THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

FEB 22 2007

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Mr. Chairman:

This letter forwards an interim reply to Senate Committee Report 109-254, which directs the Department of Defense to conduct a study on the cost benefit and feasibility of establishing an enterprise-level call and communications system for the TRICARE program and to report to the congressional defense committees its findings by February 1, 2007. The committee expressed concern that the proliferation of separate telephone lines in a unified health benefits program represents an outdated solution to modern customer service support and that opportunities for improved customer service need to be examined as the Department proceeds to define requirements for future health care support contracts.

The Department is moving forward to conduct the study. A statement of work has been developed that will be used to acquire the necessary support for the study, and a contract should be awarded in approximately one month. The study will include thorough research effort and provide a comprehensive assessment of the current state of the TRICARE call center operations and those of our TRICARE contract partners. These will include the:

- TRICARE Information Service, which provides information line/call center service for multiple TRICARE programs such as DoD-MEDS, DoD-CARE, TRICARE for Life and (800) TRICARE;
- Military Medical Support Office;
- Three managed care support contractors;
- TRICARE Dual-Eligible Fiscal Intermediary contractor;
- Pharmacy contractor;
- Two claims processing contractors/sub-contractors;
- Two dental contractors;
- Multiple overseas support contractors, including the European Nurse Advice Line; and
- Six Designated Provider contractors.

The results of the study will include:

- A detailed examination of best practices from other large scale entities that operate similar call centers.
- A thorough review of existing technologies.
- Recommendations for appropriately integrating these technologies into TRICARE call centers to achieve a most efficient enterprise-wide Call Center operation.
- Recommendations on how the TRICARE Management Activity (TMA) can gain efficiency and effectiveness to improve telephony and call center management, operations or architecture; and
- Long term recommendations and objectives for TMA in developing the ideal future state for our call centers.

We expect to complete the study within 12 months and plan to issue our final report in February 2008. Unfortunately, because of our procurement timelines, we were unable to incorporate these concepts in our recently released procurement for a TRICARE Dual-Eligible Fiscal Intermediary Contractor, nor will we be able to incorporate them into our currently planned procurement for managed care support contracts. However, our final report will give careful consideration to all efficiencies identified that can be appropriately integrated into new or existing health care support contracts.

Thank you for your continued support of the Military Health System.

Sincerely,

William Winkenwerder, Jr., MD

cc:
The Honorable John McCain
Ranking Member