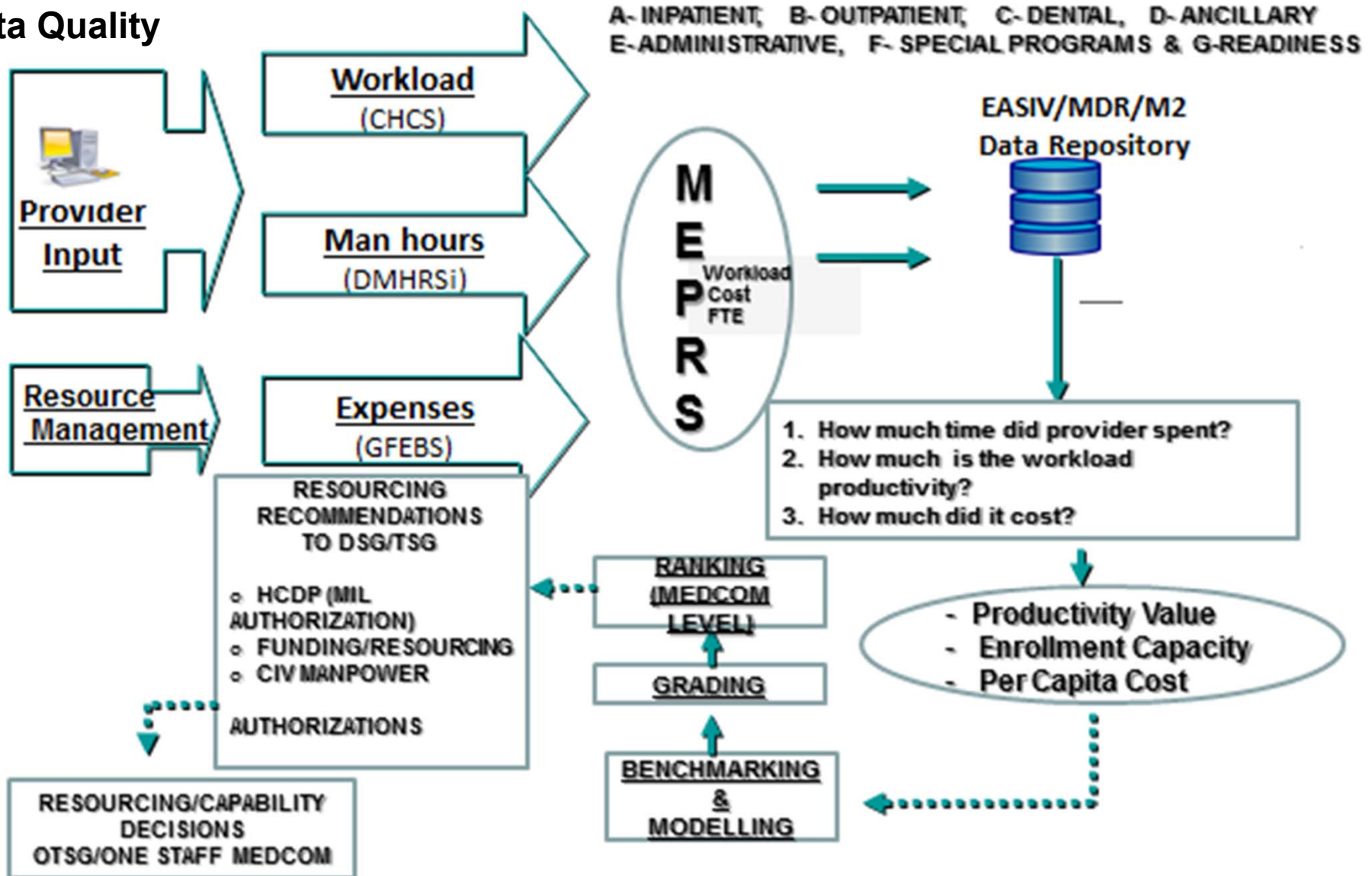
1. Readiness
2. Population Health
3. Experience of Care
4. Health promotion & Prevention.

