THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

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

Dear Mr. Chairman:

The enclosed report responds to the National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requiring an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO).

The report describes activities undertaken by each TRO during FY 2007 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high quality healthcare provided by a sufficient number of physicians. These activities include not only initiatives performed by the TROs to monitor and improve provision of TRICARE Standard, but also their oversight of the regional managed care support contractors' performance of TRICARE Standard sustainment and improvement tasks. In response to Congressional interest, each TRO assigned staff to monitor, oversee, and improve provision of the TRICARE Standard option. As required in the statute, the enclosed annual report also provides an assessment of the participation of eligible healthcare providers in TRICARE Standard in each TRICARE region and a description of any problems or challenges that have been identified by both providers and beneficiaries with respect to use of the TRICARE Standard option and the actions undertaken to address such problems or challenges. The report concludes that as a result of initiatives it has undertaken, the Department of Defense has been successful in ensuring our TRICARE beneficiaries who choose the TRICARE Standard option have ready availability of the high quality healthcare they deserve.

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

Sir, Tricare's doing well. Very Best, Ward

Sincerely,

S. Ward Casscells, MD

Enclosure:
As stated
cc:
The Honorable John McCain
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Ben Nelson
Chairman, Subcommittee on Personnel
Committee on Armed Services
United States Senate
Washington, DC 20510–6050

Dear Mr. Chairman:

The enclosed report responds to the National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requiring an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO).

The report describes activities undertaken by each TRO during FY 2007 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high quality healthcare provided by a sufficient number of physicians. These activities include not only initiatives performed by the TROs to monitor and improve provision of TRICARE Standard, but also their oversight of the regional managed care support contractors' performance of TRICARE Standard sustainment and improvement tasks. In response to Congressional interest, each TRO assigned staff to monitor, oversee, and improve provision of the TRICARE Standard option. As required in the statute, the enclosed annual report also provides an assessment of the participation of eligible healthcare providers in TRICARE Standard in each TRICARE region and a description of any problems or challenges that have been identified by both providers and beneficiaries with respect to use of the TRICARE Standard option and the actions undertaken to address such problems or challenges. The report concludes that as a result of initiatives it has undertaken, the Department of Defense has been successful in ensuring our TRICARE beneficiaries who choose the TRICARE Standard option have ready availability of the high quality healthcare they deserve.

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

Sincerely,

S. Ward Casscells, MD

Enclosure:
As stated
cc:
The Honorable Lindsey O. Graham
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Ike Skelton
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515–6035

Dear Mr. Chairman:

The enclosed report responds to the National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requiring an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO).

The report describes activities undertaken by each TRO during FY 2007 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high quality healthcare provided by a sufficient number of physicians. These activities include not only initiatives performed by the TROs to monitor and improve provision of TRICARE Standard, but also their oversight of the regional managed care support contractors' performance of TRICARE Standard sustainment and improvement tasks. In response to Congressional interest, each TRO assigned staff to monitor, oversee, and improve provision of the TRICARE Standard option. As required in the statute, the enclosed annual report also provides an assessment of the participation of eligible healthcare providers in TRICARE Standard in each TRICARE region and a description of any problems or challenges that have been identified by both providers and beneficiaries with respect to use of the TRICARE Standard option and the actions undertaken to address such problems or challenges. The report concludes that as a result of initiatives it has undertaken, the Department of Defense has been successful in ensuring our TRICARE beneficiaries who choose the TRICARE Standard option have ready availability of the high quality healthcare they deserve.

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

Sincerely,

S. Ward Casscells, MD

Enclosure:
As stated
cc:
The Honorable Duncan Hunter
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Susan Davis
Chairwoman, Subcommittee on Military Personnel
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515–6035

Dear Madam Chairwoman:

The enclosed report responds to the National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requiring an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO).

The report describes activities undertaken by each TRO during FY 2007 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high quality healthcare provided by a sufficient number of physicians. These activities include not only initiatives performed by the TROs to monitor and improve provision of TRICARE Standard, but also their oversight of the regional managed care support contractors' performance of TRICARE Standard sustainment and improvement tasks. In response to Congressional interest, each TRO assigned staff to monitor, oversee, and improve provision of the TRICARE Standard option. As required in the statute, the enclosed annual report also provides an assessment of the participation of eligible healthcare providers in TRICARE Standard in each TRICARE region and a description of any problems or challenges that have been identified by both providers and beneficiaries with respect to use of the TRICARE Standard option and the actions undertaken to address such problems or challenges. The report concludes that as a result of initiatives it has undertaken, the Department of Defense has been successful in ensuring our TRICARE beneficiaries who choose the TRICARE Standard option have ready availability of the high quality healthcare they deserve.

