UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

APR 27 2011

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

Dear Mr. Chairman:

The enclosed report responds to Section 716 of the National Defense Authorization Act for Fiscal Year (FY) 2006, which requires that the Department submit an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO). This report describes activities undertaken by each TRO during FY 2010 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high-quality health care provided by a sufficient number of physicians. The Department is committed to providing our TRICARE beneficiaries who choose the TRICARE Standard option the high-quality health care they deserve.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families.

Sincerely,

Clifford L. Stanley

Enclosure:
As stated

cc:
The Honorable John McCain
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

APR 27 2011

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

Dear Mr. Chairman:

The enclosed report responds to Section 716 of the National Defense Authorization Act for Fiscal Year (FY) 2006, which requires that the Department submit an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO). This report describes activities undertaken by each TRO during FY 2010 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high-quality health care provided by a sufficient number of physicians. The Department is committed to providing our TRICARE beneficiaries who choose the TRICARE Standard option the high-quality health care they deserve.

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cc:
The Honorable Lindsey O. Graham
Ranking Member

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WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

APR 27 2011

The Honorable Howard P. "Buck" McKeon
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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cc:
The Honorable Adam Smith
Ranking Member

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PERSONNEL AND
READINESS

APR 27 2011

The Honorable Joe Wilson
Chairman, Subcommittee on Military Personnel
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

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Enclosure:
As stated

cc:
The Honorable Susan Davis
Ranking Member

UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

APR 27 2011

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

Dear Mr. Chairman:

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Enclosure:
As stated

cc:
The Honorable Thad Cochran
Vice Chairman

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4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

APR 27 2011

The Honorable Daniel K. Inouye
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Committee on Appropriations
United States Senate
Washington, DC 20510

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PERSONNEL AND
READINESS

APR 27 2011

The Honorable Harold Rogers
Chairman, Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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Enclosure:
As stated

cc:
The Honorable Norman D. Dicks
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

APR 27 2011

The Honorable C. W. Bill Young
Chairman, Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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cc:
The Honorable Norman D. Dicks
Ranking Member

Report to Congress

TRICARE Standard Activities of TRICARE Regional Offices

In

Fiscal Year 2010

Preparation of this study/report cost the
Department of Defense a total of
approximately $12,869.00
in Fiscal Years 2010 - 2011.

Generated on 20110323
Ref ID: A-A4F31AE

Department of Defense
Report to Congress
on
TRICARE Standard Activities of TRICARE Regional Offices
in Fiscal Year 2010

Introduction

The National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requires the Secretary of Defense to provide an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities performed by each TRICARE Regional Office (TRO). This annual report must 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 either providers or 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 2010. Because the TROs are part of the TRICARE Management Activity (TMA) 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 Department's TRICARE Management Activity (TMA) manages the plan. TRICARE provides three health plan options for beneficiaries:

1. 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 preferred provider 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.

2. 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 preferred provider 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 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.

3. 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 preferred provider care network. For specialty care, the TRICARE Prime enrollee must receive a referral from his or her PCM and authorization from a regional managed care support contractor (MCSC). TRICARE Prime beneficiaries, except active duty Service members (ADSMs) and their families, 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 allows TRICARE Prime enrollees, except ADSMs, to obtain non-emergency, TRICARE-covered services from any TRICARE-authorized provider without a PCM's referral or a regional contractor's authorization. The POS annual deductible ($300 per individual/$600 maximum per family) and copays (50 percent of the TRICARE allowable charge) will apply if the beneficiary elects the POS option.

TRICARE Standard is the fee-for-service option that gives beneficiaries the opportunity to see any private sector 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

Section 711 of the NDAA for FY 2008 required the Department of Defense to conduct surveys of civilian physician acceptance of TRICARE Standard. Two surveys were required: one for TRICARE beneficiaries and one for providers. The cumulative FY 2008 – 2009 beneficiary surveys indicated in general there was less access for TRICARE Standard beneficiaries in Prime Service Areas (PSAs) than outside PSAs. For the same period, the provider surveys indicated 8 of out 10 providers were aware of TRICARE, and 6 out of 10 providers accepted new TRICARE patients if they were open to taking new patients at all. There were regional variations. The TROs were provided detailed survey data to analyze and if necessary, institute improvements. Some of the TRO activities described within this report are directly related or in response to those survey results.