OUTCOMES

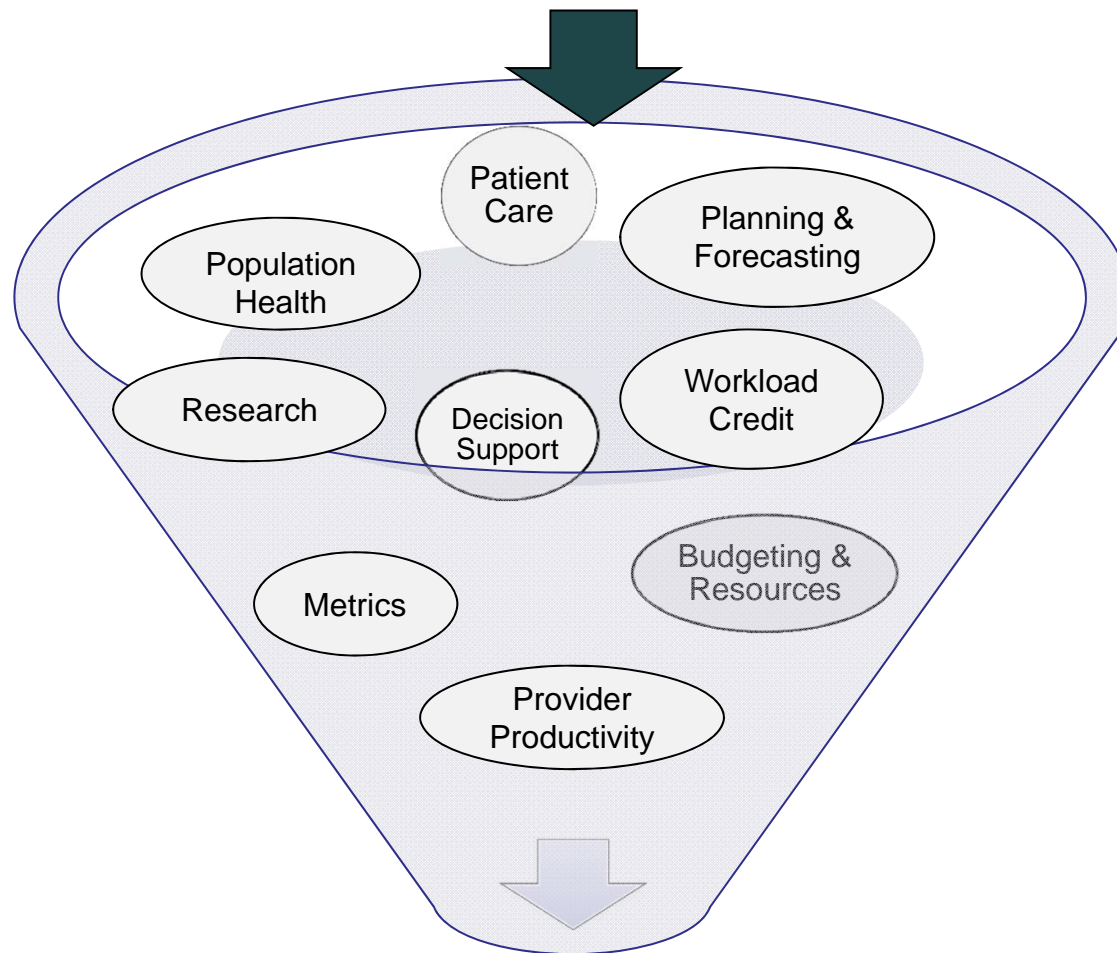
The ultimate goal of IRIS is to align and incur appropriate level of cost with outcomes. The resourcing and Incentive system is aligned to achieve the above outcomes.

IRIS Data Process

Data Quality



Your MTF Data



Data is the Foundation for Continuity of Care & MTF Budget/Revenue

The Outpatient Encounter



Diagnosis Codes

- Chief Complaint
- Final Diagnoses



E&M Codes

- Face to Face Encounters
- Indicates Type of Medical Setting
- Level of Services



CPT Codes

- Provider Services & Treatment
- Includes Procedures & Surgeries

➔ **RVUs, APCs**



HCPCS Codes

- Supplies, products & services not in CPT Code

The Inpatient



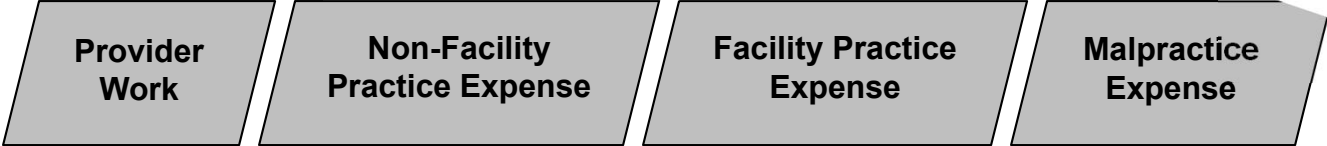
Medicare Severity Diagnostic Related Groups (MS-DRGs)