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

Madam Chair,
Tricare is doing well.
All best wishes

Sincerely,

S. Ward Casscells, MD

Enclosure:
As stated
cc:
The Honorable John M. McHugh
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable David R. Obey
Chairman, Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515–6015

Dear Mr. Chairman:

The enclosed report responds to the National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requiring an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO).

The report describes activities undertaken by each TRO during FY 2007 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high quality healthcare provided by a sufficient number of physicians. These activities include not only initiatives performed by the TROs to monitor and improve provision of TRICARE Standard, but also their oversight of the regional managed care support contractors' performance of TRICARE Standard sustainment and improvement tasks. In response to Congressional interest, each TRO assigned staff to monitor, oversee, and improve provision of the TRICARE Standard option. As required in the statute, the enclosed annual report also provides an assessment of the participation of eligible healthcare providers in TRICARE Standard in each TRICARE region and a description of any problems or challenges that have been identified by both providers and beneficiaries with respect to use of the TRICARE Standard option and the actions undertaken to address such problems or challenges. The report concludes that as a result of initiatives it has undertaken, the Department of Defense has been successful in ensuring our TRICARE beneficiaries who choose the TRICARE Standard option have ready availability of the high quality healthcare they deserve.

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

Sincerely,

S. Ward Casscells, MD

Enclosure:
As stated
cc:
The Honorable Jerry Lewis
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable John P. Murtha
Chairman, Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515–6018

Dear Mr. Chairman:

The enclosed report responds to the National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requiring an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO).

The report describes activities undertaken by each TRO during FY 2007 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high quality healthcare provided by a sufficient number of physicians. These activities include not only initiatives performed by the TROs to monitor and improve provision of TRICARE Standard, but also their oversight of the regional managed care support contractors' performance of TRICARE Standard sustainment and improvement tasks. In response to Congressional interest, each TRO assigned staff to monitor, oversee, and improve provision of the TRICARE Standard option. As required in the statute, the enclosed annual report also provides an assessment of the participation of eligible healthcare providers in TRICARE Standard in each TRICARE region and a description of any problems or challenges that have been identified by both providers and beneficiaries with respect to use of the TRICARE Standard option and the actions undertaken to address such problems or challenges. The report concludes that as a result of initiatives it has undertaken, the Department of Defense has been successful in ensuring our TRICARE beneficiaries who choose the TRICARE Standard option have ready availability of the high quality healthcare they deserve.

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

Sir
Tricare is doing well
Semper Fi
Ward

Sincerely,

S. Ward Casscells, MD

Enclosure:
As stated
cc:
The Honorable C.W. Bill Young
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Robert C. Byrd
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510–6025

Dear Mr. Chairman:

The enclosed report responds to the National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requiring an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO).

The report describes activities undertaken by each TRO during FY 2007 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high quality healthcare provided by a sufficient number of physicians. These activities include not only initiatives performed by the TROs to monitor and improve provision of TRICARE Standard, but also their oversight of the regional managed care support contractors' performance of TRICARE Standard sustainment and improvement tasks. In response to Congressional interest, each TRO assigned staff to monitor, oversee, and improve provision of the TRICARE Standard option. As required in the statute, the enclosed annual report also provides an assessment of the participation of eligible healthcare providers in TRICARE Standard in each TRICARE region and a description of any problems or challenges that have been identified by both providers and beneficiaries with respect to use of the TRICARE Standard option and the actions undertaken to address such problems or challenges. The report concludes that as a result of initiatives it has undertaken, the Department of Defense has been successful in ensuring our TRICARE beneficiaries who choose the TRICARE Standard option have ready availability of the high quality healthcare they deserve.

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

Sincerely,

S. Ward Casscells, MD

Enclosure:
As stated
cc:
The Honorable Thad Cochran
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Daniel K. Inouye
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510–6028

Dear Mr. Chairman:

The enclosed report responds to the National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requiring an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO).

The report describes activities undertaken by each TRO during FY 2007 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high quality healthcare provided by a sufficient number of physicians. These activities include not only initiatives performed by the TROs to monitor and improve provision of TRICARE Standard, but also their oversight of the regional managed care support contractors' performance of TRICARE Standard sustainment and improvement tasks. In response to Congressional interest, each TRO assigned staff to monitor, oversee, and improve provision of the TRICARE Standard option. As required in the statute, the enclosed annual report also provides an assessment of the participation of eligible healthcare providers in TRICARE Standard in each TRICARE region and a description of any problems or challenges that have been identified by both providers and beneficiaries with respect to use of the TRICARE Standard option and the actions undertaken to address such problems or challenges. The report concludes that as a result of initiatives it has undertaken, the Department of Defense has been successful in ensuring our TRICARE beneficiaries who choose the TRICARE Standard option have ready availability of the high quality healthcare they deserve.

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

Sincerely,

Sir
Tricare doing well.

