THE ASSISTANT SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 6 2004

The Honorable John W Warner
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Mr. Chairman

The enclosed report responds to the FY 2004 National Defense Authorization Act. Public Law 108-136. Section 724 (a). requesting that the Secretary of Defense develop a plan for providing health coverage information to Service members, former members. and family members eligible for certain health benefits This report outlines the Department of Defense (DoD) Active Outreach Program that will ensure health care coverage information is provided to all Military Health System (MHS) beneficiaries, including those who use the TRICARE Standard option

The Active Outreach Program plan puts into action the shared DoD and congressional goal of improved communications to TRICARE beneficiaries through providing the same level of assistance to all beneficiaries. whether they have selected TRICARE Prime, Standard. or Extra for their coverage The plan builds on the already successful ways in which the MHS inserts the customer perspective into all of its objectives at all levels of the organization It addresses ways in which beneficiaries will be educated on TRICARE benefits under the new managed care support contracts and ways in which access to care is evaluated as a key driver of beneficiary satisfaction The Active Outreach Program plan will be continuously improved through leading-edge customer service evaluation and analysis techniques described in the report.

Thank you for your continued interest in the Military Health System

Sincerely.

William Winkenwerder, Jr. MD

Enclosures.
As stated

cc
Senator Carl Levin

Report to Congress

TRICARE Standard Active Outreach Program – Plan for Providing Health Coverage Information to Beneficiaries Eligible for Certain Health Benefits

Background:

As part of the Fiscal Year 2004 National Defense Authorization Act, Public Law 108-136, Section 724 (a), Congress requires the Secretary of Defense to develop a plan for providing health coverage information to service members, former members, and family members eligible for certain health benefits This report outlines the Department of Defense (DoD) Active Outreach Program plan to ensure that health care coverage information is provided to all Military Health System (MHS) beneficiaries, regardless of the plan option under which they are covered.

Communications and Customer Service under the Active Outreach Program:

The MHS builds the customer perspective into all of its objectives at all levels of the organization. This customer perspective is honed in TRICARE Management Activity's (TMA) Communications and Customer Service department, which researches customer-defined needs and expectations and positions the MHS to deliver products to meet these needs. This upfront communications planning not only ensures that TRICARE beneficiaries receive pertinent information in a timely manner, but also saves resources in the end when there are fewer beneficiary and congressional queries to answer and problems to solve.

Customer service also is a top priority under TRICARE's new managed care support contracts. TMA has expanded the contract language and its governing operations manuals to provide improved communications with MHS beneficiaries. Health care services under the new managed care support contracts will phase in for the United States between June and November 2004, with overseas outreach to non-active duty and active duty family members through the Lead Agent offices. The customer service function performed in the current TRICARE regions will continue to be offered in the new TRICARE Regional Offices by beneficiary counseling and assistance coordinators and debt collection assistance officers who offer high-level customer service assistance to all TRICARE beneficiaries.

Informing Beneficiaries under the New Managed Care Support Contracts:

As part of the transition to the new contracts, each household with one or more eligible beneficiaries identified in the Defense Enrollment Eligibility Reporting System (DEERS) will be provided benefits information, including the extent of health coverage, costs, and beneficiary liability as well as details of the extensive resources available to inform and

assist all beneficiaries. This information also will include contact information for the new managed care support contractors, such as address and toll-free telephone numbers, the TRICARE Web site, the managed care support contractor's Web site, and the claims processing subcontractor's Web site; the location of TRICARE service centers, and TMA's Beneficiary and Provider Services Office.

The new TRICARE For Life claims processor is responsible for the mailing to TRICARE For Life beneficiaries, and the Designated Providers are responsible for mailings to beneficiaries enrolled in the Uniformed Services Family Health Plan. Some beneficiaries also will receive information about benefits and customer service assistance from the new TRICARE Retail Pharmacy contractor

The new TRICARE contracts require that all contractors provide the same level of assistance to all TRICARE beneficiaries in obtaining care or resolving difficulties they encounter with any health care delivery process, whether beneficiaries have selected TRICARE Prime, Standard or Extra for their coverage. To reinforce this customer satisfaction contract requirement, TMA has provided financial incentives for top performance in telephone access, claims payment and quality medical outcomes. The newly established TRICARE Regional Offices will serve an integral role in the process of determining these incentives, known as Award Fees. The positive financial incentives encourage TRICARE's contractors to strive to achieve the highest level of customer service and support to beneficiaries To maintain the emphasis on superior service, the Award Fee criteria include evaluations of customer service by the TRICARE Regional Offices and the military treatment facility commanders, rather than relying solely on baseline contract requirements.

Enhanced Access—a Key Component of Customer Satisfaction:

One of the key drivers of satisfaction is access to care. The new TRICARE contracts provide added value to the military health benefit through optimizing care in military treatment facilities and ensuring access to the highest quality civilian providers and institutions when military treatment facilities are not available, including specialists where needed. The new contracts also stipulate innovative prevention and outreach strategies to improve access and outcomes in health care.

Helping beneficiaries locate TRICARE-authorized providers is a top access priority in the MHS. Each TRICARE managed care support contractor Web site includes current data on providers who are part of the network, as well as retail pharmacies that are part of the network This information can be accessed by all TRICARE beneficiaries Additionally, a TRICARE provider directory will be supplied to any beneficiary who requests it, although these booklets quickly become outdated The Web sites also provide beneficiaries with appropriate toll-free telephone numbers to obtain direct assistance in finding a provider.

Currently, the TMA Web site offers a listing of providers who have seen TRICARE patients in the last two years. This Web site is available for use by all MHS beneficiaries, and in February 2004 the TRICARE Standard Provider Directory search page received 10,709 visits. The TMA is continuing work to determine the optimum means of maintaining up-to-date listings of providers who have seen TRICARE patients in the last two years.

