STATEMENT OF

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SURGEON GENERAL

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OF THE

SENATE ARMED SERVICES COMMITTEE

ON

THE DEFENSE HEALTH PROGRAM

INTRODUCTION

Good afternoon. I am Vice Admiral Richard A. Nelson the U. S. Navy Surgeon General. I want to thank you, Mr. Chairman and members of the Subcommittee, for your invitation to testify at this important hearing on Military Health Care. I would also like to share with you Navy Medicine's accomplishments and our strategies and goals for the new millennium.

Upon taking the helm last summer, I was quickly brought up to speed on the depth and breadth of the Military Health System (MHS), including issues of concern to you, the Department of Defense (DoD) leadership, and our beneficiaries. It has been very gratifying to see our dedicated, innovative, and highly competent health care professionals meet these challenges head-on and find viable, inventive and cost-effective solutions to these complex issues. I will specifically address these matters of concern later on in my statement.

READINESS is the overarching theme that continues to shape Navy Medicine's future. We are continually developing mechanisms to enhance our Readiness. Navy Medicine is extremely proud of our medical mobilization platforms - two hospital ships and ten fleet hospitals - specifically designed to provide comprehensive, high quality

medical care to our troops anytime and anywhere. Another initiative of our readiness mission is to ensure our Sailors and Marines are fit and healthy physically, psychologically, and emotionally. We call this part of our mission Force Health Protection. This mission is best achieved through preventive medicine, health promotion and disease management. Focusing on the wellness of the whole person best protects the health of our Sailors and Marines. Specific programs have been designed to reduce alcohol and tobacco use, promote exercise and healthy diet, and advocate early diagnosis and aggressive management of chronic illnesses. Over the past several years Navy Medicine developed many unique health care delivery initiatives at sea and ashore. These initiatives are designed to minimize lost work time, especially in the operational environment of the Navy and Marine Corps team, and include the development and deployment of safe vaccines, and the placement of sports medicine, physical therapy and mental health professionals in close proximity to our training sites and deployed troops.

The readiness of our deployed forces is further ensured by the knowledge that superior health care services are available to their loved ones while they are deployed. With completion of the TRICARE program across the United States, we now have registered nurses available around the clock in

all 12 geographical regions through toll free numbers to answer health related questions.

Navy Medicine continues to focus on improving TRICARE implementation. Please be assured we take ownership of the inherent difficulties experienced with implementing this new program and are actively involved with DoD to simplify and improve TRICARE. We are accomplishing this through customer-focused marketing efforts designed to provide uncomplicated explanations of the TRICARE benefit. Access to this consumer information is provided over the Internet and within our MTFs. We are also working to improve provider claims processing, improve telephone responsiveness, eliminate barriers to specialty referrals when needed, and improve the ease of portability. Establishing equitable health care benefits for our over 65 beneficiaries using congressionally directed senior health care demonstration projects also remains a priority. I will provide an update on these programs later.

In line with these efforts, Navy Medicine's leadership recently redefined our guiding vision and updated our strategic plan. Navy Medicine's vision now focuses on "**Superior readiness through excellence in health services**," and our updated strategic plan aligns our organization with today's needs as well as the challenges we expect to

experience in the near future. This will be accomplished by focusing on:

1) **FORCE HEALTH PROTECTION**;
2) **PEOPLE**;
3) **HEALTH BENEFIT**; and
4) **BEST CLINICAL AND BUSINESS PRACTICES**.

FORCE HEALTH PROTECTION

As I stated earlier, Force Health Protection (FHP) is a key component to sustaining our military readiness. FHP promotes a healthy lifestyle, improves existing health, proactively and aggressively addresses medical threats through prevention and awareness programs, and provides quality health care for illnesses or injuries when they do occur.

A major component of our readiness posture as well as supporting FHP is Navy Medicine's deployable medical platforms. We presently have two 1000-bed capacity hospital ships and ten 500-bed capacity fleet hospitals (six active and four reserve) specifically designed to provide comprehensive and definitive health care to our deployed troops in any region of the world. Our Fleet Hospital program has been improved through the development of a Naval Expeditionary Medical Support System (NEMSS). This system provides the flexibility to activate portions of the Fleet

Hospital instead of the full 500 beds, based on the needs of a particular mission.

Personnel assigned to our MTFs within the continental United States staff the Hospital Ship and Fleet Hospital platforms. Periodic training is conducted to hone the skills necessary to provide medical care in combat environments and conduct medical mass casualty operations.