S. Ward Casscells, MD

Enclosure:
As stated
cc:
The Honorable Ted Stevens
Ranking Member

Report to Congress

TRICARE Standard Activities of TRICARE Regional Offices

In

Fiscal Year 2007

Department of Defense
Report to Congress
On
TRICARE Standard Activities of TRICARE Regional Offices
in Fiscal Year 2007

Introduction

The National Defense Authorization Act for Fiscal Year (FY) 2006 required the Secretary of Defense to provide an annual report to the Committees on Armed Services on the monitoring, oversight, and improvement of TRICARE Standard activities performed by each TRICARE Regional Office (TRO). The statute also required the annual report to include an assessment of the participation of eligible health care providers in TRICARE Standard for each TRICARE region. It further required a description of any problems or challenges that have been identified by both providers and beneficiaries regarding the use of the TRICARE Standard option, and the actions undertaken to address such problems or challenges. This report contains the requested information for FY 2007. Because the TROs are part of the TRICARE Management Activity and draw on support from various parts of that organization to carry out their responsibilities, the report includes a description of key aspects of such support applicable to provision of the TRICARE Standard benefit.

Background

TRICARE is the Department of Defense (DoD) health plan for Uniformed Service members, retirees from the Uniformed Services, and their eligible family members. The DoD's TRICARE Management Activity (TMA) manages the plan. TRICARE provides three health plan options for beneficiaries:

1. TRICARE Prime — a managed care plan in which each participant has an assigned primary care manager (PCM) who acts as an access-to-care "gatekeeper" for beneficiaries enrolled in TRICARE Prime. The PCM is either a member of a military treatment facility medical staff or a medical provider in the TRICARE private sector care network. For specialty care, the TRICARE Prime enrollee must receive a referral from his/her PCM and authorization from a regional managed care support contractor (MCSC). TRICARE Prime beneficiaries, except Active Duty Service Members (ADSMs) and their family members, pay an annual enrollment fee and modest, fixed copayments for care received in the private sector network. The plan also includes a TRICARE Prime point-of-service (POS) option. The POS option lets TRICARE Prime enrollees, except ADSMs, get non-emergency, TRICARE-covered services from any TRICARE-authorized provider without a PCM's referral or a regional contractor's authorization. POS deductibles ($300 per year/$600 maximum per family) and copays (50 percent of the TRICARE allowable charge) will apply if the beneficiary elects the POS option.

2. TRICARE Standard — an open choice type of plan. TRICARE Standard is available to those beneficiaries not enrolled in TRICARE Prime. TRICARE Standard medical providers are not members of the TRICARE private sector care network. Beneficiaries using TRICARE Standard pay no annual enrollment fee but are subject to an annual deductible and copayments. Copayments are assessed as a percentage of the TRICARE allowable charge for services received.

3. TRICARE Extra — a preferred provider organization type of plan. TRICARE Extra is available to those beneficiaries not enrolled in TRICARE Prime. TRICARE Standard beneficiaries obtaining care from a provider in the private sector network are utilizing the TRICARE Extra option. Beneficiaries using TRICARE Extra pay no annual enrollment fee but are subject to an annual deductible, as well as copayments. The latter are assessed as a percentage of the TRICARE allowable charge for services received, but at a lesser percentage than for care received from a provider outside the TRICARE private sector care network.

TRICARE Standard is the fee-for-service option that gives beneficiaries the opportunity to see any TRICARE authorized provider. A TRICARE authorized provider is a licensed medical provider who is approved by TRICARE. Some beneficiaries' primary reason for choosing to use TRICARE Standard is the flexibility it affords in choosing medical providers as compared to TRICARE Prime. For beneficiaries living in areas where the TRICARE Prime network is not available, TRICARE Standard is their option for using the TRICARE benefit.

For various reasons, not all authorized TRICARE providers actually accept TRICARE patients. This has occasionally been problematic for some TRICARE beneficiaries. TMA, through its TROs, has undertaken a number of initiatives to ensure beneficiaries desiring to use TRICARE Standard have satisfactory access to qualified medical professionals willing to accept TRICARE patients.

TRO Activities

TRO North

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO North's TRICARE Standard Operations Office continued to monitor, oversee, and improve the TRICARE Standard option. TRO North employed a full-time health system specialist dedicated to improving TRICARE Standard processes and assigned other staff members to assist in these efforts.	X	X	X