- Grouping of Patient based on similar conditions, treatments and cost

➔ **RWPs**

RVU
RVU
(relative value
unit)
explained

The RVU



Provider Work RVU

- Provider Time
- Technical skills and/or physical effort
- Mental Effort and Judgement Required
- Potential Risk/ Stress of Service
- Measures resource intensity: relative volume, diagnostic & therapeutic services to manage patient

Practice Expense RVU

- Costs associated with maintaining a practice
- Broken down into office and away from office
- Includes rent, resources, equipment, supplies & staff

Malpractice Expense RVU

- Professional Liability Insurance Expense
- Civilian Norm - Not applicable for MHS Doctors

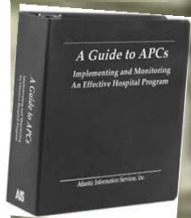
Provider Aggregate RVUs are used in the MHS



Ambulatory Payment Classification Weights (APCs)



- Part of the Medicare Outpatient Prospective Payment System (OPPS)
- APCs are outpatient services grouped by similar clinical intensity, resource utilization & cost
- Applicable HCPCS/CPT codes are grouped into APCs and assigned a 'relative weight' and 'conversion factor'



Medicare Severity Diagnostic Related Groups (MS-DRGs)

- Part of the Medicare Inpatient Prospective Payment System (IPPS)
- MS-DRG groupings are based on diagnoses, procedures, demographics & presence of complications and/or comorbidities

MS-DRG Relative Weight Product (RWP)

- Applies to inpatient care (excludes professional services)
- Reflects costs, including: institutional charges & resources, including inpatient services, equipment,