In June of last year more than 700 active duty and reserve Navy personnel from the National Naval Medical Center, Bethesda and the Naval Medical Center, Portsmouth deployed aboard the USNS COMFORT (T-AH 20) for Exercise Baltic Challenge in Lithuania. The COMFORT joined participants from Lithuania, Latvia, Estonia, Norway, and Sweden for an exercise scenario based on providing humanitarian assistance following an earthquake in Lithuania.

The COMFORT was the afloat cornerstone of the medical portion of this exercise held which involved over 1400 medical personnel. The exercise included helicopter medical evacuation to the COMFORT, triage and treatment of over 220 simulated casualties and further transfer of these casualties into the fixed wing aeromedical evacuation system. In addition to familiarizing the crew with the physical plant, the exercise also tested the crew's expertise in medical regulating, helicopter operations,

management of mass casualties, humanitarian operations, telemedicine and operating with non-governmental and private volunteer organizations.

The USNS MERCY, based in San Diego, is presently preparing for a similarly complex training exercise this spring.

Preparation of our Fleet Hospital staff for the realities of combat is another top priority. Dedicated staff at the Fleet Hospital Operations and Training Command, Camp Pendleton, California teach medical personnel, construction battalion units, and other nonmedical ratings units how to erect, operate and disassemble a Fleet Hospital. The training exposes students to living and working in conditions similar to a battle zone and includes operational exercises involving chemical, biological and radiological defense; casualty drills; and terrorist infiltrations. Naval Hospitals Camp Lejeune, Bremerton, and Pensacola have taken fleet hospital training one step further by actually erecting medical tents on the hospital grounds and routinely treating patients in them. This allows medical personnel to receive meaningful hands-on training in a setting very similar to one they will encounter when deployed.

One aspect of FHP, the Anthrax Vaccination Immunization Program (AVIP), has received heightened attention over the

last several months. In May 1998, the Secretary of Defense approved the implementation of AVIP for the Total Force. Currently, service members deploying for thirty days or more, or assigned to the high threat areas of Southwest Asia and the Korean Peninsula are being vaccinated. By 2003, the entire force will begin receiving the six-shot series of the anthrax vaccination in a phased inoculation program. As of February 9, 1999, 55,477 Navy and Marine Corps members have been inoculated.

I am well aware of the controversy associated with AVIP and the concern some of our troops have regarding potential side effects. The vaccine is safe. It is a sterile product made from a strain of dead anthrax organisms that does not cause the disease. The anthrax vaccine was approved by the Food and Drug Administration in 1970 and has since been safely used in the civilian sector. It is administered to veterinarians, laboratory workers, and livestock handlers in the United States. Infectious disease experts at the Centers for Disease Control and Prevention also agree that the overall benefits of the anthrax vaccine far outweigh the risks. Of the 55,477 Marines and Sailors inoculated, only two severe reactions have been recorded. Both individuals have recovered fully and returned to full duty.

Administration of the Anthrax vaccine plays a crucial role in achieving our goal of improving and maintaining the

overall readiness posture of our military forces. The threat to our troops is real and it is our responsibility to use all available means to protect them.

Navy Medicine is also focusing on numerous other, less high-profile venues designed to keep our Total Force fit and healthy. Smoking rates, though on the decline nationally since 1980, continue to be higher within all military branches as compared to our civilian counterparts. In response to the higher smoking rates, the Navy Health Promotion and Marine Corps Semper Fit Programs, available on the majority of our Navy and Marine Corps bases, all offer tobacco-cessation classes. These classes not only assist the cigarette smoker, but also are intended to help individuals stop using smokeless tobacco products. Smokeless tobacco is not a safe alternative to smoking, as it causes oral cancer and severe dental problems. Use of smokeless tobacco products within the Department of the Navy is significant; approximately 12 percent of our Sailors and 24 percent of our Marines use smokeless tobacco.

Examples of innovative Health and Wellness Promotion programs implemented aboard our ships by our hard-working Navy Medicine health care professionals in conjunction with the ship's food service and Morale, Welfare and Recreation personnel are numerous. They include:

The USS VINCENNES' (CG 49) medical department improved the crew's wellness by developing a smoking cessation program, submitting daily health notes for the plan of day, conducting cardiopulmonary resuscitation and medical training for all personnel and, with the help of the dining facility personnel, improved the overall quantity and quality of healthy foods available.

The medical staff aboard the USS BLUE RIDGE (LCC 19) established a registry to track back and knee injuries in each workspace. The registry is designed to identify trends in work place behaviors and conditions, allowing for the necessary corrective action in order to prevent further job-related injuries.