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO North incorporated TRICARE Standard monitoring and improvement requirements in its formal business plan. Execution of these TRICARE Standard elements in the business plan resulted in identifying the location and beneficiary category of beneficiaries in remote areas of the North Region. Seventy-seven cities in this category with populations of greater than 1,000 Standard eligible beneficiaries were identified and targeted for potential provider awareness and/or beneficiary information outreach efforts.	X		X
TRO-North chartered an internal work group to review, analyze, and discuss TRICARE Standard issues and to develop strategies for enhancing eligible beneficiaries' access to TRICARE Standard. The work group performed extensive data reviews, including comparing the number of network providers in geographic locations relative to the number of claims filed by eligible beneficiaries there. This gave valuable insight to the adequacy of provider availability and access. The work group concluded that in the locations studied, the number of providers caring for TRICARE beneficiaries was adequate.		X	X
In response to concerns expressed by some beneficiaries about access to providers in certain locations in Ohio, TRO North staff members randomly contacted providers in Ohio by telephone. They focused on providers in specified geographic locations where TRICARE Prime is not available, including Sandusky, Port Clinton, Amherst, Oberlin, and Chillicothe, Ohio. Medical specialties of providers contacted included family practice, dermatology, cardiology, neurology, and orthopedics. Call results showed 96 percent of providers were accepting TRICARE and 93 percent were accepting new patients. This information was used to prioritize outreach efforts.	X	X	X

Activity	Activity Type		
	Monitor	Oversee	Improve
Following up on beneficiary concerns and the results of provider availability and accessibility analysis, TRO North mailed "TRICARE Awareness Letters" to 36 providers in the Eau Claire, Wisconsin, area to increase their awareness of the TRICARE Standard program.	X		X
In the latter part of FY 2007, TRO North's Business Operations Branch began tracking purchased care cost data to identify those services for TRICARE Standard beneficiaries that are associated with high cost and/or high utilization. This effort is focused on identifying opportunities for optimizing resource utilization. Thus far, Business Operations has identified the top five product lines for inpatient and outpatient services, by cost and volume, to be oncology, neurology, orthopedics, otolaryngology, and hemo-oncology. Information from this analysis will be used in FY 2008 to develop collaborative business initiatives between TRO North and the managed care support contractor, including provider out-reach and network development activities in market areas where there are high private sector care expenditures for TRICARE Standard beneficiaries.		X	X
TRO North produced a map showing the location of cities in which more than 500 TRICARE Standard eligible beneficiaries reside but which lie outside TRICARE Prime service areas. Some of these cities were selected for inclusion in TMA's annual TRICARE Standard Participation and Awareness Survey conducted by its Health Plan Analysis and Evaluation Division. Results can be used by TRO North as a guide for where to focus provider outreach efforts.	X		X
In coordination with TRO North's Senior Enlisted Liaison, TRO North's staff assessed the need for instituting communication outreach programs to North Region beneficiaries in the National Guard			X

Activity	Activity Type		
	Monitor	Oversee	Improve
and Reserve to educate them about TRICARE Standard.			
TRO North continued to work with TMA and the other TRICARE Regional Offices on TRICARE Standard information sharing, education, and process improvement projects. TRO North answered questions and addressed concerns about provision of the TRICARE Standard benefit from other parts of TMA, the North Region beneficiary population, and the managed care support contractor (Health Net Federal Services).			X
TRO North developed a TRICARE Standard Communications Plan focused on reaching out to providers in areas where TRICARE Prime is not available. The plan was designed to increase providers' knowledge of TRICARE and refer them to the managed care support contractor to become TRICARE authorized providers.			X
TRO-North's Communications and Customer Service Branch met monthly with Military beneficiary advocacy organizations and Military coalition members to learn their concerns about the TRICARE health plan, including the TRICARE Standard option, and to inform them about various TRICARE topics.			X
TRO North monitored results of the most recent full year of data from the Health Care Survey of DoD Beneficiaries, a population-based survey for assessing beneficiary satisfaction conducted by TMA. Survey results showed that a higher percentage of TRICARE Standard and Extra beneficiaries in the North Region reported usually or always getting care quickly and having no problem getting needed care compared to TRICARE Prime enrollees in the region, whether enrolled to a Military or a civilian primary care manager.	X		

TRO South

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO South has hired a Health System Specialist in the "TRICARE Standard Operations" position to monitor, oversee, and improve provision of the TRICARE Standard option in the South Region.	X	X	X
TRO South monitored compliance of the South Region MCSC (Humana Military Healthcare Services (HMHS)) with its commitment to establish provider networks for the delivery of Prime and Extra services throughout 100 percent of the South Region. More than 73,000 providers, almost one-third of the total providers in the South Region, are in the network, enhancing access to care for TRICARE Standard beneficiaries who wish to use the Extra option. This was an increase of 9,742 network providers and 127 hospitals/facilities over the course of the last year.		X	
TRO South monitored HMHS as it conducted non-network (TRICARE Standard) provider and network provider seminars in the South Region Prime service areas. HMHS conducted 250 provider seminars, of which 72 were targeted to non-network providers. At the seminars, HMHS provided marketing materials to TRICARE Standard providers.	X	X	
The TRO South staff and HMHS teamed to target Standard beneficiaries to encourage them to join the TRICARE Prime network. From August 2006 to August 2007, network enrollment increased by 9 percent.			X
TRO South provided educational opportunities for Standard beneficiaries, including distributing a TMA Communications and Customer Service Directorate newsletter written for Standard beneficiaries and presenting "Direct2U" briefings			X