TRO-North

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO-North employs one full-time Health System Specialist as the TRICARE Standard Operations Program Manager. Responsibilities include monitoring, overseeing, and improving the TRICARE Standard option.	X	X	X
Section 711, 2008 NDAA, required the Department of Defense (DoD) to conduct surveys of civilian physician acceptance of TRICARE Standard. In response to the 2008 survey results, TRO-North Standard Benefits Operations using applicable elements of the regional communications plan, to address marketing TRICARE Standard information to locations which responded below benchmarks. The results of the FY 2009 Provider Awareness and Acceptance survey showed 11 locations in the North Region, with non-network provider awareness and acceptance of TRICARE beneficiaries below benchmarks. Selected surveyed cities in the 11 states revealed a low percentage of provider awareness of TRICARE Standard, and/or a low percentage of providers are accepting TRICARE Standard patients. TRO-North reviewed demographic profiles for the locations that fell below benchmarks and developed location specific communications to practicing providers. Outreach letters were mailed to providers.	X		X
TRO-North monitored provider and beneficiary activities in the North Region regarding access of TRICARE Standard beneficiaries to providers. A beneficiary/provider sizing model was developed to help assess provider availability, primary care as well as specialty care, in locations where TRICARE Standard beneficiaries reside. This model is used in conjunction with other measuring tools when assessing the number of TRICARE Standard beneficiaries to the number of providers who have rendered care to Standard beneficiaries in a geographic location.	X		X
TRO-North met with Office of the Assistant Secretary of Defense (Reserve Affairs) staff Director, Medical Readiness and Programs, to discuss strategies for the monitoring and review of Reserve component members concerns with availability and access to TRICARE	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
providers. Strategies for the development of a Reserve component provider/beneficiary sizing model and geo-mapping of units and locations of residence was discussed. Subsequently, a collaboration of information ensued and focused outreach materials were developed for distribution to the Reserve community.			
A TRO-North liaison attends monthly meetings of The Military Coalition, comprised of 30 organizations representing the broad military beneficiary community. The TRO-North representative educates, informs, listens to, and relays issues and concerns about the TRICARE Standard benefit.	X		
TRO-North updated the State-by-State demographic mapping of TRICARE Standard eligibles living in Non-Prime Service Areas in the North Region.	X		
TRO-North hired a full time GS employee as the National Guard and Reserve Liaison. This Communications and Customer Service staff member engages National Guard and Reserve unit personnel and their family members throughout the region answering questions, giving briefs and presentations which includes the dissemination of TRICARE Standard information. The liaison is coordinating with the Reserve Affairs, (Manpower and Personnel), and the TRO-North Standard Ops Manager, and Guard and Reserve unit Commanders to develop systems of information and communication concerning TRICARE Reserve Select (TRS) issues.	X		X
TRO-North developed its beneficiary/provider sizing model (BPSM) as a tool to assist in the evaluation of locations where TRICARE Standard beneficiaries reside and seek primary and specialty care. Twenty locations in the North Region having greater than 300 TRICARE Standard eligible beneficiaries have been identified and mapped and are being reviewed for concentrations of primary care and specialty physicians who have accepted TRICARE patients.	X		X
TRO-North continues to assist TRICARE Standard beneficiaries requesting assistance with locating local providers, and is collaborating with the other Standard program regional managers and TMA to develop a provider look-up tool as an additional resource for locating TRICARE Standard authorized providers.	X		X