Aboard the USS CLEVELAND (LPD 7), dental staff aggressively counsel dippers, chewers, and smokers on the very real hazards of tobacco use. The ship is also providing "mint chew" to assist Sailors who want to kick the habit.

To ensure a healthy crew, the medical staff aboard the USS CHOSIN (CG 65) performs mandatory screening programs for hypertension and cholesterol. They also offer courses in anger and stress management, nutrition education, and sexually transmitted disease. In addition, the USS CHOSIN has a LEAN (Lifestyle, Exercise, Attitude and Nutrition)

program that encourages weight reduction and behavior modification.

These ships, along with many others received the Surface Force Commander's Annual Wellness Unit Award or green "H" award for their efforts. This award was initiated in 1996 by the Commander, Naval Forces Pacific and encourages ships to develop lifestyle programs that will keep Sailors and Marines healthy and contribute to personnel readiness. Health and Wellness programs are also plentiful at our shore installations. The Navy Environmental Health Center (NEHC) in Norfolk, Virginia offers a similar program titled the Command Excellence in Health Award, which recognizes both sea and shore commands for excellence in health promotion programs. NEHC's program began in 1995 and has three levels of awards: Bronze Anchor, Silver Eagle and Gold Star. Each level represents increased command participation in health promotion programs. In 1998 22 commands across the fleet received this award, another key indicator of Navy leadership's continued commitment to promoting a "Fit and Healthy Force".

PEOPLE

I am well aware that achieving our goals is highly dependent upon the bright, dedicated and energetic men and women of Navy Medicine. From the Hospital Corpsman

attending to a wounded Marine in a remote corner of the world to the neurosurgeon assigned to one of our premiere medical centers, two elements are absolutely critical if we intend to attract and retain top quality people: job satisfaction and providing the necessary training to maintain their skills.

In fiscal year 1998 Navy Medicine met or exceeded recruiting goals for our Medical Corps, Nurse Corps and Medical Service Corps community. The Dental Corps was the only Navy Medicine officer community not achieving recruitment goals. Legislation passed to increase special pays for Dental Corps officers as well as increases in the number of Armed Forces Health Professional Scholarships are expected to balance and stabilize the force structure of Naval Dentistry in fiscal year 2000.

While the other officer corps met overall recruiting goals, there remains a shortage within specific sub-specialty communities. For example, the Medical Corps is presently experiencing shortages of orthopedic and general surgeons. Shortages in radiologists are also expected in the future. The Medical Service Corps is encountering similar shortfalls in clinical psychologists and optometrists. Health professions compensation and special pays, designed to compensate for these shortfalls, have aided in alleviating the shortfalls and Navy Medicine

continues to work very closely with Health Affairs in determining how best to utilize these tools.

Graduate medical and dental education is another essential program that enables us to attract the best and brightest medical and dental students. GME provides us with the specialty-trained practitioners to staff our worldwide network of medical and dental treatment facilities, and helps us retain a dedicated cadre of clinical faculty. High quality in-house graduate medical education (GME) leads directly to high quality health care. Navy programs are some of the best in the country, with our medical and dental residents regularly scoring well above the national average on inservice training examinations, and graduates of our programs excelling on their specialty boards. Keep in mind, graduate medical and dental education isn't just about training doctors and dentists. It also creates the right environment for training, nurses, physician assistants, hospital corpsmen and dental technicians. GME is a vital part of Navy Medicine.

The way we manage our GME programs today will have tremendous influence over the size and shape of Navy Medicine for many years to come. Navy Medicine's leaders are evaluating the projected requirements of the Navy and the needs and expectations of our beneficiaries in order to determine our training output requirements, both in absolute

numbers and in specialty mix. Another consideration is our increased need for providers from the primary care specialties. This need is a direct result of our full transition to TRICARE.

Fortunately, interest in Navy Medicine training programs is very high. The Joint Service Graduate Medical Education Selection Board (GMESB) has the formidable task of selecting the best candidates for training, and matching their desires with the needs of the Navy. Those young men and women who are selected will be guiding Navy Medicine into the new millennium and beyond.

My philosophy is to identify Navy requirements and match them to our training output, both in absolute numbers and in specialty mix. I believe the GME system is working well for us at the present time. We have the right proportion of people in training and the mix of graduates is meeting the needs of the patients they are serving. In addition, feedback from line commanders, up to and including the Chief of Naval Operations, indicates they are quite satisfied with both the level of training and overall quality of the medical officers we have been sending them.