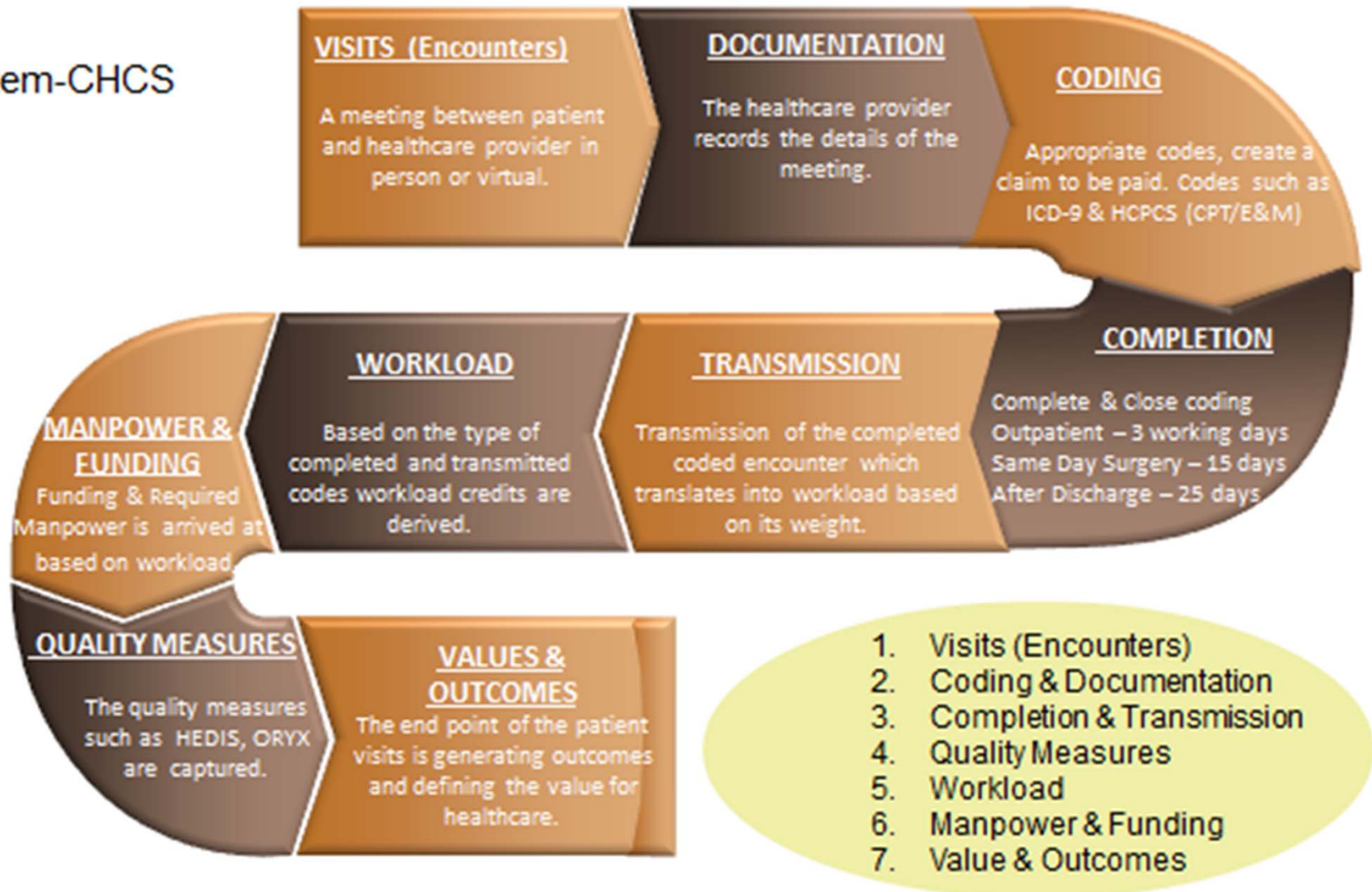


Mental Health Bed Days

- Measure used when a mental health related Major Diagnostic Category (MDC) is indicated for inpatients (MDC 19&20)



System-CHCS



Total FTEs (Assigned / Available)



Personnel
Category

- C – Civilian
- E – Enlisted
- W - Red Cross
- L - Local National
- O – Officer
- T – Other
- V – Volunteer
- X - Contractor

Skill Type

- 1 – Clinician
- 2 - Direct Care Professional
- 3 - Registered Nurse
- 4 - Direct Care Para Professional
- 5 -Admin / Clerical

Skill Type
Suffix

- P – Physicians
- D – Dentist
- N – Intern
- F – Fellow
- R – Resident
- V - Veterinarians

System: DMHRSi

Availability standards for Capacity: Military -.75 ; Civilian-.80 & Contractor-.90 in primary work-centers



As an employee executes the different tasks and functions, those tasks need to be captured in appropriate areas

