

February 2007

# MILITARY HEALTH

## Increased TRICARE Eligibility for Reservists Presents Educational Challenges





Highlights of [GAO-07-195](#), a report to congressional committees

## Why GAO Did This Study

Since 2001, the number of reservists mobilized for active duty has increased dramatically. Congress has expanded reservists' and their dependents' eligibility for TRICARE, the Department of Defense's (DOD) health insurance program. The National Defense Authorization Act (NDAA) for Fiscal Year 2004 directed GAO to examine the health insurance coverage of reservists and their dependents. This report (1) identifies the extent to which reservists have civilian health insurance, (2) examines DOD's efforts to educate reservists and their dependents about TRICARE, and (3) describes reservists' level of satisfaction with TRICARE and the types of problems reservists and their dependents experienced when using it. To do this, GAO relied on interviews with DOD and DOD's survey data. GAO also administered a survey of TRICARE benefit assistance coordinators.

## What GAO Recommends

GAO recommends that DOD provide additional TRICARE briefings to reservists and their dependents during regular training or when they are first notified of mobilization. DOD partially concurred, agreeing that briefings should occur when members are first informed of mobilization, but disagreeing that briefings are needed during other periods. GAO continues to believe that such briefings would be effective.

[www.gao.gov/cgi-bin/getrpt?GAO-07-195](http://www.gao.gov/cgi-bin/getrpt?GAO-07-195).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marcia Crosse at (202) 512-7119 or [crossem@gao.gov](mailto:crossem@gao.gov).

## MILITARY HEALTH

# Increased TRICARE Eligibility for Reservists Presents Educational Challenges

## What GAO Found

Eighty percent of mobilized reservists have civilian health insurance—a rate similar to that of the U.S. population between 18 and 64 years old. The number of reservists with civilian health insurance varies among reservists, with older reservists and reservists of higher rank having a greater rate of insurance than younger reservists and reservists of more junior rank, and reservists with dependents being more likely to have insurance than reservists without dependents. Reservists and their dependents obtained coverage through a variety of sources and over half of all reservists kept their civilian health insurance during mobilizations, even though they were eligible to enroll in TRICARE. Many reservists reported that they maintained their civilian coverage to avoid disruptions associated with a change to TRICARE and to ensure that their dependents could continue seeing their current providers who might not accept TRICARE.

Increased mobilizations of reservists and successive legislative changes that have increased reservists' and their dependents' eligibility for TRICARE have complicated DOD's efforts to educate reservists about TRICARE. DOD's primary educational tools are the TRICARE briefings provided at mobilization sites and demobilization sites. According to DOD officials, these days of training are often so full of critical information that it is difficult for reservists to absorb all of the details of TRICARE. These briefings also occur at a time when a reservist may have already been eligible for TRICARE for up to 90 days without realizing it. These briefings are supplemented by family support programs, Web sites, toll-free customer assistance numbers, and print materials. DOD officials recognize the need to improve TRICARE education, but do not plan to provide additional TRICARE briefings for reservists and their dependents.

When reservists used TRICARE, most reported that they were satisfied with TRICARE, although some reported experiencing difficulties. Over 60 percent of reservists who used TRICARE reported being satisfied. In addition, 70 percent of reservists thought TRICARE was either equal to or better than their civilian health insurance. However, according to DOD's and GAO's surveys, when reservists and their dependents did experience problems with TRICARE, a few of the most frequently reported problems include difficulties understanding TRICARE, establishing TRICARE eligibility, obtaining TRICARE assistance, and finding a health care provider that accepts TRICARE.