TRO-South

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO-South employed a full-time government health systems 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
Analyzed, evaluated and provided advice on complex issues surrounding non-network healthcare administration. Monitored contractor performance in support of TRICARE Standard to ensure compliance with contractual requirements. Participated in integrated work groups to develop, evaluate, and promote TRICARE Standard.	X	X	X
TRO-South employs 8 health benefits counselors who provide customer service support for all beneficiaries to include TRICARE Standard and Extra. These counselors served as beneficiary advocates / problem solvers and provided dedicated service to all beneficiaries. They ensured TRICARE information and assistance in accessing healthcare services was available for all beneficiaries. They received inquiries directly from beneficiaries and others, helped resolve issues and concerns, and provided answers pertaining to eligibility, access, locating providers, claims, waivers, benefits, TRICARE options, policy, etc.	X	X	X
TRO-South employs a full-time government marketing and education specialist. As part of the national TRICARE Beneficiary Publications review team, met regularly with the other TROs, TMA, and the MCSC to develop marketing and educational strategies for TRICARE Standard beneficiaries and providers. In conjunction with the Customer Support staff, completed performance assessment on MCSC customer service and marketing requirements, gave briefings to various audiences, answered incoming provider and beneficiary queries, answered Congressional inquiries, provided outreach initiatives to all beneficiary groups, to include reserve component and recruiting units, etc.	X		X
TRO-South monitored the MCSC as it conducted contractually required non-network (TRICARE Standard) provider and network provider seminars in the South Region Prime service areas. The MCSC	X		

Activity	Activity Type		
	Monitor	Oversee	Improve
conducted 166 provider seminars, of which 56 were targeted to non-network providers. At the seminars, through their website, and via separate mailings, the MCSC provided marketing materials to TRICARE Standard providers.			
TRO-South and its MCSC provided many educational opportunities for Standard beneficiaries. Materials were developed in coordination with TMA Communications and Customer Service (C&CS). A Standard newsletter was mailed to every Standard household. Standard information was also included in many of the materials produced by C&CS. Each product was coordinated with the TRO and MCSC during development. The MCSC's Integrated Voice Response system included an on-hold message regarding finding a TRICARE Standard provider, and connections to information on a variety of TRICARE topics. The TRO and MCSC both maintained a robust resource of information on their websites. The TRO ran TRICARE Standard information on its home page four times in FY 10, and the MCSC maintained a specific section on TRICARE Standard on its website.			X
TRO-South undertook outreach and educational activities for Reserve Component (RC) members to provide information about TRICARE Standard benefits available through the Transitional Assistance Management Program. The TRO encouraged RC members to enroll in TRICARE Reserve Select – a "Standard-like" plan. TRO- South and the MCSC worked together to provide outreach and educational activities to RC members. These included briefings, conferences, and teleconferences such as the live via internet Direct2U Program.			X
TRO-South coordinated with TMA's Health Program Analysis and Evaluation Division to identify geographical areas of interest for surveys intended to assess providers' knowledge about, and willingness to accept, TRICARE Standard and beneficiary satisfaction with the program. Results were analyzed in depth to ascertain specific geographical or population target areas for improvement actions. TRO-South worked collectively with sister TROs and TMA to develop comprehensive and specific actions for Standard beneficiaries as documented in the TRICARE	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
Standard Beneficiaries and companion TRICARE Providers Communication Plans.			
The TRO-South staff and Humana Military Healthcare Services (HMHS) encouraged Standard providers to join the TRICARE Prime network. In FY 2010, network enrollment increased by 5 percent. Joining the network allows beneficiaries to participate in the health maintenance option with its associated benefits.			X
Because non-network providers may elect to treat TRICARE beneficiaries on a case-by-case basis, TRO-South and the MCSC monitored access to health care and mental health care for non-enrolled beneficiaries by reviewing claims paid. A decrease in Standard claims paid may reflect access to providers who have agreed to network membership and thus lower out-of-pocket costs for the beneficiaries' care. 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 9.3% to 8.1% in FY 2010.	X		
TRO-South oversaw the MCSC's performance of its contractual requirement to provide health care finder services to beneficiaries, including Standard beneficiaries, via a toll-free phone line. The MCSC also provided an on-line provider directory to assist beneficiaries in locating network providers.	X	X	
TRO-South monitored results of the most recent full year of data from the Health Care Survey of DoD Beneficiaries (HCSDB), 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 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. In the latest results available, the 2009 HCSDB survey, Standard/Extra users scored significantly above the national benchmarks in "Getting Needed Care," "Getting Care Quickly," "Customer Service," "Claims Processing," and "Health Plan."	X		
TRO-South developed a TRICARE Standard population to provider model which compared the non-enrolled beneficiary population to the number of	X		

