THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

APR 28 2009

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

Dear Mr. Chairman:

The enclosed report responds to the request in Senate Report 110-077 to accompany S.R. 1547, the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 for the Secretary of Defense to report on its implementation of TRICARE Reserve Select (TRS), as authorized by Section 706 of the NDAA for FY 2007 (Public Law 109-364), with an annual report due by March 1st each year.

The report describes the programs and activities that inform TRS members of the option to enroll in TRICARE, the number of enrollees in TRS broken out by Reserve Component and region, and the actual implementation costs in FY 2007 of TRICARE for members of the Selected Reserve.

Section 704 of the NDAA for FY 2009 called for a shift to an actual cost methodology for TRS premium rates, which resulted in a significant decrease for calendar year 2009. TRS member-only rates are down by 42 percent from 2008 levels and family rates are down by 29 percent. TRS enrollment is up from 2008 levels due to success in getting the word out about the lower premium rates. Annual rates will be widely disseminated each year in the fall before they go into effect in January. Since the Department now uses an actual cost methodology for annual TRS premium rates, we request Congress reevaluate its need for this annual report.

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

Sincerely,

S. Ward Casscells, MD

cc:
The Honorable John McCain
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

APR 28 2009

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

Dear Mr. Chairman:

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Sincerely,

S. Ward Casscells, MD

cc:
The Honorable Lindsey O. Graham
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

APR 28 2009

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

Dear Mr. Chairman:

The enclosed report responds to the request in Senate Report 110-077 to accompany S.R. 1547, the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 for the Secretary of Defense to report on its implementation of TRICARE Reserve Select (TRS), as authorized by Section 706 of the NDAA for FY 2007 (Public Law 109-364), with an annual report due by March 1st each year.

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

Sincerely,

S. Ward Casscells, MD

cc:
The Honorable John M. McHugh
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

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

APR 28 2009

Dear Madam Chairwoman:

The enclosed report responds to the request in Senate Report 110-077 to accompany S.R. 1547, the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 for the Secretary of Defense to report on its implementation of TRICARE Reserve Select (TRS), as authorized by Section 706 of the NDAA for FY 2007 (Public Law 109-364), with an annual report due by March 1st each year.

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

Very Best
Sincerely,

S. Ward Casscells, MD

cc:
The Honorable Joe Wilson
Ranking Member

TRICARE Reserve Select

Report to Congress

TRICARE Reserve Select Report to Congress

Introduction

Senate Report 110-077, of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 (Public Law 110-181) requested the Secretary of Defense to report on its implementation of TRICARE Reserve Select (TRS), as authorized by section 706 of the John Warner NDAA for FY 2007 (Public Law 109-364), with an annual report due by March 1 each year.

This report describes the programs and activities that inform TRS members of the option to enroll in TRS, the number of enrollees in TRS (broken out by Reserve Component and region), the actual implementation costs in FY 2007 of TRICARE for members of the Selected Reserve, and an explanation of why the FY 2008 cost data is not yet available.

Background

TRS is the premium-based health plan available for purchase by qualified members of the Selected Reserve. Developed by the Department to implement a provision in the NDAA for FY 2005, TRS has undergone major revisions in response to subsequent statutory requirements. Since October 1, 2007, a member may qualify to purchase and maintain coverage if he or she is (a) a member of the Selected Reserve and (b) not eligible for (or enrolled in) the Federal Employees Health Benefits Plan (FEHBP).

Most recently, the Department shifted to an actual cost methodology to establish annual TRS premium rates payable by TRS members in fulfillment of section 704 of the NDAA for FY 2009. The monthly premiums for Calendar Year (CY) 2009 were determined by utilizing the reported cost of providing TRS benefits to members and their dependents during calendar years 2006 and 2007.

The resulting monthly sponsor premiums in CY 2009 are $47.51 for single coverage and $180.17 for family coverage.

TRS coverage is similar to TRICARE Standard and TRICARE Extra. Covered members and family members may access care from any TRICARE-authorized provider, hospital or pharmacy, whether in the TRICARE network or not. TRS-covered members may also access care at military treatment facilities (MTF) on a space-available basis. TRS members and their covered family members pay the same TRICARE cost share and deductibles as active duty family members.

Programs and Activities Informing Members to Enroll

The communication strategy to promote awareness of the TRS program includes the following.

- Reserve components capitalize on their opportunities for direct contact with Selected Reservists through the chain of command to ensure members and their families have sufficient information to make informed decisions about purchasing TRS coverage.
- The Military Health System supports the Reserve components by providing training opportunities to the Guard/Reserve personnel community, by producing informational materials for Guard/Reserve members, and by using public awareness tactics and vehicles.
- TRICARE regional contractors also provide information and customer support related to purchasing and using TRS.
- Local Military Treatment Facilities (MTF) provide information on space-available health services and their pharmacies.

TRICARE recently performed a comprehensive review of its customer service, informational materials, and communication venues. A number of new sources of information and enhanced customer service resources have been created for National Guard/Reserve members and their families.

Web site: The TRICARE beneficiary Web site (www.tricare.mil/mybenefit) was totally redesigned based on extensive testing for all beneficiary groups. Launched in August 2007, the revised site uses a content management system and provides tailored content to users based on their profile (beneficiary category, location, and TRICARE plan). Profiles established for National Guard and Reserve members and their families provide detailed information tailored to them. In addition, the "Overview" and "Life Events" sections of the site target information for National Guard and Reserve members and their families at key points in their personal lives as well as when activating and deactivating.