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# Contents

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<b>Letter</b>		1
	Results in Brief	3
	Background	5
	Most Reservists Have Civilian Health Insurance, and Many Reservists Choose to Maintain Their Civilian Insurance When Mobilized	12
	DOD Is Challenged by the Task of Educating Reservists and Their Dependents about TRICARE	16
	Most Reservists Are Satisfied with Their TRICARE Benefits, but Some Reservists Experience Difficulties Using TRICARE	22
	Conclusions	26
	Recommendation	26
	Agency Comments and Our Evaluation	26
<b>Appendix I</b>	<b>Objectives, Scope, and Methodology</b>	28
<b>Appendix II</b>	<b>Selected Legislation Pertaining to TRICARE Eligibility for Reservists</b>	30
<b>Appendix III</b>	<b>Comments from the Department of Defense</b>	31
<b>Appendix IV</b>	<b>GAO Contact and Staff Acknowledgments</b>	33
<b>Tables</b>		
	Table 1: Selected TRS Eligibility Criteria and Premiums for Selected Reservists as of October 1, 2006	10
	Table 2: TRICARE Options Available to Reservists and Their Dependents	12
<b>Figures</b>		
	Figure 1: Periods of TRICARE Eligibility for Mobilized Reservists and their Dependents, as of July 2006	9

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Figure 2: Sources of Reservists' and Their Dependents' Health Insurance, Prior to Mobilization, 2003	14
Figure 3: Reservists' Knowledge about Various Aspects of TRICARE	18
Figure 4: Comparison of Specific Aspects of Reservists' TRICARE Health Insurance to Civilian Health Insurance	23

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United States Government Accountability Office  
Washington, DC 20548

February 12, 2007

The Honorable Carl Levin  
Chairman  
The Honorable John McCain  
Ranking Minority Member  
Committee on Armed Services  
United States Senate

The Honorable Ike Skelton  
Chairman  
The Honorable Duncan L. Hunter  
Ranking Minority Member  
Committee on Armed Services  
House of Representatives

Since the September 11, 2001, terrorist attacks, the Department of Defense (DOD) has increased its reliance on reservists to support the global war on terrorism, and particularly Operations Enduring Freedom and Iraqi Freedom.<sup>1,2</sup> This has increased the number of reservists supporting DOD's current operations and the duration of reservists' active-duty service. In recent years, Congress has increased the health care benefits available to mobilized reservists and their dependents, which generally include family members such as spouses and dependent children. Although all active-duty military personnel must enroll in TRICARE, the military health insurance program, reservists and their dependents have historically been eligible for TRICARE only while the reservist was serving on active duty for an extended period of time following mobilization.<sup>3</sup> The National

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<sup>1</sup>For the purposes of this report, the term reservist includes all members of the seven reserve components. These reserve components are the Army National Guard and the Air National Guard, as well as the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air Force Reserve, and the Coast Guard Reserve.

<sup>2</sup>Operation Enduring Freedom, which began in October 2001, supports combat operations in Afghanistan and other locations, and Operation Iraqi Freedom, which began in March 2003, supports combat operations in Iraq and other locations.

<sup>3</sup>Mobilization is the process by which the armed forces are brought into a state of readiness for war or national emergency or to support some other operational mission. In this report, we use the term mobilization to refer to the process of calling up reserve components for active-duty service. We use the term mobilized reservist to refer to a reservist that has received his or her order to active duty.

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Defense Authorization Acts (NDAA) for Fiscal Years 2004, 2005, 2006, and 2007 expanded the number of reservists and their dependents who are eligible for TRICARE, and the duration of their eligibility. These expansions in eligibility increased the number of reservists that DOD, working through the reserve components, is required to educate about TRICARE. Reservists who are mobilized for a period of more than 30 days become eligible for TRICARE, as do their dependents. Those who have private health insurance that covers their dependents may choose to cancel that coverage and switch to TRICARE or continue that coverage.

The increased dependence on reservists in recent years has raised questions by some members of Congress as to whether reservists and their dependents have adequate health insurance when they are not on active duty and whether they have difficulty using TRICARE when they are eligible for it. The NDAA for Fiscal Year 2004 directed that we study the health insurance coverage of reservists and their dependents, DOD's efforts to provide assistance specifically to reservists and their dependents to facilitate their access to and use of TRICARE benefits, and reservists' and their dependents' experiences using TRICARE.<sup>4</sup> Specifically, as discussed with the committees of jurisdiction, we (1) identified the extent to which reservists have civilian health insurance, (2) examined DOD's efforts to educate reservists and their dependents about TRICARE, and (3) described reservists' level of satisfaction with TRICARE and the types of problems reservists and their dependents experienced when using TRICARE.