Activity	Activity Type		
	Monitor	Oversee	Improve
providers who have cared for TRICARE Standard beneficiaries by geographic area. This model was created to identify potentially underserved areas for targeted provider recruiting efforts.			
TRO-South developed a combination post card/magnet to send out to RC beneficiary groups. These post card magnets contained a welcome message and links to important websites and telephone numbers to various program options. In FY 2010, TRO South mailed 39,981 post card magnets to all newly assigned RC members and families.			X
TRO-South's MCSC maintained an eight-person Guard and Reserve Directorate which provided customer service, outreach, education, and web site development to support the RC commands in TRICARE education efforts. They conducted 734 briefings in FY 2010 providing TRICARE education/training as requested for Family Day Support and individual units as requested. Approximately 152,922 beneficiaries attended these briefings.			X

TRO-West

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO-West has a Standard Benefit Manager, for the sole purpose of assuring optimum results for those beneficiaries choosing to use the Standard option.	X	X	X
TRO-West continues to update and expand upon the Beneficiary Population Sizing Model (BPSM), a provider directory database tool which was initially developed in 2007 and is updated annually utilizing claims data. The initial BPSM identified 56 geographical locations with population densities of 500 or more TRICARE Standard beneficiaries. The current BPSM identifies 59 TRICARE Standard beneficiary population locales, and is an excellent companion to the Managed Care Support Contractor's network provider directory to quickly identify non-network primary care and 11 specialty provider categories by ZIP code. There are very few beneficiary calls requesting assistance in locating providers; however, the primary purpose of the BPSM is to proactively improve access to care by providing the Standard Program Manager with the means to identify geographical areas in need of provider	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
cultivation.			
Overall assessment/comparison of beneficiaries satisfaction with access to care, and provider awareness and acceptance of TRICARE Standard and Extra in Prime Service Areas (PSAs) and non-Prime Service Areas (Non-PSAs) for FY2009 National Defense Authorization Act (NDAA), Section 711 Surveys is very positive and reveals similarities in levels of satisfaction between the Prime Service Area (PSA) and Non-PSA groups. Overall PSA and Non-PSA satisfaction ratings were similar and met or exceeded established benchmarks in most rating categories; however, statistically Non-PSA ratings were slightly higher than the PSA ratings in most categories. In response to ratings below established benchmarks, the Standard Workgroup comprised of points of contact from TRICARE Management Activity's (TMA) Communications and Customer Service Directorate (C&CS) and the other TROs worked collaboratively to develop focused educational materials for the Standard beneficiary population.	X		X
At the request of the Western Regional Medical Command, in response to de-mobilization of Army National Guard Units, the TRO-West Standard Program Manager completed an assessment of providers within Oregon's non-catchment Prime areas to determine if an adequate mix of specialties is available to meet the needs of the population. The assessment concluded that, based on the number of providers in relation to the existing TRICARE population there is an adequate number and scope of providers to meet the healthcare needs of the beneficiaries. Additionally, TRO-West has received no complaints or requests for assistance in accessing healthcare from Oregon beneficiaries in the past 4 years.	X		
TriWest, the West Region's Managed Care Support Contractor (MCSC) utilizes a variety of methods to meet the educational needs of beneficiaries and providers (both network and non-network) about TRICARE benefits and health related topics. Methods of communicating educational materials include but are not limited to: media outreach, e-mail newsletters (eNewsletters), video libraries, educational briefings, Webinars, and targeted mailings. All educational opportunities and communication efforts are available to non-network providers with the exception of general education visits. Non-network providers are invited to participate in seminars, Webinars, and eSeminars and	X	X	X