All time spent by an employee require to be accounted for in the correct areas



DMHRSi
- Timely Time-Card Completion
- Accurate Time Record
- 100% Completion

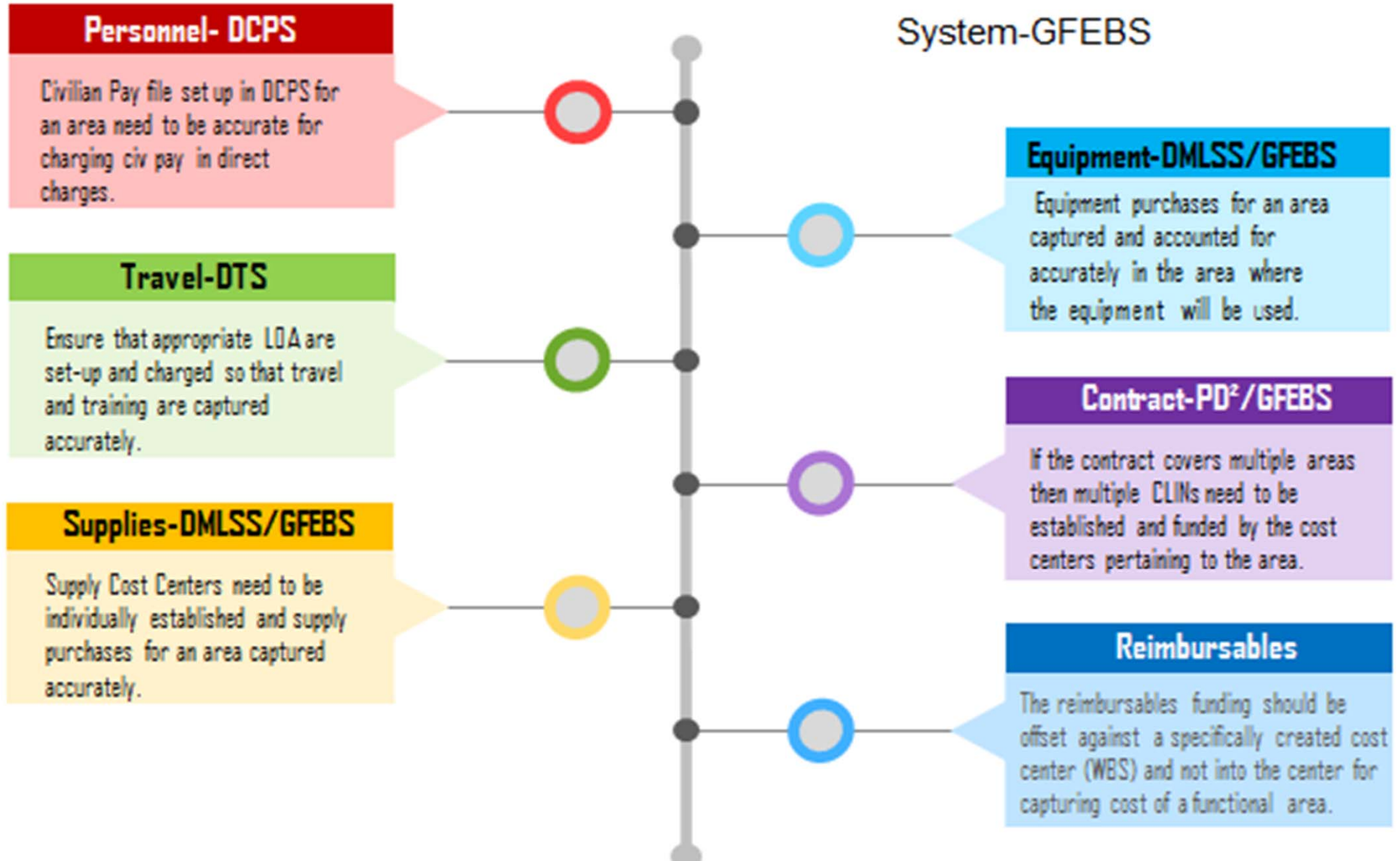


If an employee is on TDY, leave or deployed. Those available and non available statuses need to be captured appropriately



Ensure all employees are in-processed into right work centers, changed when transferred & accounted when out-processed.