To determine the extent to which reservists have civilian health insurance coverage, we relied on the results of DOD's 2003 and 2004 Status of Forces Surveys of Reserve Component Members, the most recent surveys that include questions about reservists' insurance coverage.<sup>5</sup> Through our review of the relevant documentation and our discussion with DOD officials, we determined that the data presented in the surveys were sufficiently reliable for our purposes. We interviewed representatives from

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<sup>4</sup>Pub. L. No. 108-136, § 705, 117 Stat. 1392, 1528-29 (2003).

<sup>5</sup>The Status of Forces Surveys are a series of surveys of reserve and active-duty personnel that provide DOD with information for evaluating and monitoring existing programs and policies. Each year, the Status of Forces Survey includes different questions covering different issues. The 2003 and 2004 surveys each asked reservists a different set of health-related questions. We did not use the 2005 Status of Forces Survey because it did not contain any health-related questions. The 2006 Survey was not available when we performed this work.

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DOD's Office of Reserve Affairs, the TRICARE Management Activity (TMA), Defense Manpower Data Center, and each of the seven reserve components. We also reviewed reports from the Congressional Research Service and Congressional Budget Office as well as GAO's prior work on reservists and defense health care.

To examine DOD's efforts to educate reservists and their dependents about TRICARE and to describe reservists' level of satisfaction with TRICARE and the types of problems reservists and their dependents experienced when using TRICARE, we interviewed over 100 reservists from the Army National Guard and Navy Reserve. We selected these two groups because they had large numbers of reservists demobilizing that we were able to interview during the course of our work. We used these interviews to validate and update information that we gathered from DOD's 2003 and 2004 Status of Forces Surveys of Reserve Component Members, the 2002 Survey of Spouses of Activated National Guard and Reserve Component Members, and the 2000 Survey of Reserve Component Members. We also developed and conducted our own survey of TRICARE benefit counseling and assistance coordinators (BCAC). With the assistance of DOD officials, we identified BCACs who had direct experience providing TRICARE counseling and assistance to reservists and their dependents. DOD officials said that because BCACs assist reservists and their dependents with problems using TRICARE, they could provide us with perspective on the types of problems that reservists experience.

For a complete discussion of our scope and methodology, see appendix I. We conducted our work from October 2005 through December 2006 in accordance with generally accepted government auditing standards.

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## Results in Brief

Most reservists have civilian health insurance and many of them choose to maintain this insurance for their dependents during mobilizations. Prior to being mobilized, 80 percent of reservists had civilian health insurance—a rate similar to that of comparable groups within the U.S. population between 18 and 64 years old. Reservists higher in age and rank are more likely to have health insurance than their junior counterparts. Reservists with dependents are also more likely to have insurance than those that do not have dependents. Reservists obtained coverage through a variety of sources, and some reservists had more than one source of coverage. The most common sources of health insurance were the reservists' employer-based health plans and their spouses' employer-based health plans. Over half of all reservists kept their civilian health insurance for their

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dependents during their most recent mobilizations, even though they were eligible to receive coverage under TRICARE with no associated premiums.

DOD is challenged by the task of educating reservists and their dependents about TRICARE, and many reservists and dependents consider themselves to be ill-informed about it. Increased mobilizations of reservists and successive legislative changes that have increased reservists' eligibility for TRICARE have complicated DOD's efforts to educate reservists about TRICARE. According to the 2003 Status of Forces Survey, fewer than 20 percent of all reservists said that they and their dependents are well informed about TRICARE. In the 2004 Survey, approximately 41 percent of reservists reported that their dependents did not use TRICARE because of its complexity. Fifty-eight percent of TRICARE BCACs that responded to our survey said that reservists' ability to understand TRICARE is the biggest problem they face. DOD's primary educational tools are TRICARE briefings provided to reservists at mobilization sites just prior to being deployed to the location of their active-duty service, and at demobilization sites when they return. These briefings are supplemented by family support programs, Web sites, toll-free customer assistance numbers, and print materials. TRICARE officials have noted that education could be improved for reservists by providing additional TRICARE briefings at times when reservists are not being mobilized or demobilized because reservists are distracted by other concerns during these times. They have also suggested targeting additional TRICARE education to dependents. DOD officials recognize the need to improve TRICARE education, but do not plan to provide additional TRICARE briefings for reservists and their dependents.