Activity	Activity Type		
	Monitor	Oversee	Improve
have full access to all information on TriWest's website. Non-network providers are also invited to outreach events and can opt-in to receive the Provider eNewsletters.			
Ongoing monitoring, collaboration, process improvement, enhancements, education, outreach activities, and maintenance of a stable provider network are paramount to ensuring quality customer service, best-value healthcare, and timely access to care for the 2.7 million TRICARE beneficiaries in the 21-state West Region. A synopsis of the MCSC's provider and beneficiary outreach activities is provided below.	X	X	X
Faxes to Providers TriWest distributes faxes to providers as needed to supplement Provider communication and education. The faxes may be targeted to a specific audience or distributed "en masse" to all network providers. Over 151,000 faxes were successfully received by providers on a variety of TRICARE topics.			X
Roundtable Meetings Roundtable meetings are similar to civilian provider seminars, but are held for several attendees from the same organization (e.g., a hospital billing department) or for a relatively small group of attendees from several different providers, often held at a provider's facility (e.g., several behavioral health professionals in a behavioral health facility's conference room). Region wide there were no fewer than 20 separate meetings of this sort.	X		X
Provider Organization, Conferences, Other Events and Regional Outreach Efforts No fewer than 15 separate civilian provider outreach efforts falling into this category have been conducted, reaching over 2,200 participants and exceeding the contractual requirements for provider education.	X		X
Focused Education Programs TRO-West's Provider Services department identifies those topics that are important for providers to understand because of a new program or process, change to existing programs or processes, or a "hot" issue. These topics are discussed during all provider interactions. either in person or over the telephone by Provider Services & Network Subcontractor representatives.	X		X
Web Site Banners Examples of the banners displayed on the Provider Connection home page promoted the following topics: • Online referral/authorization submission	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
• Some Preventive Care Cost Shares/Deductibles Removed • West Region Benefit Lookup Tool • Behavioral Health Portal • Timely Claims Filing • eSeminars			
Quick Alerts An e-mail method of providing mass communication to providers and to invite providers to Webinars on a variety of TRICARE topics.			X
Webinars TriWest conducted provider Webinars (in-person seminars and seminars). Over 280 seminars were held, providing TRICARE information to over 11,000 participants.			X
TRO-West in concert with the West Region managed care support contractor (TriWest) continues to actively monitor, oversee, and improve the TRICARE Standard option. Ongoing analysis enables proactive measures should problems with care access be identified. Teaming with the TriWest and TMA C&CS has enabled a steady flow of information to Standard beneficiaries throughout the West region.	X	X	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 2010.

The C&CS TRICARE Beneficiary Publications Division produces more than 170 print and Web publications each year for TRICARE beneficiaries and providers. Publications include:

- Newsletters
- Bulletins
- Flyers
- Brochures
- Fact sheets
- Handbooks
- Briefings
- Letters

The majority of these publications feature information about TRICARE Standard and three are specific to TRICARE Standard: the TRICARE Standard and TRICARE Extra flyer, the

TRICARE Standard Handbook, and the annual TRICARE Standard Health Matters newsletter. All three publications are distributed through military treatment facilities, TRICARE Service Centers, the managed care support contractors, and online via the TRICARE SMART site. Combined, more than 1.5 million of these publications were printed and distributed to TRICARE Standard beneficiaries during fiscal year 2010. The annual newsletter goes out to approximately 1.1 million Standard beneficiaries via direct mail. In addition, an e-version of the Standard newsletter was developed as a first-time event with distribution of approximately 350,000 via e-mail subscription and posted to the Web. This e-product will continue to be produced and is timed to provide updates six months after the annual printed newsletter.