RVUs Generated / Total Available Provider Hours = EFFICIENCY





Costs/Expenses



FIXED

Does NOT vary based on volume/production

- Salaries / Benefits
- Equipment
- Lease/Rent
- Utilities

VARIABLE

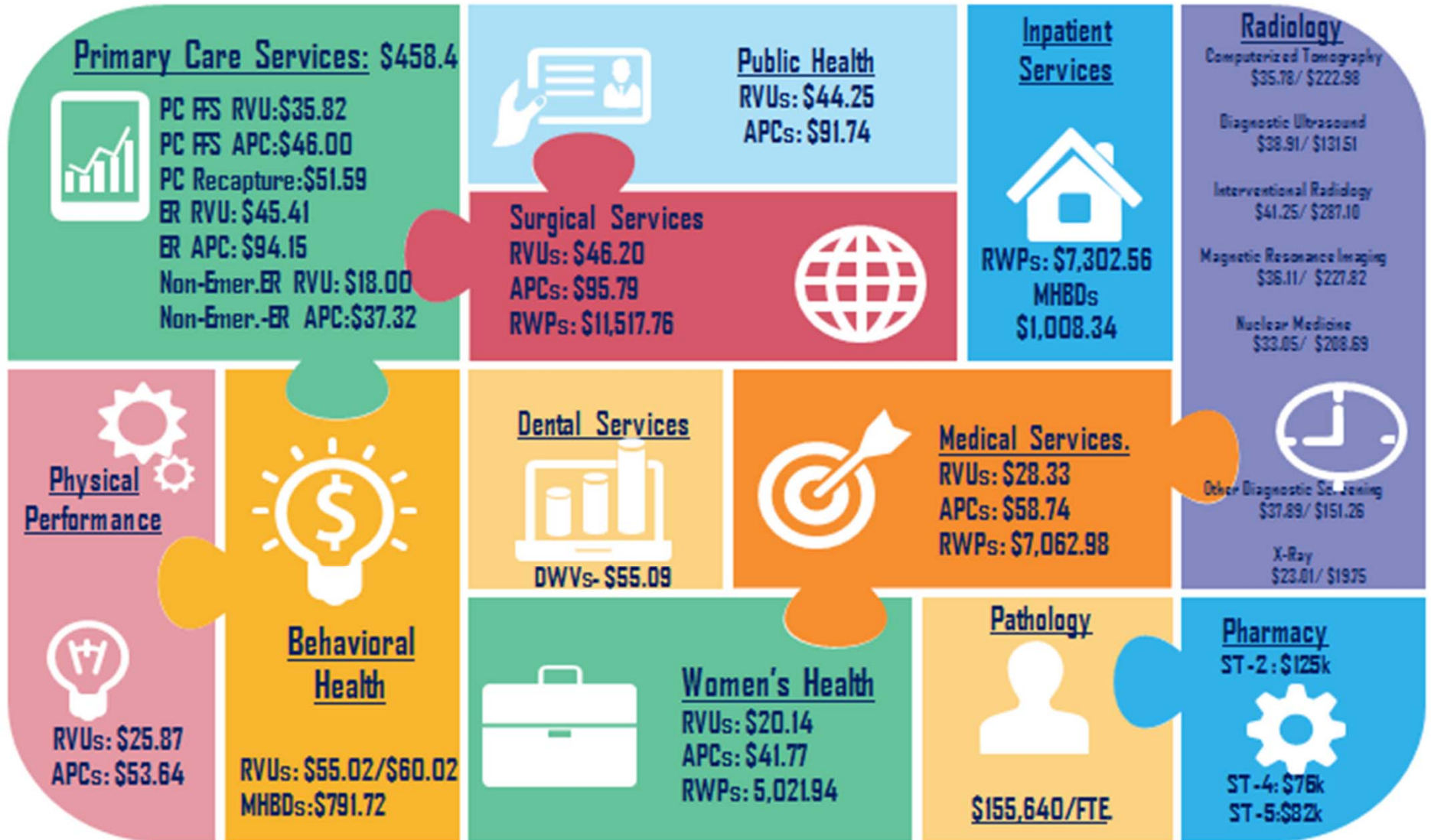
Varies based on volume/production

- Lab Tests
- Medications
- Patient Supplies
- Nursing Expenses
- Laundry
- Nutritional Services

























Standard Price



Evaluating Performance

Criteria	Raw Target	Current	% of Target
Enrollment	1,320,419 	1,267,697	96%
PCSL RVUs	3,305,887 	4,202,804	127%
PCSL APCs	62,617 	33,342	53%
BHSL RVUs	3,857,095 	3,993,672	104%
BHSL MHBDS	50,554 	43,106	85%
3SL RVUs	4,786,926 	4,420,318	92%
3SL APCs	2,441,574 	2,595,932	106%
3SL RWPs	23,773 	19,116	80%
WHSL RVUs	2,879,537 	2,650,169	92%
WHSL APCs	289,122 	250,182	87%

Criteria	Raw Target	Current	% of Target
WHSL RWPs	15,171 	12,798	84%
PPSL RVUs	3,950,484 	3,886,134	98%
PPSL APCs	50,764 	40,552	80%
PPSL RWPs	- 	-	100%
MESL RVUs	7,243,626 	6,774,746	94%
MESL APCs	2,074,200 	2,157,209	104%
MESL RWPs	23,350 	26,301	113%
IPSL RWPs	42,465 	39,630	93%
IPSL MHBDS	- 	4,877	100%
DHSL DWVs	7,036,780 	4,968,048	71%

Resourcing Type		Baseline
1	Primary Care Services (M-PC)	\$ 455,041
2	Behavioral Health Services (M-BH)	\$ 238,479
3	Dental Health Services (D-DS)	\$ 249,885
4	Administration Model (M-AD)	\$ 835,126
5	TeleHealth Services (M)	\$ 2,075
6	Surgical Services (M-3S)	\$ 536,740
7	Women's Health Services (M-WH)	\$ 112,916
8	Physical Performance Services (M-PP)	\$ 74,973
9	Medical Services (M-MS)	\$ 431,484
10	Inpatient Services (M-IP)	\$ 174,642
Totals		\$ 3,111,361

Performance Plan Target
VS.
Current Workload Performance

Budgeted Cost
VS.
Budget Execution

Funding Plan	Next 30 Days	* Plan assumes MCHQD executes all funding
MEDCOM \$6,305.4	\$6,723.3	(\$42.3)