A majority of reservists report that they are satisfied with their TRICARE benefits; however, some reservists have experienced difficulties when using TRICARE. When we interviewed reservists, over half reported satisfaction with TRICARE, which was consistent with data from DOD's 2003 Status of Forces Survey in which over 60 percent of the reservists who used TRICARE reported being satisfied with it. Additionally, the 2004 Status of Forces Survey showed that 70 percent of reservists thought TRICARE was either equal to or better than their civilian health insurance. However, the survey also showed that when reservists and their dependents experienced problems related to TRICARE, among the most commonly reported difficulties was a general lack of understanding about TRICARE. Other difficulties included establishing TRICARE eligibility, obtaining TRICARE assistance, and finding a health care provider that accepts TRICARE. DOD officials we interviewed said they believed that some of these difficulties stemmed from problems with the recording of



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reservists' eligibility for TRICARE, which is done by reserve component administrative personnel rather than TMA personnel. Therefore, a reservist who was not properly registered in DOD's system for recording eligibility might seek assistance from a TRICARE BCAC, who would be unable to assist the reservist with his or her problem, rather than the administrative personnel who could assist with such problems.

In light of the increasing number of reservists that are eligible for TRICARE, and reservists' continued concerns that they are ill-informed about TRICARE, we recommend that the Secretary of Defense improve TRICARE education for reservists and their dependents by providing additional TRICARE briefings at times other than at mobilization and demobilization, or at the time that reservists are first informed of their impending mobilization. In commenting on this recommendation, DOD agreed that TRICARE information should be provided to reservists and their dependents when they are first informed of a pending mobilization of the member; however, it disagreed that TRICARE briefings should be provided at other times. DOD stated that training time is limited during training periods not associated with mobilization and must be prioritized to maximize its value. We understand the importance for DOD to effectively use limited training time. However, we continue to believe that providing TRICARE briefings whenever time becomes available during reservist training periods—a time when reservists are not distracted by other concerns associated with mobilization—would be an effective way to help ensure that reservists are aware of the most current information about TRICARE.

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## Background

Since the end of the cold war, there has been a change in the way reserve forces have been used in military operations. During the cold war era, the reserve components were a manpower tool that was rarely tapped. For example, from 1945 to 1989, reservists were mobilized by the federal government only four times, an average of less than once per decade. Since 1990, reservists have been mobilized by the federal government six times, an average of nearly once every 3 years, and have been used extensively to support operations in the global war on terrorism. Since September 11, 2001, about 500,000 reservists have been mobilized,

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primarily to support operations in Afghanistan and Iraq.<sup>6</sup> This increased use of the reserves has led to greater congressional interest in the types of benefits provided to reservists, including the health insurance provided to reservists and their dependents under TRICARE. Specifically, advocates for expanding TRICARE have suggested that increasing reservists' access to TRICARE could improve the medical readiness of reservists by facilitating early detection and treatment of medical conditions which otherwise might disqualify a reservist from deploying. Additionally, increased access to TRICARE could smooth the transition to and from active duty for reservists and their dependents, an important factor given the increased mobilizations of reservists.

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## Health Insurance Protections for Reservists

Reservists' private health insurance coverage is protected by the Servicemembers Civil Relief Act (SCRA)<sup>7</sup> and the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).<sup>8</sup> Included in these acts are protections for reinstating and maintaining reservists' health insurance. Specifically, when a reservist whose individual coverage was terminated while the reservist was on active duty returns from that duty, SCRA requires private insurance companies to reinstate coverage at the premium rate the reservist would have been paying had coverage not been terminated.<sup>9</sup> It also requires insurance companies to cover most preexisting conditions after a reservist's insurance is reinstated.<sup>10</sup> USERRA allows reservists to elect to keep employer-provided health benefits while

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<sup>6</sup>In 2005, 88 percent of reservists were a part of the Selected Reserve, which is one category of reservists. The Selected Reserve contains those units and individuals considered essential to wartime missions. The other reserve categories are the Individual Ready Reserve, the Inactive National Guard, Standby Reserve, and Retired Reserve.