As mentioned earlier, there are a few areas that require fine-tuning. We remain chronically understaffed in areas such as general surgery and orthopedics and our need for primary care specialties continues to grow now that we

have fully transitioned to TRICARE with its emphasis on prevention, wellness, continuity of care, and disease management. Consequently, I have asked the Medical Education Policy Council (MEPC) and the GMESB to rigorously evaluate the projected medical requirements of the Navy and make the recommendations for our GME needs of the future.

HEALTH BENEFIT

As you are aware, the MHS has recently completed transition from a direct care system to a managed care system known as TRICARE. The Navy line leadership and Navy Medicine are committed to making TRICARE work and want it to be the very best health care system for all our beneficiaries. TRICARE is a vital component of the (MHS) and is absolutely essential to achieving Navy Medicine's mission of supporting the combat readiness of our uniformed services and promoting, protecting and maintaining the health of all those entrusted to our care, anytime, anywhere.

TRICARE and readiness are complementary aspects of our mission. In fact, the effective implementation of TRICARE has a direct and positive influence on the readiness of our military members. Keeping our men and women fit for duty involves several key concepts: prevention of disease and injury; timely, world class restorative care and rapid

rehabilitation; a mobile medical force that can deliver care anytime, anywhere we are called upon; and the security and peace of mind brought on by knowing that loved ones are well cared for and provisions are made for those who have served before us.

Navy Medicine is committed to meld the critical functions of a peacetime health care delivery system with the unique requirements of our operational medicine mission. We're taking our best clinical and business practices and implementing them to improve our overall health care delivery system. Application of our goals at Branch Dental Clinic Jacksonville has resulted in improved operational dental readiness of aircraft squadrons and reduced lost time from work. This was accomplished by placing three satellite clinics within the hangar complexes at the Naval Air Station.

The Branch Medical Clinic, Marine Corps Recruit Depot Parris Island is testing a new program that will ensure timely health care for recruits and reduce time they spend away from training. Called the "Company Corpsman Pilot Program," it not only ensures a continuous medical presence with the recruits, the test also provides an opportunity for Hospital Corpsman to gain valuable sickcall experience. Hospital Corpsman are trained especially for this program and, under the supervision of a physician assistant, act as

sickcall screeners, treat minor conditions, and refer more serious cases to higher levels of medical care. One of the immediate benefits of this program is a dramatic reduction in sickcall time from three and one-half hours to about one and one-half hours. The recruit, company-level involvement has also improved the ability to support the recruits by becoming familiar with their individual strengths and weaknesses.

These examples show the synergetic relationship keeping people healthy has with maintaining their operational readiness.

Navy Medicine remains actively involved in ensuring the success of TRICARE. With the implementation of the last two geographic regions, TRICARE is now accessible nationwide. In Region II, we have experienced some start-up issues that have affected our beneficiaries and network providers. They have encountered difficulties with claims processing, appointment access, and availability of MTF Prime choice. Be assured that Navy leadership takes seriously the concerns expressed by our beneficiaries and network providers. Navy leadership is engaged at all levels working with Health Affairs, the TRICARE Management Activity, the Lead Agent, the medical center, and the contractor to fix these problems and restore the prompt access to care our beneficiaries expect and deserve. The lead Agent, MTF and contractor have

formed a strong team and we are making progress. The new, state-of-the-art, hospital building at Naval Medical Center Portsmouth will be dedicated soon and will significantly improve Navy Medicine's ability and flexibility to care for our patients in the Tidewater area.

Navy Medicine's experience with TRICARE implementation across the nation has taught us that start-up issues regarding appointments, access to networks, and claims processing turnaround can be mitigated through lead agent, medical center, and contractor teamwork. Navy Medical Department leaders are aware of the common pitfalls associated with TRICARE implementation and we are listening to our customers. Based on a recent survey, it appears beneficiaries who are well informed about their TRICARE benefits have higher satisfaction levels with their health care. We are therefore increasing educational efforts. For example, U. S. Naval Hospital Okinawa's personnel take the benefits message directly to current enrollees and potential customers. Practitioners, receptionists, technicians, and managers are all trained benefits advocates able to advise staff and beneficiaries efficiently and effectively on the details of TRICARE membership. Based on our West Coast experience, we know TRICARE works well in support of our core missions. The feedback from line commanders in southern California regarding troops' satisfaction with the

quality of health benefits is encouraging. The TRICARE Lead Agent is very successful in uncovering and fixing the healthcare problems of our active duty members and their families. Successful TRICARE execution is the chief reason those levels of satisfaction, good health, and readiness are present in southern California. Navy leaders and Navy Medical Department leadership are committed to seeing the newer TRICARE regions mature and achieve similar success.

