

“(i) covered beneficiaries included in the demonstration project required under section 702 [10 U.S.C. 1073 note]; and

“(ii) facilities of the uniformed services located in the geographical area covered by the demonstration project; and

“(B) not later than September 30, 1990, for all other covered beneficiaries and facilities of the uniformed services.

“(2) The Secretary may not assign covered beneficiaries to facilities of the uniformed services, as authorized by section 1099(b)(2) of such title (as added by subsection (a)(1)), before October 1, 1990.”

#### REPORTS TO CONGRESS

Pub. L. 99-661, div. A, title VII, §701(c)(1), Nov. 14, 1986, 100 Stat. 3898, required Secretary of Defense, not later than July 1, 1987, to submit to Congress a report detailing any plans to establish or implement a system of health care enrollment (other than as required under section 702(a)(2)(C)) under section 1099(a) of this title and the plan of the Secretary for completing implementation of such system.

### § 1100. Defense Health Program Account

(a) ESTABLISHMENT OF ACCOUNT.—(1) There is hereby established in the Department of Defense an account to be known as the “Defense Health Program Account”. All sums appropriated to carry out the functions of the Secretary of Defense with respect to medical and health care programs of the Department of Defense shall be appropriated to the account.

(2) Of the total amount appropriated for a fiscal year for programs and activities carried out under this chapter, the amount equal to three percent of such total amount shall remain available for obligation until the end of the following fiscal year.

(b) OBLIGATION OF AMOUNTS FROM ACCOUNT BY SECRETARY OF DEFENSE.—The Secretary of Defense may obligate or expend funds from the account for purposes of conducting programs and activities under this chapter, including contracts entered into under section 1079, 1086, 1092, or 1097 of this title, to the extent amounts are available in the account.

(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.

(Added Pub. L. 99-661, div. A, title VII, §701(a)(1), Nov. 14, 1986, 100 Stat. 3896; amended Pub. L. 104-106, div. A, title VII, §735(a)-(d)(1), Feb. 10, 1996, 110 Stat. 382.)

#### AMENDMENTS

1996—Pub. L. 104-106, §735(d)(1), amended section catchline generally, substituting “Defense Health Program Account” for “Military Health Care Account”.

Subsec. (a)(1). Pub. L. 104-106, §735(a)(1), substituted “Defense Health Program Account” for “Military Health Care Account” and “medical and health care programs of the Department of Defense” for “the Civilian Health and Medical Program of the Uniformed Services”.

Subsec. (a)(2). Pub. L. 104-106, §735(b), amended par. (2) generally. Prior to amendment, par. (2) read as follows: “Amounts appropriated to the account shall remain available until obligated or expended under subsection (b) or (c).”

Subsec. (b). Pub. L. 104-106, §735(a)(2), substituted “conducting programs and activities under this chapter, including contracts entered into” for “entering into a contract” and inserted comma after “title”.

Subsec. (c). Pub. L. 104-106, §735(c), redesignated subsec. (e) as (c) and struck out former subsec. (c) which

read as follows: “ALLOCATION OF AMOUNTS IN ACCOUNT FOR PROVISION OF MEDICAL CARE BY SERVICE SECRETARIES.—(1) The Secretary of a military department shall, before the beginning of a fiscal year quarter, provide to the Secretary of Defense an estimate of the amounts necessary to pay for charges for benefits under the program for covered beneficiaries under the jurisdiction of the Secretary for that quarter.

“(2) The Secretary of Defense shall, subject to amounts provided in advance in appropriation Acts, make available to each Secretary of a military department the amount from the account that the Secretary of Defense determines is necessary to pay for charges for benefits under the program for covered beneficiaries under the jurisdiction of such Secretary for that quarter.”

Subsec. (d). Pub. L. 104-106, §735(c)(1), struck out subsec. (d) which read as follows: “EXPENDITURE OF AMOUNTS FROM ACCOUNT BY SERVICE SECRETARIES.—The Secretary of a military department shall provide medical and dental care to covered beneficiaries under the jurisdiction of the Secretary for a fiscal year quarter from amounts appropriated to the Secretary and from amounts from the account made available for that quarter to the Secretary by the Secretary of Defense. If the Secretary of a military department exhausts the amounts from the account made available to the Secretary for a fiscal year quarter, the Secretary shall transfer to the account from amounts appropriated to the Secretary an amount sufficient to provide medical and dental care to covered beneficiaries under the jurisdiction of the Secretary for the remainder of the fiscal year quarter.”

Subsec. (e). Pub. L. 104-106, §735(c)(2), redesignated subsec. (e) as (c).

Subsec. (f). Pub. L. 104-106, §735(c)(1), struck out subsec. (f) which read as follows: “DEFINITIONS.—In this section:

“(1) The term ‘account’ means the Military Health Care Account established in subsection (a).

“(2) The term ‘program’ means the Civilian Health and Medical Program of the Uniformed Services.”

#### EFFECTIVE DATE

Pub. L. 99-661, div. A, title VII, §701(d)(3), Nov. 14, 1986, 100 Stat. 3898, provided that: “Section 1100 of such title (as added by subsection (a)(1)) shall take effect on October 1, 1987.”

#### REPORTS TO CONGRESS

Pub. L. 99-661, div. A, title VII, §701(c)(2), Nov. 14, 1986, 100 Stat. 3898, required Secretary to submit to Congress not later than May 1, 1987, a report on plans of Secretary for establishing diagnosis-related groups for inpatient services under section 1100(a) of this title, and not later than May 1, 1988, a report on plans of Secretary for establishing diagnosis-related groups for outpatient services under such section.

### § 1101. Resource allocation methods: capitation or diagnosis-related groups

(a) ESTABLISHMENT OF CAPITATION OR DRG METHOD.—The Secretary of Defense, after consultation with the other administering Secretaries, shall establish by regulation the use of capitation or diagnosis-related groups as the primary criteria for allocation of resources to facilities of the uniformed services.

(b) EXCEPTION FOR MOBILIZATION MISSIONS.—Capitation or diagnosis-related groups shall not be used to allocate resources to the facilities of the uniformed services to the extent that such resources are required by such facilities for mobilization missions.

(c) CONTENT OF REGULATIONS.—Such regulations may establish a system of diagnosis-related groups similar to the system established