<sup>7</sup>Pub. L. No. 108-189, 117 Stat. 2835 (2003) (codified at 50 U.S.C. App. §§ 501-596). National Guard members are eligible for SCRA protection only when they have been called to active duty for more than 30 days to respond to a national emergency declared by the President and that active duty is supported by federal funds.

<sup>8</sup>Pub. L. No. 103-353, 108 Stat. 3149 (codified as amended at 38 U.S.C. §§ 4301-4334).

<sup>9</sup>The reservist's individual insurance premium may be increased during the period between termination and reinstatement, but only to the extent it would have been increased for other persons covered by that insurance during that period.

<sup>10</sup>Preexisting conditions that are service connected are excluded from coverage. For example, individual policies would not have to cover injuries incurred in the line of duty that could be covered first by DOD and then by the Department of Veterans Affairs. In addition, preexisting conditions excluded during the original period of coverage may also be excluded after reinstatement.

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the reservists are absent from employment due to active duty, up to a maximum period of 24 months. For absences of 30 days or less, the employer must continue to pay its share of the premium. For absences of 31 days or more, the reservist may elect to continue the civilian coverage, but the employer may charge the reservist the full premium, including the employer contributions.<sup>11</sup> In addition, under USERRA, employers must generally reinstate reservists' health coverage upon their reemployment and no waiting period or exclusions may be imposed in connection with that reinstatement.<sup>12</sup> The protections found in SCRA and USERRA also apply to the health benefits of a reservist's dependents, if those dependents were covered under the reservist's policy prior to his or her active-duty service.

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## Expanded TRICARE Eligibility for Reservists and Their Dependents

Prior to fiscal year 2004, reservists that were not on active duty had limited eligibility for TRICARE. Specifically, they were entitled to receive treatment through TRICARE at a military medical facility for illnesses or injuries incurred during training or periods of active duty. Family members of reservists had generally not been entitled to use TRICARE, but became eligible if the reservist was serving on active duty for more than 30 days.

Beginning in fiscal year 2004, Congress made successive changes to TRICARE that included several provisions which significantly expanded access to TRICARE for reservists that are not on active duty, and their dependents. (For a detailed description of the legislative changes that expanded the TRICARE eligibility of reservists, see app. II.) The NDAA for Fiscal Year 2004<sup>13</sup> included a temporary provision in which Congress authorized members of the Selected Reserve and the Individual Ready Reserve to enroll in TRICARE if the reservists were eligible for unemployment compensation or ineligible for health care coverage from

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<sup>11</sup>For deployments of 31 days or more, USERRA permits the employer to assess an additional 2 percent administrative fee if reservists elect to continue with civilian insurance and pay the full premium, including the employer share. The employer is not required to charge the full premium or the 2 percent administrative fee and some employers continue to pay some or all of the premium during the reservist's absence.

<sup>12</sup>Waiting periods or exclusions are permitted in cases where they would have been in effect had coverage not been interrupted by the reservist's absence and in cases where the illness or injury has been incurred during or aggravated by the reservist's service.

<sup>13</sup>Pub. L. No. 108-136, 117 Stat. 1392 (2003).

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their civilian employer.<sup>14</sup> Another temporary provision allowed reservists who had received their active-duty orders to use TRICARE for up to 90 days before their active-duty service began. A third temporary provision extended the length of time that service members could use TRICARE under the Transitional Assistance Management Program (TAMP) to 180 days after they were released from active duty.<sup>15</sup>

The NDAA for Fiscal Year 2005<sup>16</sup> indefinitely extended the provisions that provided up to 90 days of TRICARE coverage to reservists prior to the beginning of active-duty service and 180 days after.<sup>17</sup> It also authorized the program that DOD has named TRICARE Reserve Select (TRS), which makes TRICARE coverage available for purchase by certain reservists after their TAMP coverage ends. As originally authorized, TRS provided the option of purchasing TRICARE coverage to members of the Selected Reserve who were mobilized since September 11, 2001, and who continuously served on active duty for 90 days or more in support of a contingency operation.<sup>18</sup> To qualify for TRS, reservists had to enter into an agreement with their respective reserve components to serve in the Selected Reserve for the number of years that they wished to participate in TRS. They could receive 1 year of coverage for each 90-day period of this qualifying service.<sup>19</sup> Electing to enroll in this TRS program was a one-time opportunity, and as originally authorized, the program required reservists to sign the new service agreement and register for TRS before leaving

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<sup>14</sup>We use the term temporary provision to refer to statutory requirements that are effective for a limited amount of time or have a set expiration date.