The improved TRICARE Contacts Web page (www.tricare.mil/contactus/) is a comprehensive tool for beneficiaries to find toll-free numbers and resource directories quickly. Accessible from the global header on all TRICARE's Web portals, this page lists toll-free numbers for TRICARE's three managed care support contractors, the TRICARE Area Offices (TAO), and key TRICARE programs (Pharmacy, Dental, TRICARE for Life). It links to the MTF locator and the geographical TRICARE Service Center (TSC) listings, which are frequently updated. The TRICARE Contacts Web page also links to the Beneficiary Counseling and Assistance Coordinator (BCAC)/Debt Collection Assistance Officer (DCAO) directory.

TRICARE added a Google Custom Search to the Web site in December 2008. A significant improvement from the site's previous search engine, this technology promises to help users quickly locate the information they need.

Prior to the launch of the new beneficiary Web site, overall customer satisfaction, as measured by the American Customer Satisfaction Index (ACSI), received a score of 54. With a steady upward trend, overall satisfaction scored 66 for November 2008. The TRICARE beneficiary Web site was named the most improved news/information site (an increase of 7 points) in the 2008 ACSI Annual E-Government Customer Satisfaction Report.

Print and Electronic Products: The TRICARE Management Activity responded to concerns about the lack of information in the TRICARE Passport for the Reserve Component by making a much larger print communication effort for this important target audience. The suite of print products developed or improved over the past year includes a comprehensive handbook, the Passport, and easy-to-read flyers that can be easily downloaded and printed from the TRICARE Web site.

The level of benefit information for each product in the suite is tailored for readers depending on its intended purpose. For example, our TRICARE Reserve Select handbook provides detailed information on all available benefits and an entire chapter on getting help with specific issues. Flyers in the suite offer an overview of various program options by specialty, and clarify how benefits change based on activation and deactivation status. In every instance, users are directed to Web and telephone resources for additional information or assistance. All National Guard and Reserve products are updated as information about the benefit changes. The original TRICARE Reserve Select materials were completely revised in the fall of 2007. Four newly revised briefings designed specifically for National Guard and Reserve members and their families are also being developed.

Passport is a quick reference to National Guard and Reserve benefits and resources rather than a comprehensive resource such as a handbook or a program flyer. It is designed to be carried in a pocket or purse while travelling and has two detachable wallet cards. The current edition of Passport includes a brief statement suggesting that members take a copy with them upon deployment while leaving an extra copy at home for the family.

The print products, which are frequently updated, can also be ordered by unit representatives via the TRICARE SMART Web site, and are shipped directly to the unit representative on a quarterly basis, or more often if needed. TRICARE also offers comprehensive briefing slides that provide in-depth information about the benefit. Units may request that managed care support contractors present the briefings at weekend drills and/or family days, while unit representatives can access them at any time via the TRICARE Web site if they would like to present these briefings themselves. TRICARE

has also offered "virtual" briefings to units who need only a computer to watch the slides and to listen to the presentation by an experienced TRICARE communicator who will also answer questions. TRICARE has also moved into the virtual world via BlogTalkRadio, virtual townhalls, podcasts, and other "social media" designed to take TRICARE information directly to the beneficiary, no matter where they live.

Toll Free Telephone Numbers: To help Service members and their families navigate through the list of toll-free phone numbers, TRICARE provides comprehensive lists in print products for National Guard and Reserve members and their families and on the TRICARE Web site. For those who might not have access to the print products or Web site, TRICARE has purchased the 1-800-TRICARE telephone number. Beneficiaries may call the number toll-free for general information about the programs that TRICARE offers. The information service continues to be enhanced.

TRICARE will continue to utilize the TRICARE managed care support contractors who are responsible for provider relations and beneficiary customer service for their respective regions. They have established call centers, and their toll-free phone numbers are widely published. These competitively procured TRICARE contracts have financial incentives to improve the information available from their call centers. These contracts are currently under competition for the next generation of contracts, which promise to continue the trend of further improving and enhancing customer service.

Reserve Component BCAC: Each TRICARE Regional Office is staffed with a Reserve Component Beneficiary Counseling and Assistance Coordinator (RC BCAC) who is dedicated to providing customer service support for National Guard and Reserve Service members and their families. RC BCACs are particularly well situated to provide assistance to RC members in areas not close to MTFs.

Additionally, TRICARE has an ongoing training program that offers both online and classroom training to other benefit advisors, family support staff, and unit representatives desiring to participate. In addition to the formal and graded training, TRICARE now offers an online training course that is open to the public and provides access to simplified information at the convenience of the user.

Number of Enrollees

Table 1 reports TRS enrollment as of February 5, 2009, by Reserve Component and Table 2 reports the same information by region.

Table 1 - TRS Enrollment by Reserve Component

Reserve Component	Total plans	Member only plans	Family plans	Covered lives
ARNG	13,146	5,002	8,144	34,325
USAR	7,936	2,980	4,956	21,028
USNR	3,949	1,228	2,721	11,516
USMCR	1,215	504	711	3,030
ANG	5,311	2,393	2,918	12,772
USAFR	3,787	1,480	2,307	9,888
USCGR	697	326	371	1,590
Total	36,041	13,913	22,128	94,149

Table 2 - Number of TRS Enrollees by Region

Region	Total plans	Member only plans	Family plans	Covered lives
North	11,856	5,248	6,608	28,964
South	11,864	4,091	7,773	32,222
West	12,010	4,496	7,514	31,945
Overseas	311	78	233	1,018
Total	36,041	13,913	22,128	94,149

Cost Data

The total FY 2007 actual cost to implement TRS was $77.9 million. The premiums collected offset the cost by $28.5 million, leaving a net cost to the Government of $49.4 million.

FY 2008 cost data is not available at this time and thus not included in this report. TRICARE timely claims filing rules allow providers/beneficiaries the opportunity to file claims up to one year after the date of service. Therefore, not all claims for care received by September 30, 2008, will be received by the claims processor until September 30, 2009.