The C&CS Public Affairs (PA) Division produced approximately 52 "Beneficiary Bulletin" podcasts, all containing information pertinent to beneficiaries with at least 4 addressing Standard beneficiaries directly. The PA division also produced over 100 news releases, articles and columns during FY 2010. Many were targeted at Standard beneficiaries and how to get assistance in finding providers. The beneficiary Web site at www.tricare.mil was revamped to improve ease of finding pertinent information through a profile driven content system that includes profiles for Standard. Direct links to assist providers in more easily finding information about accepting TRICARE were added to the provider area of the Web and a letter was posted to the Web for beneficiaries to use with providers. It included instructions on how to become a TRICARE provider. The same letter was included in all TRICARE Reserve Select (National Guard and Reserve) handbooks.

C&CS coordinates monthly meetings with the TRICARE Beneficiary Panel, comprised of members of the Military Associations, which advocates for their members' health care priorities. Nearly every meeting was relevant to communications with TRICARE Standard beneficiaries.

The annual C&CS Conference in August, 2010, educated over 500 customer service representatives about various TRICARE benefits, including those benefits appropriate for Standard beneficiaries, to include National Guard and Reserve. In addition, handouts were given to all participants with resource information geared to assisting Standard beneficiaries with issues and in finding providers. The new Overseas contract launched September 1, 2010, and approximately 231,000 welcome letters and contact cards were direct mailed to Standard beneficiaries overseas informing them of the contract and where they could obtain information about filing claims and finding providers.

Participation of Eligible Health Care Providers in TRICARE Standard by Region

Per statute, this report must include an assessment of the participation of eligible health care providers in TRICARE Standard for each TRICARE region. Section 711 of the NDAA for FY 2008 required the Department of Defense to conduct surveys of civilian provider acceptance of TRICARE Standard. The first year of a four-year survey indicated that over 80 percent of physicians are aware of TRICARE in general, and 66 percent accept new TRICARE Standard patients if they accept any new patients. The number of TRICARE participating providers continues to increase, but at a much slower rate than during the earlier part of this decade. In response to the survey results, the regions participated in a combined effort with the TRICARE

Management Activity to improve provider acceptance through a workgroup dedicated to analyzing survey results and implementing related improvements (i.e., developed regional communication plans to address marketing TRICARE Standard information to areas which responded below benchmarks.)

The number of TRICARE network providers has also been increasing, both in total numbers and as a percentage of total participating providers. A developed provider network enhances access to care for TRICARE Standard beneficiaries who wish to use the Extra option. A region-by-region network assessment is included below.

TRO-North

The North Region TRICARE provider network was increased in FY10 by 10 percent from 144,986 providers to 159,695 providers. This included a 1.2 percent increase in Behavioral Health Providers, specifically from 20,783 providers to 21,033 providers. This was accomplished as a result of the partnership of the MCSC's recruitment efforts, increased DoD emphasis and TRO-N's focused initiatives on increasing behavioral health access. These providers are available to Standard beneficiaries through the Extra option.

TRO-South

Humana established the TRICARE network throughout 100 percent of the South Region. As of September 30, 2010, 102,885 providers enhanced access to care for TRICARE Standard beneficiaries who wish to use the Extra option. This was an increase of 9,679 network providers (10.4%) and 29 hospitals/facilities (3.3%) over the course of the fiscal year.

TRO-West

The West Region provider network increased 25 percent in FY10 from 132,199, to 165,435. Behavioral health providers increased 30 percent from 17,038 to 22,067. These increases were reflected not only in Prime Service Areas, but also in white space areas with high population densities of TRICARE Standard and TRS beneficiaries.