<sup>15</sup>These three temporary provisions expired on December 31, 2004.

<sup>16</sup>Pub. L. No. 108-375, 118 Stat. 1811 (2004).

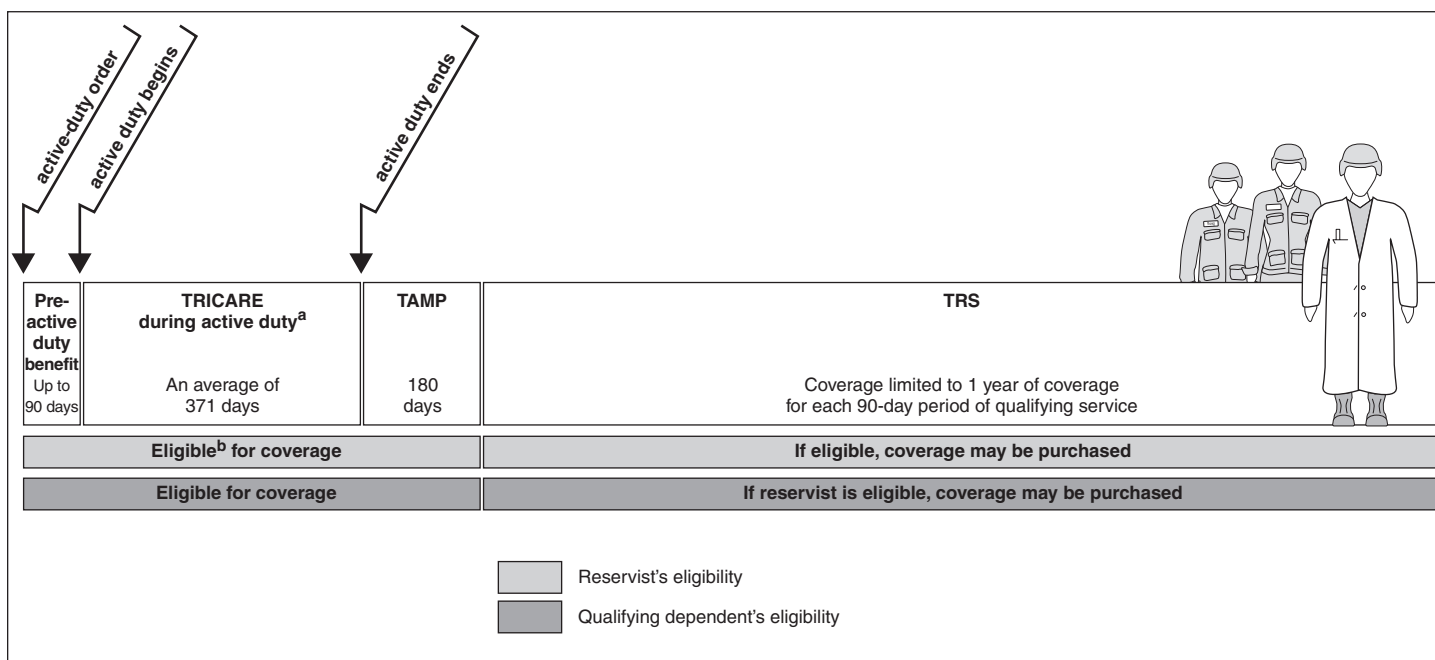
<sup>17</sup>Both the preactive-duty benefit and TAMP coverage are also available for dependents of the reservists. See 32 C.F.R. §§ 199.3(b)(5) and 199.3(e).

<sup>18</sup>A contingency operation is generally defined as an operation designated by DOD as one in which members of the armed forces are or may become involved in military actions against an enemy of the United States or against an opposing military force, or an operation that results in the call to active duty of members of the uniformed services under any applicable provision of law during a war or national emergency declared by the President or Congress. See 10 U.S.C. § 101(a)(13). Examples of contingency operations include Operations Enduring Freedom and Iraqi Freedom.