Activity	Activity Type		
	Monitor	Oversee	Improve
targeting Reserve Component and TRICARE Reserve Select members.			
TRO South coordinated with TMA's Health Program Analysis and Evaluation Division to identify geographical areas of interest for future surveys intended to assess providers' knowledge about, and willingness to accept, TRICARE Standard.	X		X
TRO South monitored beneficiaries' use of TRICARE Standard in the region through review of data available from HMHS and from the Military Health System's claims database. In the South Region, the amount paid for claims for care of Standard beneficiaries, as a percentage of the total of payments for all private sector care in the Region, decreased from 8.4 percent in FY 2006 to 6.3 percent in FY 2007.	X		
TRO South oversaw HMHS' performance of its contractual requirement to provide health care finder services to beneficiaries, including Standard beneficiaries, via a toll-free phone line. HMHS also provided an on-line provider directory to assist beneficiaries in locating providers.	X	X	
TRO South met regularly with the other TROs and HMHS to develop marketing and educational strategies for TRICARE Standard beneficiaries.			X
TRO South undertook outreach and educational activities for Reserve Component members to provide information about TRICARE Standard benefits available through the Transitional Assistance Management Program.			X
TRO South monitored results of the most recent full year of data from the Health Care Survey of DoD Beneficiaries, a population-based survey for assessing beneficiary satisfaction conducted by	X		

Activity	Activity Type		
	Monitor	Oversee	Improve
TMA. Survey results showed that a higher percentage of TRICARE Standard and Extra beneficiaries in the South Region reported usually or always getting care quickly and having no problem getting needed care compared to TRICARE Prime enrollees in the region, whether enrolled to a Military or a civilian PCM.			

TRO West

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO West employed a full-time Federal Government employee health system specialist as its Standard Benefit Manager to monitor, oversee, and improve provision of the TRICARE Standard option in the TRICARE West Region.	X	X	X
TRO West monitored the West Region MCSC, TriWest, as it provided education and performed outreach activities for TRICARE Standard providers. Major components of these efforts were "virtual seminars" offered to both network and non-network providers. The seminars were distributed to providers through a variety of methods, such as the following: • Electronic presentations at the TriWest Web site • Mass faxes sent to all network provider fax numbers • E-mails to all providers having a valid e-mail address on file (currently over 40,000 provider e-mail addresses are on file for the West Region) • Printed newsletter articles • Web site postings Seminar content is updated, as needed, every six	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
months and may include, but is not limited to, the following information: • Introduction to TriWest and its subcontractors • TRICARE updates since the prior seminars • Overview of assistance resources available to providers, such as 1-888-TRIWEST • Services available in the "providers-only" area of the TriWest Web site • Explanation of the various TRICARE programs • Program, benefit and policy updates • Referral and authorization requirements, processes, and helpful hints • Utilization, case, and quality management program processes • Disease management program processes • Consult tracking requirements • National Provider Identifier (NPI) requirements • Electronic Data Interchange processes • Claims submission guidelines and helpful hints • Reimbursement methodologies and associated updates			
TRO West performed an analysis of beneficiary population densities and identified 56 locations in the West Region with 500 or more Standard beneficiaries. TRO-West has begun development of a Beneficiary Population Sizing Model (BPSM) for each location as a tool to assist in making access to care for Standard beneficiaries be on a par with access by TRICARE Prime beneficiaries. The development of a BPSM is scheduled for completion in early 2008. The BPSM establishes provider requirements for 26 specialty categories and primary care. When complete, it will list the optimum number of providers, in various primary care and medical specialty categories, as recommended by the Graduate Medical Education National Advisory Committee (GMENAC), and will identify the number of current network and	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
non-network providers who accept TRICARE Standard patients. Beneficiaries will have access to contact information for these providers. The BPSM, by identifying areas where the number of available TRICARE Standard providers falls below GMENAC-recommended levels, will provide TRO West and TriWest a guide for focusing their provider recruitment initiatives. Analysis of claims data was summarized in a spreadsheet with more than 59,000 lines of participating provider information. This data is being carefully hand-sorted to identify the aforementioned primary care and 26 specialties by ZIP code for each of the non-Prime service area locations with beneficiary population densities of more than 500. As of this report, all areas with densities of 1,000 or more have been completed and annotated with an additional 979 participating providers.			
The TRO West Standard Benefit Manager telephoned the offices of 115 providers throughout the region who did not accept TRICARE Standard patients and requested their participation. At the same time, the Standard Benefit Manager "took the pulse" of provider offices with regard to their impression of the Standard benefit. Overall, the response from the providers' offices was positive, with the exception of providers in rural Wyoming who declined to participate due to what they considered TRICARE's low reimbursement rates.	X		X
TRO-West performed monitoring and oversight of TRICARE marketing and educational outreach activities by TriWest's field representatives and its network subcontractors. These activities included speaking engagements, hosting TRICARE booths at provider organization conferences, publishing electronic newsletters, and other events throughout the West Region. The events typically drew provider attendees from throughout the state or	X	X	X

