



# TRICARE® Prime Service Area Reductions

Prime Service Areas to be reduced in the United States starting October 1, 2013

As of October 1, 2013, TRICARE Prime will no longer be available to beneficiaries living in certain areas in the United States. Prime Service Areas (PSAs) are geographic areas where TRICARE Prime is offered. PSAs were created to ensure medical readiness of the active duty force by augmenting the capability and capacity of military treatment facilities (MTFs). The affected areas are not close to existing MTFs and have never augmented care around MTF or Base Realignment and Closure (BRAC) locations.

## BACKGROUND

The Department of Defense (DoD) has planned to make PSA reductions since 2007, when proposals were requested for the next generation of TRICARE contracts (*known as T-3*). Bidders for the three U.S. regional contracts were only required to establish PSAs around MTFs and in areas that lost MTFs due to BRAC decisions. Although PSA reductions under T-3 were intended to take place simultaneously, contract delays in all three U.S. regions resulted in a staggered transition. DoD senior leadership determined that existing PSAs be kept in place until all regions could fully transition to T-3. The North Region transitioned in April 2011 and the South Region followed in April 2012. The West Region transitioned in April 2013.

In recognition of the need for beneficiaries to plan for critical health care decisions, current PSAs were continued in all regions until October 1, 2013, to coincide with the deadline for annual TRICARE Prime enrollments and fee adjustments.

## IMPACT ON TRICARE PRIME® ENROLLEES

**Active duty service members:** TRICARE enrollments for active duty service members, including activated National Guard and Reserve members, will not be affected by PSA reductions. They will remain enrolled in TRICARE Prime or TRICARE Prime Remote, as appropriate.

**Active duty family members:** Active duty family members enrolled in TRICARE Prime in affected PSAs will remain in TRICARE Prime as long as they are in the same location and eligible. As always, active duty family members also have the option of using the TRICARE Standard program.

**Retirees and dependents:** Retirees and their family members who are not enrolled in a remaining PSA will be disenrolled from TRICARE Prime as of October 1, 2013. Those affected have the option of using the TRICARE Standard program, which is the basic entitlement by law, or TRICARE Extra. TRICARE Extra offers additional savings to beneficiaries who use network providers. Retirees and family members who prefer the TRICARE Prime option may be able to reenroll in TRICARE Prime at an MTF or with a primary care manager in a remaining PSA. To do so, they must fill out a new *TRICARE Prime Enrollment Application and Primary Care Manager (PCM) Change Form* (DD Form 2876) and sign Section V waiving their drive-time standards. Beneficiaries should be aware that waiving drive-time standards may require them to drive long distances for primary and specialty care.

**TRICARE Young Adult (TYA) Prime:** TYA Prime enrollees affected by PSA changes who have active duty sponsors may remain in TYA Prime as long as they are in the same location and eligible. TYA Prime enrollees who have retired sponsors and who reside in affected PSAs may be able to waive their drive-time standards and fill out a new *TRICARE Young Adult Application* (DD Form 2947) to reenroll in TYA Prime at an MTF or with a primary care manager in a remaining PSA. Those who do not reenroll in TYA Prime can purchase coverage under TYA Standard, which is \$152 monthly, compared with \$176 for TYA Prime.

**Note:** Affected beneficiaries may also have the option to enroll in the US Family Health Plan (USFHP), a TRICARE Prime option available through networks of not-for-profit health care systems in six areas of the United States. For more information, visit [www.tricare.mil/usfhp](http://www.tricare.mil/usfhp).

