

A Look at TRICARE:

Upcoming changes to military health care benefits

By Janine Boldrin

Understanding changes to TRICARE is a key part of being able to use your military health care benefits in the best way possible for your family.

TRICARE regularly updates its programs and services in an attempt to meet the needs of its beneficiaries based, in part, on evaluations and customer feedback. TRICARE must also meet the requirements placed on them by law.

A recent report to Congress evaluated TRICARE to find out if the military health care system was meeting its beneficiaries' needs. The results were mixed, with some areas of the plan and service exceeding the civilian benchmarks and others falling short.

While TRICARE looks to the revamping civilian health care system in order to compare its performance, only some of current civilian health care changes will transfer over to the military health care system.

The impact to your military care benefits will depend, in part, on decisions being made in the upcoming year.

Civilian healthcare changes and TRICARE

While change within TRICARE can come from customer feedback and economic pressures, TRICARE is also bound to comply with requirements placed on them by law. So with the recent focus on new healthcare

TRICARE

As part of the complex Military Healthcare System (MHS), TRICARE is tasked with managing a worldwide military healthcare plan that covers 9.6 million eligible military service members, activated National Guard and Reserve, retired military and their families.

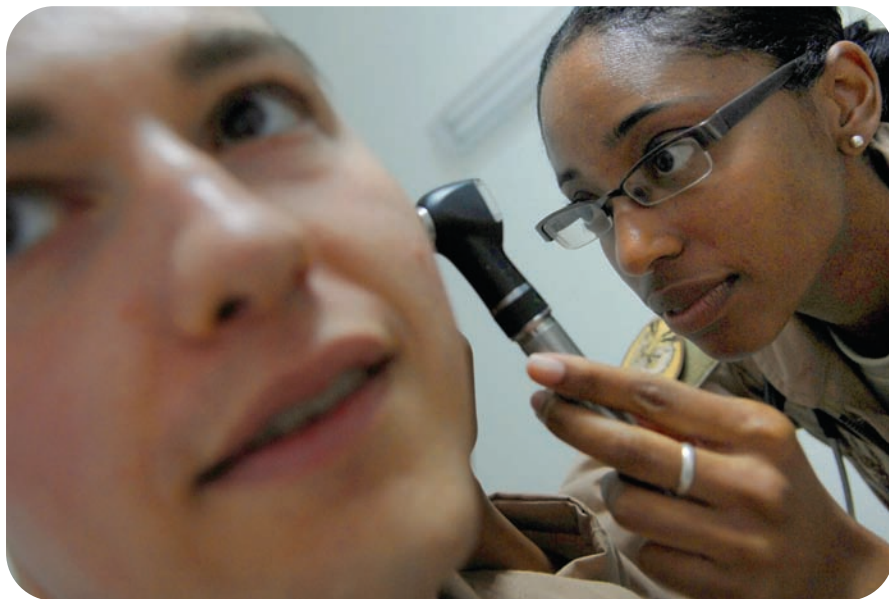
reform and laws, TRICARE beneficiaries may be unsure of how changes in the civilian sector will impact military health care.

Military families were reassured that the 2010 Affordable Care Act would not negatively impact the benefits they receive under TRICARE. However, there is one benefit of the new law some military families would like to

receive: the extension of coverage to family members through age 25.

Presently, TRICARE covers eligible dependent children to the age of 21, or to the age 23 if enrolled full-time at an accredited institution of higher education and if reliant on the sponsor for more than 50 percent of their financial support. According to Austin Camacho, Chief of Public Affairs for TRICARE Management Activity, these limits are set by statute, so separate legislation would be required to change them.

"We anticipate the passage of legislation that will amend Title 10 to increase the maximum age sponsors are allowed to provide health cover-



U.S. Air Force Capt. Sasha Thomas, a flight surgeon with the 777th Expeditionary Airlift Squadron (EAS), examines 1st Lt. Brent Beck. Thomas is responsible for the healthcare of all aircrew members. U.S. Air Force photo by Senior Airman Julianne Showalter

age to their dependent children to their 26th birthday," said Camacho.

While The Affordable Care Act does not directly impact TRICARE benefits, the recent proposal to cut Medicare reimbursement rates to physicians by 21 percent has the potential for influencing the decision doctors make to accept TRICARE patients. As required by law, TRICARE must align its reimbursement rates with Medicare. President Obama signed a measure delaying the cut through the end of November 2010. At press time, the cut freeze had not been extended.

According to Camacho, family members of active duty service members, and retirees and their family members who receive their care at the Military Treatment Facilities (MTF) will not see a change in services if the cut occurs. However, the impact will be felt when beneficiaries seek care outside of the system with public healthcare providers (see sidebar at right).

Quality and Customer Service

The feedback received from military families and other TRICARE beneficiaries is a key component in determining changes within the military health care system.

As part of the Military Health System (MHS), TRICARE's performance is evaluated on an ongoing basis through the Health Care Survey of Department of Defense Beneficiaries (HCSDB). These results are explained in an annual report to Congress on the effectiveness of TRICARE.

In part, this year's report showed:

- MHS satisfaction rates continued to lag behind civilian benchmarks, except in the "health plan" category.
- Satisfaction levels of Prime enrollees with military PCMs continue to lag the civilian benchmark.

- The satisfaction level of active duty family members with their overall health plan was statistically similar to their civilian counterparts.