Activity	Activity Type		
	Monitor	Oversee	Improve
territory covered by the sponsoring organization, meaning there were usually a significant number of non-network providers in attendance. The following is a sampling of the activities: • Presentation in October 2006 to the Iowa Podiatric Society about TRICARE for one hour. There were 35 attendees responsible for podiatry office functions. • Presentation in November 2006 at the American Association of Health Care Administrative Management, Evergreen Chapter Fall Conference. The presentation focused on NPI requirements. • In March 2007, the Minnesota network subcontractor hosted a TRICARE booth at the Minnesota Medical Group Management Association conference. • The Minnesota network subcontractor completed a mailing in March 2007 to behavioral health providers that included DVDs and brochures focused on behavioral health topics. • TriWest submitted an article in March 2007 to the Idaho Medical Association regarding its new on-line instant provider registration process. This service gives providers, including those who want to participate in Standard, a rich source of information about the TRICARE benefit. • In April 2007, the Nebraska network subcontractor included two TRICARE articles in its commercial newsletter. This offered the opportunity to market TRICARE Standard to non-participating providers. • TriWest submitted an article in April 2007 to the Idaho Medical Association about updates to the list of medical procedures requiring prior authorization. This offered an opportunity to communicate information to TRICARE			

Activity	Activity Type		
	Monitor	Oversee	Improve
Standard providers that they need to ensure their compliance with TRICARE requirements and, thereby, to protect Standard beneficiaries from incurring liability for unauthorized care. • In May 2007, the network subcontractor for Oregon hosted a provider fair in Salem. More than 60 providers attended. Network subcontractor representatives conducted multiple TRICARE training sessions. • In June 2007, the network subcontractor in Hawaii sent a letter to non-network Hawaii psychiatrists on the benefits of joining the TRICARE network. The letter sought to increase the number of providers in the network to enhance care opportunities for both TRICARE Prime enrollees and those TRICARE Standard beneficiaries who choose to use the TRICARE Extra option. • TriWest submitted an article in August 2007 to members of its provider organization distribution list (more than 100 provider organizations and network subcontractors) about avoiding submission of duplicate claims. These organizations were encouraged to publish the article in their own member communications. This provided an avenue for educating Standard providers about an important aspect of the TRICARE claims process. • In September 2007, a TriWest field representative gave a two-hour TRICARE presentation at the California Medical Assistants Association conference. There were 62 attendees from throughout California, including students from medical assistant schools, school instructors, and provider office staffs. This offered the opportunity to educate personnel who can influence physicians' business decisions about the TRICARE benefit, including TRICARE Standard.			

Activity	Activity Type		
	Monitor	Oversee	Improve
• TriWest published an electronic newsletter every two to three weeks and distributed it to more than 40,000 providers. The newsletters contained numerous topics applicable to provision of the TRICARE Standard benefit.			
TRO West monitored TriWest's use of its TRICARE field representatives to give assistance to all non-network providers throughout the West Region in understanding TRICARE Standard and offering it to beneficiaries.	X		
TRO West received no calls during FY 2007 from TRICARE beneficiaries requesting assistance in accessing providers.	X		
TRO West monitored results of the most recent full year of data from the Health Care Survey of DoD Beneficiaries, a population-based survey for assessing beneficiary satisfaction conducted by TMA. Survey results showed that a higher percentage of TRICARE Standard and Extra beneficiaries in the West Region reported usually or always getting care quickly and having no problem getting needed care compared to TRICARE Prime enrollees in the region, whether enrolled to a Military or a civilian PCM.	X		

TMA Communications and Customer Service Directorate Support of TRICARE Standard

In addition to the extensive efforts by the TROs in support of TRICARE Standard, TMA's Communications and Customer Service Directorate (C&CS) complemented and supported those efforts by conducting a robust TRICARE Standard outreach campaign to both TRICARE beneficiaries and providers of health care during FY 2007.

The C&CS TRICARE Beneficiary Publications Division wrote and produced approximately 200,000 Standard Handbooks that were distributed to MCSCs, who provided them to Standard beneficiaries upon request. 60,000 new handbooks were distributed in the North Region, 95,000 in the South Region, and 55,000 in the West Region. Downloads of the Standard Handbook from the C&CS Web Smart Site totaled approximately 12,000. Since launch of the Military Health System's user-friendly "My Benefit" Web portal in July 2007, the Standard Handbook page has been accessed approximately 35,000 times.