TRICARE now provides a platform for keeping the promise to our over 65 retirees through Medicare subvention and other demonstration programs. The TRICARE Senior Prime demonstration has been implemented and is running well at the Naval Medical Center San Diego. The Federal Employee Health Benefits Program (FEHBP) demonstration sites were recently announced. There are two Navy sites (Naval Hospital Camp Pendleton, Naval Hospital Roosevelt Roads) included among the demonstration locations. The FEHBP demonstration program will allow our beneficiaries the option of choosing among a variety of commercial health plans. We support the senior health care demonstration projects and are looking forward to learning the details of the TRICARE Senior Supplement and Mail Order Pharmacy demonstrations, due to debut later this year.

BEST CLINICAL AND BUSINESS PRACTICES

Before I begin presenting examples of what we are doing to incorporate our best clinical and business practices, I would like to make it clear that the implementation of these initiatives will not alleviate all the budget issues Navy Medicine will be facing in fiscal year 2000 and beyond. Our current plan includes reducing real property maintenance and deferring replacement of some equipment. While patient care will not be directly affected by these actions, they may have an indirect effect on our overall ability to provide top quality patient care. Unfortunately, we do not believe this picture will improve over time.

The primary reason for my concern is the unexpectedly high increases in US healthcare costs. Recent reports by civilian healthcare industry consultants indicate that costs of employee health benefits at large companies will increase seven to ten percent this year, civilian pharmacy costs are escalating at ten percent a year, and FEHBP premiums will increase 10.2 percent this year. Also, Health Maintenance Organizations are dropping out of Medicare across the country – which may cause more retirees to seek space-available care in our MTFs. This situation is further exacerbated by an aging DoD beneficiary population who consume more expensive care, and the need to fund several

demonstration projects including TRICARE Senior, FEHBP, and the National Mail Order Pharmacy to support their needs.

As you are aware, Sailors and Marines along with retirees consider their health care benefit the most important aspect of their compensation after their paycheck. We must work to ensure that our beneficiaries do not perceive erosion of benefits or a broken "promise" in their healthcare system.

Having stated my concerns, I would like to now mention that the men and women of Navy Medicine are ever optimistic and actively participating in detailed reengineering of clinical and business practices across the MHS. As we further implement utilization management, develop clinical guidelines, and achieves best clinical and business practices, I am also asking my leaders to look at the global effect their decisions will have on the Defense Health Program.

A key area presently undergoing revision is Navy Medicine's readiness systems. The Readiness Reengineering Oversight Council (RROC) was established to oversee these revisions which are designed to achieve integration of wartime and peacetime health care resulting in a stronger health care system to meet these dual missions. The RROC is currently overseeing the following initiatives: realignment of peacetime health care billets to support our

hospital ships and fleet hospitals; provision of appropriate readiness training; development of doctrinal publications to update and clarify mission support for these mobilization platforms; and planning for the necessary systemic changes to meet operational health care needs in the future.

Best clinical and business practices are also being used to develop efficiencies in the daily provision of health care. For example, several facilities in the Navy have found they can enhance patient satisfaction, decrease waiting times, and reduce costs by transitioning to the Patient Oriented Dispensing System (PODS) in their pharmacies. PODS put the pharmacist or technician in face to face contact with the patient who can be counseled about medication compliance and interactions while prescriptions are filled on demand. Patients experience a shorter wait, have all their questions answered and unclaimed prescriptions are eliminated. This saves both man-hours and costs, as medications do not need to be discarded or returned to stock.

Incorporating our best clinical and business practices to reduce costs, improve efficiencies and enhance customer service involves all aspects of our business including patient access, pharmacy services, clinical practices, TRICARE marketing, education and training, and readiness. As we develop new innovations, we are incorporating them

system wide through active communication with our principal stakeholders - the line community, the MTF commanders, clinical leaders, managed care staffs, and performance improvement and quality management coordinators.