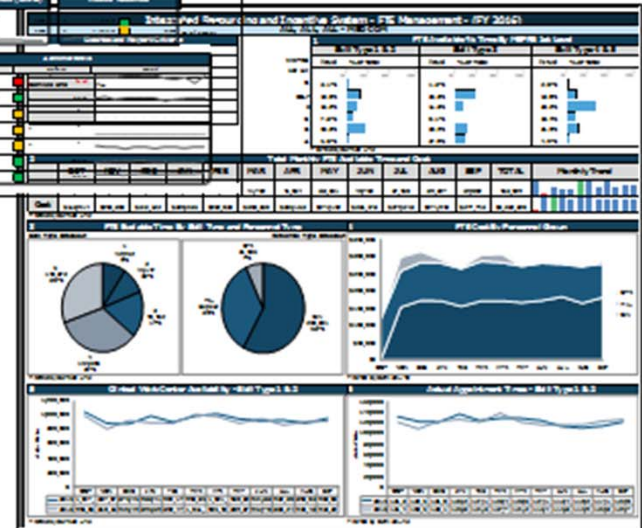
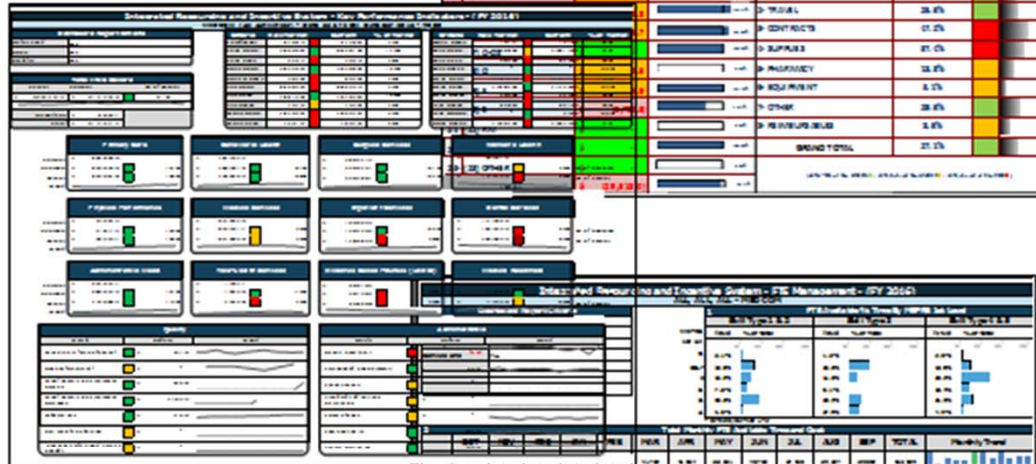
DEFENSE HEALTH PROGRAM (DHP) - STATEMENT OF OPERATIONS - FY18
MEDCOM Total (All Activities)
FY18 Target O.Y.M.M.W.L.L.S - Inrs
MEDCOM 2018 Inrs

HSP	Annual Funding		Next 30 Days	FY18 TARGET	VARIANCE		
	Actual	Plan			Var	Per	Per
BAVA	\$60.3	\$62.8	\$4				
URAC	\$213.2	\$224.4	\$11				
RHCE	\$30.2	\$29.8	-\$4				
Total	\$303.6	\$317.0	\$13				
HSP	Annual Funding	Annual Plan	Next 30 Days				
IAPA	\$8.9	\$10.2	\$1				
EOBE	\$80.9	\$80.3	-\$6				
TAMC	\$400.9	\$412.0	\$11				
ENCP	\$17.3	\$18.8	\$1				
Total	\$507.7	\$531.7	\$24				
HSP	Annual Funding	Annual Plan	Next 30 Days				
ALAS	\$43.9	\$49.9	\$6				
NAAC	\$508.0	\$507.3	-\$7				
WRAC	\$55.7	\$29.8	-\$26				
Total	\$607.5	\$587.0	-\$20				

Primary Care (Enrollment)	FY18 TARGET	VARIANCE
Enrollment Point	123,456	
Primary Care FTE Includes	123,456	
Primary Care FTEs	123,456	
Behavioral Health (BH)	123,456	
Behavioral Health Services (Jts)	123,456	
Surgical Services	123,456	
Surgical Jts	123,456	
Women's Health Services	123,456	
Women's Health Jts	123,456	
Physical Performance Services	123,456	
Physical Performance Jts	123,456	
Medical Services	123,456	
Medical Services Jts	123,456	
Inpatient Services (I-MEDS) & Support Services (I-SS)	123,456	
Inpatient Services (I-SS) & Support Services (I-SS)	123,456	
Dental Services	123,456	
Dental Weighted Value (DVT)	123,456	
Total Weighted Units	123,456	
Performance (FY18 vs FY17)	123,456	