In February 2007, the Publications Division sent out its annual TRICARE Standard newsletter via direct mail to more than 1.4 million Standard beneficiaries. "Health Matters" was a 12-page color newsletter with information on eligibility, savings obtained by using TRICARE Extra in the network, cancer prevention and screening, what to do if you will soon be leaving TRICARE Standard for TRICARE for Life, contact information, how to find the Standard Handbook and get e-mail updates, getting care, TRICARE Standard survey results, how to use the TRICARE pharmacy benefit, deductible and catastrophic cap information, how other health insurance interfaces with TRICARE, and dental benefits.

The C&CS Public Affairs Division produced more than 30 news releases targeting Standard beneficiaries, including a news release to promote the new Standard Handbook. Additional news release topics covered the mail-order pharmacy benefit and other pharmacy initiatives, the TRICARE Reserve Select benefit (similar to Standard coverage), the new and improved TRICARE Web site where TRICARE Standard information is available, and various health and benefit feature topics in addition to initiatives designed to saving money for beneficiaries and the Government.

The C&CS Web Division focused on delivering more personalized information via the new "My Benefit" Web portal at *www.tricare.mil*, which allows beneficiaries, by entering their location and status, to select a TRICARE Standard topic to get customized benefit information.

The C&CS Customer Service Division responded to more than 3,700 questions and issues from Standard/Extra beneficiaries during FY 2007. Most of the contacts were for general information and not issue-related, with nearly 2,000 questions on basic benefit and contact information, more than 135 questions about access to care, approximately 400 questions concerning claims, and approximately 600 questions concerned with filling out

forms, eligibility, or space available access. The most frequently raised issues involved unfiled claims, copayments, deductible amounts, waiver requests, access to direct care, and requests for information about how other health insurance interfaces with TRICARE.

Frequently asked questions with answers were posted to the Military Health System Web site, including questions and answers about new and covered vaccines, general benefits, coordination of benefits, costs, pharmacy issues (formulary, non-formulary, name brand versus generic, etc), and on-line coordination of benefits.

Of the 460 C&CS written responses to Congressional responses in FY 2007, approximately 6 percent involved issues concerning TRICARE Standard beneficiaries.

C&CS coordinated monthly meetings with the TRICARE Beneficiary Panel, comprised of members of the Military Coalition and Alliance, which has a mission of advocating for their members' health care priorities. Nearly every meeting was relevant to communications with TRICARE Standard beneficiaries, and the February 2007 meeting dealt almost exclusively with TRICARE Standard survey results concerning provider awareness of the benefit and access to it.

Participation of Eligible Health Care Providers in TRICARE Standard by Region

The National Defense Authorization Act for Fiscal Year 2004 required DoD to conduct surveys in TRICARE market areas to assess the willingness of civilian health care providers to accept TRICARE Standard beneficiaries as new patients. In FY 2007, TMA completed the third year of an Office of Management and Budget-approved three-year survey of civilian physicians, and administered the required survey in 10 state-wide market areas, supplemented with random samples of physicians in 53 hospital service areas (HSAs), including Washington D.C. The TROs and TRICARE beneficiary organizations selected the majority of the HSAs to be sampled from the survey. TMA sent the survey to the billing managers of randomly-selected doctors in HSAs and adjusted the results for both the size of the populations sampled and for non-respondents. The survey revealed that after weighting results with adjustments for non-responses, of those responding, 91 percent of physicians surveyed in HSAs and states were aware of the TRICARE health plan, 96 percent accept new patients, and 83 percent of those accepting any new patients accept new TRICARE Standard patients. Results varied by HSA and state. Adjusted survey results across the 53 HSAs for each TRICARE region follow below.

Provider Participation in the TRICARE North Region

In the TRICARE North Region, 85 percent of HSA survey respondents expressed an awareness of the TRICARE health plan, ranging from a low of 76 percent in the Cleveland, Ohio, HSA to a high of 100 percent in the Newport, Rhode Island, HSA.

Overall, 95 percent of survey respondents in the TRICARE North Region reported they would accept new patients, ranging from a low of 89 percent in the Plattsburg, New York, HSA to a high of 99 percent in the Clinton, Maryland, HSA. Of those accepting any new patients, 76 percent accepted new TRICARE Standard patients, ranging from a low of 56 percent in the Washington, D.C., HSA to a high of 92 percent in the Wausau, Wisconsin, HSA.

Provider Participation in the TRICARE South Region

In the TRICARE South Region, almost 93 percent of HSA survey respondents expressed an awareness of the TRICARE health plan, ranging from a low of 85 percent in the Houston, Texas, HSA to a high of 100 percent in the Biloxi, Mississippi; Destin, Florida; and Jacksonville, Arkansas, HSAs.