A prime example of Navy Medicine's application of best clinical and business practices is our vigorous telemedicine program. Telemedicine not only allows us to provide comprehensive, high quality care to our forward-deployed troops, but also significantly reduces the number of medevacs from our overseas installation and deployed ships. On recent deployments to the Persian Gulf, the USS ENTERPRISE, USS CARL VINSON, USS GEORGE WASHINGTON, and USS THEODORE ROOSEVELT medical teams successfully managed mental health, neurology, orthopedics, and dermatology cases using teleconsultation. U. S. Forces deployed to Bosnia, Haiti, Macedonia, and Southwest Asia have utilized telemedicine in their operational environments. We are also using telemedicine to increase our physicians' scope of practice. At Naval Hospital Lemoore, California, a board certified family practice physician with dermatology training handles skin care issues utilizing telemedicine consultations with Dermatology, rather than the past practice of referring patients to civilian providers hundreds of miles away. The previous process could take over 30 days, but now the physician is able to establish a treatment plan within 72

hours. Patient convenience and cost savings, along with more comprehensive care are the primary advantages to providing care through telemedicine.

The use of teleradiology at U. S. Naval Hospital Yokosuka is also realizing savings, and improving the quality of health care by enhancing x-ray support capability at the Navy installations in Japan. Naval Hospital Yokosuka provides interpretations of x-rays and other radiological studies through a computer network linked to the radiology departments within its branch medical clinics located throughout mainland Japan. The key benefit of teleradiology is faster diagnostic feedback to the provider.

In an effort to effectively utilize resources and prevent duplication of services, Navy Medicine along with Health Affairs is examining the consolidation of supply and pharmaceutical purchasing with the Veterans' Administration. We are also evaluating and establishing cooperative agreements in areas such as laboratory services, specialized treatment systems, standardization of discharge physicals, and a joint formulary. Navy Medicine welcomes these opportunities to provide wider health services for our active duty and family member populations through the Veterans Affairs Medical Centers (VAMC). Full integration of VAMCs into the TRICARE regional managed care support

contractors’ networks, enhances Navy Medicine’s ability to execute sharing opportunities.

Navy Medical Research & Development plays a vital role in reengineering our clinical and business practices by providing biomedical research that enhances the ability of our Sailors & Marines to perform their missions safely. Examples include the development of a software package to automatically scan & record room temperature measurements in shipboard workspaces, introduction of a new Marine combat boot that will reduce musculoskeletal injuries, and development of a self-contained personal microwave and radio frequency detector worn in the ear that produces an instantaneous, audible warning of high electromagnetic fields.

The scope of our research community’s efforts spans all operational aspects of Navy Medicine from the development of a computer model streamlining the flow of forward medical supplies for the Marine Corps, to the design of a prototype diver-worn sound meter that will detect and identify hazardous underwater sounds. Researchers have even developed & tested a torso harness that continuously updates a pilot’s awareness of spatial orientation through a sense of touch.

Many times our researchers’ work has direct applicability to the civilian medical community. For

instance, while studying new strategies for the treatment of combat injuries, our scientists made important advances in T-cell manipulation, known as anergy therapy. The numerous potential applications of this therapy are very exciting and offer an opportunity to treat a spectrum of illnesses from organ transplantation to allergic reactions.

Navy Medicine is acutely aware that quality and emphasis on customer service are vital to an organization's survival. Navy Medicine takes the care of all its beneficiaries very seriously and works extremely hard to ensure the safety and well being of those entrusted to our care. I am proud to note that 15 Navy MTFs were accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) in 1998 with an average score of 95.7. Our Navy Hospitals achieve markedly higher accreditation scores when compared with civilian facilities and 37 percent of our hospitals have received the coveted "accreditation with commendation" compared with only 17 percent of all JCAHO accredited hospitals. We continue to work very closely with Health Affairs to further improve the quality of care and customer service in our MTFs. Effective April 1, 1999, all physicians not possessing a valid unrestricted license will have their special pays terminated and be removed from patient care and contact. We presently have four physicians in this status, none of whom are practicing

independently. In order to assist our beneficiaries in making informed decisions on health care, we have developed a "report card" for our MTFs, providing "on line" quality and consumer information and we are developing a health care provider directory.

CONCLUSION

In closing, I would like to thank the Committee for the support they have given me in my first eight months as the Navy Surgeon General. The last year of this millennium has provided us with many successes and challenges and I am confident that the new millennium will provide additional opportunities for the men and women of Navy Medicine. I would like to reemphasize my commitment to supporting the combat readiness of our uniformed services and the provision of top quality health care to all our beneficiaries. I look forward to continuing a close working relationship with the members of this Committee and sincerely appreciate all your help in enabling Navy Medicine to realize its goals.