While the TMA realizes that participation rates can affect access in rural areas, in general more than 97 percent of the time providers choose to accept the TRICARE rate as full payment for their services. The DoD has the statutory authority to pay more if necessary to ensure access to health care services, and the new TRICARE Regional Offices will continue the role of the lead agents in assessing these payment rates.

Attracting Provider Participation:

The new TRICARE contracts include access standards derived primarily from historical health care usage patterns of all beneficiaries for both primary care and specialty providers. TRICARE's managed care support contractors and the TMA have extensive reporting capabilities that provide information needed to identify geographic areas where additional provider recruitment may be advisable to meet these standards and improve patient satisfaction In addition, TRICARE managed care support contractors are required to prepare and submit an annual marketing plan, which includes activities targeting providers. The marketing plan and activities may include information and recruitment materials and programs aimed at attracting provider participation to meet the health care access requirements for all eligible persons. Fluctuations in and any deficiencies of the TRICARE network are monitored monthly and addressed as necessary by the TMA. The TMA has included both appropriate access standards and financial incentives in the contracts for beneficiary satisfaction as a means to address the challenge of maintaining a sufficient volume of providers and scope of specialties.

The new TRICARE contractors propose extensive networks under the new contracts These networks enhance access standards not only for TRICARE Prime beneficiaries, for whom access standards were created, but also for beneficiaries who use the TRICARE Standard option. With more participating providers in a region, all MHS beneficiaries receive enhanced access—in the form of access standards for Prime beneficiaries, more network provider choices for those who use Extra, and more participating providers for those who use Standard. Beneficiaries in remote locations also have access to TRICARE through the managed care support contractor and TRICARE Information Service toll-free telephone numbers Beneficiary representatives are trained to assist TRICARE beneficiaries who live in remote areas find providers.

Assessing TRICARE Market Areas:

The other piece of access to care is identifying beneficiaries who intend to rely on providers who participate in TRICARE. The TMA currently is developing a survey approach of "TRICARE market areas," which will initially focus mostly on areas away from military treatment facilities, but may include some areas near military treatment facilities, if it appears access problems exist in those locations

Implementation of the Active Outreach Program:

Section 724 (b) requires that this plan be implemented for any managed care support contract entered into after May 31, 2003. Implementation of the DoD plan is concurrent with the schedule for start-up of the new contracts This activity will phase in from June to November 2004. Initial beneficiary education and support services will begin approximately 60 days prior to the transition of each TRICARE region. Beneficiary education and support services, however, are continuous throughout the life of the contract

Continuous Improvements through Evaluation and Analysis:

After the Active Outreach Program plan is implemented, DoD will evaluate and analyze beneficiary satisfaction levels for all MHS beneficiaries through three defined communications processes outlined below.

1) TRICARE Beneficiary Delphi Council:

TRICARE is forming a worldwide group of approximately 250 volunteer beneficiaries representing all beneficiary categories and all TRICARE options that will be known as the TRICARE Beneficiary Delphi Council The Council will be formed and operational in the spring of 2004. The Delphi Technique is a non face-to-face procedure for aggregating group members' opinions. The Delphi Council will answer TMA questionnaires and provide beneficiary feedback on TRICARE patient education products, services, and communications strategies. TMA will scientifically weigh member responses to generate results that should approximate TRICARE's user population. The Delphi Technique is especially useful for obtaining insight from large, geographically diverse groups. The cycle time for each evaluation will be approximately two weeks.

2) Centralized Assessment of Beneficiary Feedback:

TMA has undertaken an initiative to improve customer service by establishing a centralized assessment of beneficiary feedback that provides the MHS a system-wide mechanism for tracking customer issues TMA will centrally collect and

evaluate this feedback from multiple sources, such as TRICARE service centers, managed care support contractor call centers and Web sites, military treatment facilities, and the TRICARE Information Service toll-free numbers. This will allow TRICARE senior leadership to better guide MHS customer service strategic planning, improve the quality of MHS customer service resource decisions; assess the relative effectiveness of the MHS' past and ongoing beneficiary marketing and education efforts; add value to and minimize the cost of MHS customer service operations by creating a population of beneficiaries more knowledgeable of how to use their military health care benefit and less reliant on TRICARE service centers, call centers, and individual correspondence for information; and be fully responsive to recommendations by the General Accounting Office that the MHS have a system-wide mechanism for tracking customer feedback.

3) TRICARE Marketing and Education Telephone Survey:

The TRICARE Marketing and Education telephone survey was accomplished to gather information from TRICARE beneficiaries about their health care benefit information needs, trusted sources, and strategies. The project began with focus groups that guided development of a survey instrument that was used in a nationwide 10-minute telephone interview to a representative sample of beneficiaries who had used their TRICARE benefit (either direct care or purchased care) during FY 2003. The sample was stratified equally by five TRICARE beneficiary categories (active duty, active duty family members, retirees and their family members under age 65, retirees and their family members over 65, and spouses of Reserve Component members activated for more than 30 days). TMA concluded the survey on February 13, 2004, with approximately 4,000 total interviews. A final report on the survey results is being drafted

Conclusion:

Each of the above three analyses of beneficiary satisfaction is an important avenue for getting and assessing feedback from TRICARE Standard beneficiaries. These customer analyses will be used to continuously improve the way DoD provides health care information to its beneficiaries under the Active Outreach Program

The DoD shares the congressional goal of improved communications to TRICARE beneficiaries through providing the same level of assistance to all beneficiaries, whether they have selected TRICARE Prime, Standard or Extra for their coverage The DoD's Active Outreach Program for providing health care information to all beneficiaries is already in motion and bringing about measurable results.