Overall, 97 percent of survey respondents in the TRICARE South Region reported they would accept new patients, ranging from a low of 91 percent in the Clarksville, Tennessee, HSA to a high of 100 percent in the Biloxi, Mississippi; and Jacksonville, Arkansas, HSAs. Of those accepting any new patients, 77 percent accepted new TRICARE Standard patients, ranging from a low of 63 percent in the Destin, Florida, HSA to a high of 91 percent in the Jacksonville, Arkansas, HSA.

Provider Participation in the TRICARE West Region

In the TRICARE West Region, almost 92 percent of HSA survey respondents expressed an awareness of the TRICARE health plan, ranging from a low of 88 percent in the St. Louis, Missouri, HSA to a high of 100 percent in several HSAs, including Ainsworth, Nebraska, both Park Rapids and Aitkin, Minnesota, and Madras, Oregon.

Overall, 95 percent of survey respondents in the TRICARE West Region reported they would accept new patients, ranging from a low of 87 percent in the Prescott, Arizona, HSA to a high of 100 percent in the Aitkin, Minnesota; Ainsworth, Nebraska; and Prineville and Madras, Oregon, HSAs. Of those accepting any new patients, 79 percent accepted new TRICARE Standard patients, ranging from a low of 37 percent in the Olympia, Washington, HSA to a high of 100 percent in the Aitkin, Minnesota, and Ainsworth, Nebraska, HSAs.

TRICARE Standard Problems and Challenges Identified by Providers and Beneficiaries

With some permitted exceptions, the TRICARE payment amount for a service provided by a health care professional must, by statutory requirement (10 United States Code 1079(h)), be no more than the amount paid for the same service by Medicare. This amount is called the "CHAMPUS Maximum Allowable Charge" (CMAC). Whenever Congress has considered reducing Medicare rates, various medical associations, individual providers, and TRICARE beneficiary organizations have expressed concern that TRICARE beneficiaries' access to care would suffer as a result of physicians declining to accept TRICARE Standard patients. Even if a health care provider does not react to a decrease in Medicare reimbursement rates by declining to see TRICARE beneficiaries, there is another way reductions can adversely impact them. "Participating providers" accept the CMAC as payment-in-full for services rendered. However, non-participating providers may legally bill a TRICARE beneficiary an amount that is 15 percent greater than the CMAC. Physicians are free to decide, on a patient-by-patient basis, whether they will participate in TRICARE Standard. Reduction in Medicare reimbursement rates, and therefore a required concomitant reduction in the CMAC, makes it more likely that physicians will shift costs to beneficiaries by choosing to be non-participating TRICARE Standard health care providers. If analysis reveals that in a particular locality TRICARE beneficiaries' access to specific health care services is severely impaired due to the CMAC reimbursement schedule, the TMA Director, after considering recommendations from the TRO Regional Director, may approve a locality waiver of the CMAC by establishing higher payment rates as provided for under existing regulatory authority (32 Code of Federal Regulations 199.14) that implements provisions in the National Defense Authorization Acts for FYs 2000 and 2001. In FY 2007, eight CMAC waivers were approved, six for network providers only and the remaining two being locality waivers affecting all providers in an area.

Testifying before Congress in 2002, Military beneficiary groups and civilian managed care support contractors described problems with processing TRICARE claims for civilian-provided care. These problems included slow payments and procedures that made claims processing inefficient. In its October 2003 report (GAO-04-69), the General Accounting Office (now the Government Accountability Office) (GAO) documented process changes implemented by the DoD and its managed care contractors that successfully improved claims processing efficiency. Since that report, the Department has implemented a follow-on generation of managed care contracts with stringent claims processing standards enforced by imposition of monetary penalties for failure to meet them. The contractors are meeting these standards consistently, resulting in further increases in claims processing efficiency beyond that noted in the October 2003 GAO report. Unfortunately, some health care providers may not be aware of these improvements and may be declining to accept TRICARE Standard patients because of unfavorable experiences with TRICARE claims processing in earlier years. A number of physician respondents to the TRICARE Standard survey have cited slow payment of TRICARE claims as their reason for not accepting Standard beneficiaries. This

presents an education and marketing challenge that the Department and its managed care contractors are addressing through various efforts, noted earlier in this report, to outreach to physicians.

Conclusion

DoD is conducting a multifaceted effort to ensure TRICARE Standard remains widely available to beneficiaries. Results from ongoing surveys of providers to assess their knowledge about and acceptance of TRICARE Standard, the high degree of satisfaction with TRICARE Standard expressed in population-based surveys by beneficiaries, and the very low volume of complaints about TRICARE Standard received from beneficiaries by the TROs all indicate the Department is on the right track. However, the Department realizes that health care in the United States is a dynamic process with numerous independent variables. Continuing to achieve desirable results in such a complex environment demands strong, continuing management attention. The Department is committed to providing that attention so our TRICARE beneficiaries who choose the TRICARE Standard option will have ready availability of the high quality health care they deserve.