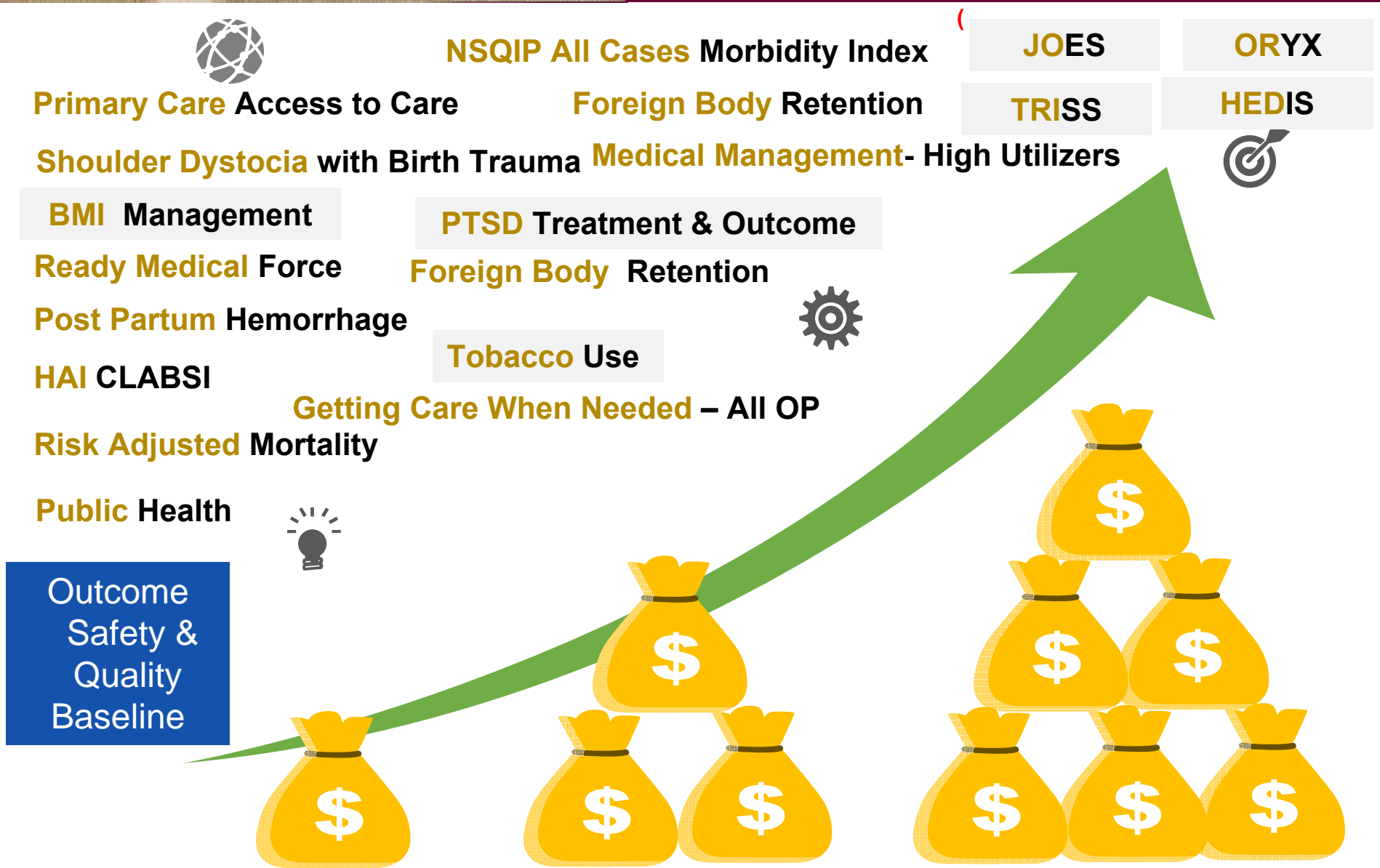
Service/OP/HC/ACTV	WARAC	NAAC	STARS	TRC/OTG
1. 3E RND	\$ (14,000.0)			
2. 3E M	\$ (8,271.2)			
3. 3E HOC				
4. 3E RNDSP	\$ (2,700.0)			
5. 3E RNDP	\$ (2,700.0)			
6. 3E RNP	\$ (2,000.0)			
7. 3E RNPB	\$ (2,000.0)			
8. 3E M				
9. 3E M				
10. 3E RNP	\$ (14,000.0)			
11. 3E RNPB	\$ (2,000.0)			
12. 3E RND	\$ (14,000.0)			
13. 3E RNDP	\$ (2,000.0)			
14. 3E RND	\$ (2,000.0)			
15. 3E RNP	\$ (2,000.0)			

Commodity	Current Rate	Rate vs. Plan
3. 3E RND	35.7%	
3. 3E RNDP	28.4%	
3. 3E RNDSP	21.2%	
3. 3E RNP	21.0%	
3. 3E RNPB	13.4%	
3. 3E M	6.5%	
3. 3E M	3.8%	
3. 3E RNP	3.8%	
GRAND TOTAL	21.5%	



- Statement of Operations
- Resource Planning Tool
- FTE Management Report
- IRIS Key Performance Indicators
- RPT Scorecard

FY17 IRIS INCENTIVES



Achieving Success with IRIS