TRICARE Standard Problems and Challenges Identified by Providers and Beneficiaries

With some permitted exceptions, the TRICARE payment amount (the combination of the the Government paid portion and the beneficiary's portion through annual deductibles and cost-shares) for a service provided by a health care professional must, by statute (10 United States Code 1079(h)), be, to the extent practicable, 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 for a service in an amount that is 15 percent greater than the CMAC. The Government's portion of the CMAC remains the same, but in addition to their usual deductible and cost-shares, this additional 15 percent above the normal CMAC rate is paid by the beneficiary. 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 of the National Defense Authorization Acts for FYs 2000 and 2001.

Currently, there are 17 approved CMAC locality based waivers, the majority of which are approved at different rates for the State of Alaska.

TRICARE has undertaken a number of initiatives directed at expanding the provider base in Alaska. These initiatives will not only increase access to care for Active Duty members and their families now in Alaska but will also provide the basis for satisfying health care needs resulting from growth in the force there. With the movement of provider acceptance and current reimbursement incentives, TRICARE has expanded the implementation of the program in Alaska to align with the other 49 states. The expansion requires the Managed Care Support contractor to develop and operate a TRICARE civilian preferred provider network in designated Prime Service Areas. Initially, the program is being offered to the Prime Service Areas around Fort Wainwright and Eielson Air Force Base; however, the program may be established in other areas as needed.

To assist beneficiaries in locating a TRICARE authorized provider, TMA and the TROs developed functional requirements for each regional contractor to deploy a provider look-up tool on their beneficiary websites. The tool is planned for deployment when all MCSCs transition to the TRICARE 3.0 contracts in 2011.

Ongoing Review and Reports to Congress by the Comptroller General

The Comptroller General is directed by the statute to review on an going basis the process, procedures, and analysis used by the Department to determine the adequacy of the number of providers willing to see TRICARE Standard beneficiaries as well as the actions taken by the Department to ensure ready access of TRICARE Standard beneficiaries.

In their March, 2010, report titled "Defense Health Care: 2008 Access to Care Surveys Indicate Some Problems, But Beneficiary Satisfaction Is Similar to Other Health Plans," the GAO noted the Department followed OMB survey standards for survey design, data collection, and data accuracy. In addition, the Department generally addressed the survey requirements outlined in the mandate in implementing its 2008 beneficiary and provider surveys

On May 6, 2010, the GAO initiated the second phase to review the actions taken by the Department to ensure ready access of TRICARE Standard beneficiaries to TRICARE authorized providers. That report is still pending.

Conclusion

The Department 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. Furthermore, the first biennial report from the GAO validated the Department's approach to the mandated surveys and the survey results. The Department looks forward to using any GAO results for additional process improvement. The Department is committed to providing that attention so that our TRICARE beneficiaries who choose the TRICARE Standard option will have ready availability of the high quality health care they deserve.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR , SECTION 716. TRICARE STANDARD IN TRICARE REGIONAL OFFICES

(a) RESPONSIBILITIES OF TRICARE REGIONAL OFFICE.—The responsibilities of each TRICARE Regional Office shall include the monitoring, oversight, and improvement of the TRICARE Standard option in the TRICARE region concerned, including—
(1) identifying health care providers who will participate in the TRICARE program and provide the TRICARE Standard option under that program;
(2) communicating with beneficiaries who receive the TRICARE Standard option;
(3) outreach to community health care providers to encourage their participation in the TRICARE program; and
(4) publication of information that identifies health care providers in the TRICARE region concerned who provide the TRICARE Standard option.
(b) ANNUAL REPORT.—The Secretary of Defense shall submit an annual report to the Committees on Armed Services of the Senate and the House of Representatives on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office. The report shall include—
(1) a description of the activities of the TRICARE Regional Office to monitor, oversee, and improve the TRICARE Standard option;
(2) an assessment of the participation of eligible health care providers in TRICARE Standard in each TRICARE region; and
(3) 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.
(c) DEFINITION.—In this section, the term ''TRICARE Standard'' or ''TRICARE standard option'' means the Civilian Health and Medical Program of the Uniformed Services option under the TRICARE program.