<sup>19</sup>Reservists who were ordered to active duty for a period of more than 30 days, but served less than 90 continuous days due to an injury, illness, or disease incurred or aggravated while deployed, were eligible for 1 year of TRICARE coverage under TRS as originally authorized.

active duty.<sup>20</sup> Figure 1 describes the various periods of TRICARE eligibility for mobilized reservists and their dependents.

**Figure 1: Periods of TRICARE Eligibility for Mobilized Reservists and their Dependents, as of July 2006**



Source: GAO.

<sup>a</sup>For a reservist to qualify for TRICARE, the active-duty order must be for a period of over 30 days.

<sup>b</sup>The reserve component will validate eligibility.

The NDAA for Fiscal Year 2006<sup>21</sup> further expanded the number of reservists and dependents eligible to participate in the TRS program. Under the expanded program, which became effective on October 1, 2006, almost all reservists and dependents—regardless of the reservist’s prior active-duty service—have the option of purchasing TRICARE coverage. Similar to the original TRS program, members of the Selected Reserve and dependents choosing to enroll in the expanded TRS program must pay a monthly premium to receive TRICARE coverage. The premium paid by

<sup>20</sup>Reservists who qualified could also obtain coverage for their dependents by paying the appropriate premium.

<sup>21</sup>Pub. L. No. 109-163, 119 Stat. 3136 (2006).

reservists and their dependents for coverage varies based on certain qualifying conditions that must be met, such as whether the reservist has access to an employer-sponsored health plan. Those who would have been eligible under the original TRS program because they have qualifying service in support of a contingency operation pay the lowest premium. In addition, those reservists with qualifying service in support of a contingency operation would now have up to 90 days after leaving active duty to sign the new service agreement required to be eligible for this lowest premium tier. Table 1 describes the Selected Reservists who are eligible to purchase TRS and the associated premiums.

**Table 1: Selected TRS Eligibility Criteria and Premiums for Selected Reservists as of October 1, 2006**

Eligibility criteria	Percentage of TRICARE premium paid by the reservist <sup>a</sup>	Monthly TRICARE premium cost for calendar year 2006 <sup>b</sup>		Duration of coverage
		TRS member only	TRS member and family	
Tier 1: Reservist must have qualifying active-duty service in support of a contingency operation on or after September 11, 2001, for at least 90 days, and must maintain Selected Reserve <sup>c</sup> status for each year of TRS coverage purchased.	28	\$81.00	\$253.00	1 year of coverage for each continuous 90 days of qualifying service.
Tier 2: Reservist must not be eligible for employer-sponsored health insurance; or must be eligible for unemployment compensation, or self-employed; must renew service agreement and maintain Selected Reserve status for each year of TRS coverage purchased.	50	\$145.29	\$451.42	Up to 1 year of coverage with an annual option to renew.
Tier 3: Reservist not eligible for Tier 1 or 2; may be eligible for employer-sponsored insurance, but must renew service agreement and maintain Selected Reserve status for each year of TRS coverage purchased.	85	\$247.00	\$767.41	Up to 1 year of coverage with an annual option to renew.

Source: GAO.

<sup>a</sup>The total amount of the premium is the amount determined by the Secretary of Defense for Health Affairs, based on an appropriate actuarial basis.

<sup>b</sup>DOD plans to recalculate the monthly premiums annually.

<sup>c</sup>The Selected Reserve component contains those units and individuals considered essential to wartime missions. In 2005, 88 percent of reservists were a part of the Selected Reserve.

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The NDAA for Fiscal Year 2007 significantly restructured the TRS program by eliminating the three-tiered premium structure.<sup>22</sup> This law provides that members of the Selected Reserve will be eligible to purchase TRICARE coverage for themselves and their dependents at the 28 percent premium rate regardless of whether they have served on active duty in support of a contingency operation.<sup>23</sup> In addition, eligibility at the 28 percent premium rate will not depend on the length of a service agreement entered into following a period of active-duty service. Instead, reservists will be eligible for TRS for the duration of their service in the Selected Reserve. The law requires DOD to implement these changes no later than October 1, 2007.