According to the most recent data from the HCSDB, the areas of "getting care" and "getting care quickly" rated below the civilian benchmark both in the United States and overseas for the MHS. "Customer service" and "claims processing" were two areas, in addition to the "health plan" category to meet or exceed the civilian benchmarks for U.S. MHS for the January 2010 HCSDB.

Based on HCSDB results, programs and services are reviewed and, in some cases, new programs are put in place or changes are made to existing services.

For example, in 2009, the National Defense Authorization Act (NDAA) called for TRICARE to increase the amount it will pay for certain Extended Care Health Option (ECHO) benefits. ECHO assists eligible family members of Active Duty sponsors who are diagnosed with moderate or severe mental retardation, a serious physical disability, or an extraordinary physical or psychological condition (See sidebar on page 24 for several 2010 changes).

While satisfaction rates indicate room for improvement in many areas of MHS, there are individual cases of satisfaction with the system. Military spouse Jackie Williams spoke highly of her experience with TRICARE when she moved to be with family during her husband's deployment.

"They were super easy to work with, locating a civilian provider for us and even taking care of all the stresses of an ER visit," said Williams.

Williams emphasized the importance

How changes to Medicare could impact TRICARE beneficiaries

- Family members of active duty service members, and retirees and their family members who receive their care at a Military Treatment Facility will not be impacted. Those who receive care in the private sector may see some changes initially based on providers who may leave the network as TRICARE transitions to new negotiated rates in the TRICARE Network of civilian providers.
- TRICARE for Life (TFL) beneficiaries (age 65 and older) may be impacted if fewer providers accept Medicare. TFL beneficiaries, who use Medicare providers and have both Medicare Part A and Medicare Part B, have no out of pocket expense (except for the monthly Part B fee). However, if they are unable to use a Medicare provider, TFL beneficiaries may incur significant health care costs.
- By law, TRICARE reimbursement rates must be equal to Medicare rates to the extent practicable. The law does permit TRICARE to make exceptions if necessary in cases of demonstrated network inadequacy, in order to ensure an adequate network of providers or to eliminate a situation of severely impaired access to care.

Information provided by Austin Camacho, Chief, Public Affairs for TRICARE Management Activity.

of staying well informed on how TRICARE works, saying it contributes to positive experiences like hers.

Cost of service changes

Another area of concern to TRICARE beneficiaries is the out-of-pocket expenses for the services they receive. The out-of-pocket costs to beneficiaries under TRICARE vary depending on whether they are

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enrolled in Prime, Standard or Extra. However, for all three, out-of-pocket costs are less than their comparable civilian counterparts pay.

In fact, out-of-pocket costs for families enrolled in TRICARE Prime versus comparable civilian families enrolled in an HMO are significantly lower, according to the 2010 report to Congress evaluating the TRICARE program.

In 2009:

- Out-of-pocket costs for Active Duty families enrolled in Prime were \$4,500 less than those paid by civilian counterparts.
- Similar cost comparisons results were determined for those Active Duty families who rely on TRICARE Standard and Extra.

However, Rear Adm. Christine Hunter, deputy director of TRICARE, was recently quoted as saying that the surging costs (in military health care) are prompting the Pentagon and Congress to consider the first hike in out-of-pocket fees for military retirees and some active-duty families in 15 years.

Two new TRICARE program changes in 2010

- *TRICARE beneficiaries within the U.S. can now get assistance with going "smoke-free" by calling the toll-free quit line 24 hours a day, seven days a week. Beneficiaries who call are assessed and receive guidance for a smoking cessation plan to fit their unique smoking habits. (North: 1-866-459-8766, South: 1-877-414-9949, West: 1-866-244-6870).*
- *A new program is underway to offer members of the Retired Reserve who are not yet age 60 the opportunity to purchase TRICARE Standard (and Extra) coverage. It had been that retired National Guard and Reserve personnel did not have TRICARE health coverage options until they reached age 60.*

While private health insurance premiums have been rising over the past decade, the TRICARE enrollment fee has remained fixed at \$460 per retiree family. Private health insurance premiums have increased by 66 percent while the TRICARE premium has declined 18 percent since 2001.

The significant difference in out-of-pocket expenses between private health care benefits and TRICARE has contributed to an additional 614,000 retirees and family members under the age of 65 switching from private insurance to TRICARE between 2001 and 2009.

In the coming months, the conversation over military health care costs will continue among Congressional leaders leading up to the next NDAA, according to TRICARE's Camacho.

The future of military health care

As with civilian health care, the military health care system may see changes in the coming years due to economic pressure and health care reform. Military families need to stay informed of possible changes in order to voice their opinions and exercise their options within the system. For more information on the latest news and changes with TRICARE, visit their website at www.tricare.mil. ●

Janine Boldrin is a freelance writer and military spouse who lives in West Point, N.Y.

The referral process: Going outside the system

Referral requirements are different based on which TRICARE health plan option you are using. TRICARE Prime is a managed-care option, similar to a civilian HMO. Those enrolled in Prime, including all active duty service members, will typically need a referral for any care that is not provided by their primary care manager.

TRICARE Standard is a fee-for-service plan that gives beneficiaries the option to see any TRICARE certified/authorized provider (doctor, nurse-practitioner, lab, clinic, etc.). Beneficiaries using TRICARE Standard, TRICARE Extra or TRICARE For Life do not have primary care managers and do not need referrals for care. TRICARE Extra simply

means beneficiaries have lower out of pocket costs if they use a network provider.

Information provided by Austin Camacho, Chief, Public Affairs for TRICARE Management Activity.