## GEOGRAPHICAL AREAS IMPACTED

A Web-based ZIP code tool is available at [www.tricare.mil/psa](http://www.tricare.mil/psa) or [www.tricare.mil/psazip](http://www.tricare.mil/psazip), so beneficiaries can determine if their home ZIP code is impacted by the PSA reductions. Affected retirees and TYA Prime enrollees received notification in letters that were mailed in the spring and summer, as well as in disenrollment letters mailed in mid-August. These letters contained additional details to help enrollees explore their options. Geographical areas affected are as follows:

In the North Region, specific areas affected include Springfield MA (*extends into CT*), Kankakee IL, Gary IN, Auburn MI, St. Louis MO, Charlotte NC, Greenville NC, Raleigh-Durham NC, Winston-Salem-Greensboro NC (*extends into VA*), Akron OH, Cincinnati OH, Columbus OH, Pittsburgh PA, and Milwaukee WI. In the West Region, affected areas include Des Moines IA, Minneapolis MN, Springfield MO, Medford OR, Eugene OR, Salem OR, Portland OR, Yakima WA, and Outer Islands HI, and PSAs will be reduced in size in Northern Nevada and Southwest Idaho. All of the South Region was formerly considered a PSA. As of October 1, 2013, PSAs are locations that are within 40 miles of an MTF or a BRAC site.

## MANAGING HEALTH CARE COSTS

Reducing the number of PSAs under the T-3 contracts allows TRICARE to continue the commitment to making high-quality health care available, as well as supporting DoD efforts to control

the rising cost of health care for its 9.6 million beneficiaries. Health care under TRICARE Prime is about \$600 more per enrollee, yet TRICARE Standard is a more flexible plan allowing greater choice of doctors, no referral requirements for specialty care, and no out-of-pocket costs for preventive care. By eliminating PSAs that do not support military readiness, costs to the TRICARE system will be reduced by \$45–\$56 million per year.

## OPEN COMMUNICATIONS

TRICARE is committed to keeping affected beneficiaries informed about PSA changes. Additional details, affected locations, and a sign-up for e-mail updates are available at [www.tricare.mil/psa](http://www.tricare.mil/psa).

## COMPARISON OF TRICARE PRIME AND TRICARE STANDARD

TRICARE Prime is a managed care option and those enrolled have an assigned primary care manager, either at an MTF or within the TRICARE network. Non-active duty TRICARE beneficiaries affected by the PSA reduction will be able to use TRICARE Standard, which offers freedom of choice and is highly ranked in customer satisfaction. On average each member of a family of three using TRICARE Standard will only pay about \$20 more per month than if the family member were using TRICARE Prime.

### Differences between TRICARE Standard and TRICARE Prime

	TRICARE Standard	TRICARE Prime
Available to active duty service members (ADSMs)?	No	Yes
Available to active duty family members (ADFMs)?	Yes	Yes
Available to retirees, their family members and survivors?	Yes	May be limited if not in a Prime Service Area
Enrollment required?	No	Yes
Enrollment fees?	No	Yes, except for ADSMs and ADFMs
Primary care manager assigned?	No	Yes
Copayments/cost-shares for care?	Yes	Yes, except for ADSMs and ADFMs
Deductibles?	Yes, amount varies	No, unless using point-of-service option or non-network pharmacy
Access to a military treatment facility?	Yes, on a space-available basis	Yes

### Cost Comparison for Retirees

	Enrollment Fees (beginning October 1)	Deductible	Copayment/Cost-Share	Point-of-Service Fees	Annual Catastrophic Cap
<b>TRICARE Prime</b>	\$273.84/year individual \$547.68/year family	None	Emergency services: \$30 Outpatient visit: \$12	Annual deductible plus 50% cost share	\$3,000/year
<b>TRICARE Standard</b>	None	\$150/year individual \$300/year family	20% in-network 25% out-of-network	None	\$3,000/year

The information in this fact sheet is **not** all-inclusive. For information on how PSA reduction may affect beneficiaries in special situations, such as transitional survivors or those using the TRICARE Prime Travel Benefit, please visit [www.tricare.mil/psa](http://www.tricare.mil/psa), check the FAQs at [www.tricare.mil/faqs](http://www.tricare.mil/faqs) (search “PSA”), or contact your regional contractor for assistance with your individual situation.

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