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## Defense Enrollment Eligibility Reporting System

In order to use TRICARE, reservists must establish their own and their dependents' eligibility in the Defense Enrollment Eligibility Reporting System (DEERS)—the computerized database which DOD uses to store the identity of active-duty members and reservists, and their dependents. Proper registration in DEERS is necessary to use TRICARE. Reservists are automatically registered in DEERS by reserve component administrative personnel, but reservists must register their dependents and ensure that those dependents are correctly entered into the database. Although TRICARE is administered by TMA, reserve components' administrative personnel record reservists' enrollment in DEERS and resolve any DEERS-related problems.

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## TRICARE Options for Mobilized Reservists and Their Dependents

Once determined to be eligible for TRICARE, mobilized reservists and their dependents are able to choose among several TRICARE options. These beneficiaries may obtain health care through DOD's direct care system of military hospitals and clinics, commonly referred to as military treatment facilities (MTF), or through DOD's system of civilian providers. DOD uses managed care support contractors to develop networks of civilian providers to complement the care available in MTFs. Upon arriving at their final duty station, mobilized reservists must enroll in TRICARE Prime, TRICARE's managed care option. Their dependents may enroll in TRICARE Prime. If they do not enroll in TRICARE Prime, they may receive care through TRICARE Standard, TRICARE's fee-for-service option, or

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<sup>22</sup>See Pub. L. No. 109-364, § 706, 120 Stat. 2083, (to be codified at 10 U.S.C. § 1076(d)).

<sup>23</sup>The law lists one exception. Members of the Selected Reserve who are eligible for coverage under the Federal Employees Health Benefit Plan will not be eligible to purchase TRICARE for themselves or for their dependents.

TRICARE Extra, TRICARE's preferred provider option. While all beneficiaries may receive care on a space-available basis at MTFs, TRICARE Prime enrollees have priority for care at these facilities. Under TRICARE, the dependents of mobilized reservists do not pay premiums for their health care coverage; however, depending on the option chosen, they may be responsible for co-payments and deductibles. Table 2 provides an overview of these options.

**Table 2: TRICARE Options Available to Reservists and Their Dependents**

TRICARE plan option	Providers <sup>a</sup>	Copayments	Yearly deductible
Prime (managed care)	Network providers	None	None
Extra (preferred provider)	Network providers	15 percent of negotiated rate <sup>b</sup>	Annual deductibles may apply
Standard (fee-for-service)	Non-network providers who will accept TRICARE rates	20 percent of allowable charge <sup>c</sup>	Annual deductibles may apply

Source: GAO analysis of TRICARE Web data.

<sup>a</sup>All beneficiaries may receive care at MTFs as space and capabilities are available, but TRICARE Prime enrollees have priority for care in MTFs.

<sup>b</sup>A negotiated rate is the rate that TRICARE has agreed to pay the preferred provider.

<sup>c</sup>An allowable charge is the maximum amount TRICARE is allowed to authorize for each procedure or service and is tied by law to Medicare's allowable charges. See 10 U.S.C. § 1079(h). Non-network providers are prohibited from billing beneficiaries more than 115 percent of the TRICARE allowable charge for a given procedure or service.

## Most Reservists Have Civilian Health Insurance, and Many Reservists Choose to Maintain Their Civilian Insurance When Mobilized

Most reservists have civilian health insurance, and over half of all reservists choose to maintain their civilian health insurance during mobilization. Prior to being mobilized, 80 percent of reservists had civilian health insurance—a rate which is similar to that of the U.S. population between 18 and 64 years old. Insurance coverage varies by rank and age, with officers and senior personnel more likely to have coverage than junior personnel. Reservists with dependents are also more likely to have coverage than those that do not have dependents. Reservists obtained coverage through a variety of sources, and some reservists had more than one source of coverage. Even when reservists were mobilized and eligible for TRICARE, over half opted to keep their civilian health insurance for their dependents during their most recent mobilization. As of December 2006, less than 3 percent of eligible reservists had opted to enroll in TRS.



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## Reservists Covered by Health Insurance at Rates Similar to Those Found in the General Population

The percentage of reservists with health insurance—80 percent—is similar to that of the U.S. population between 18 and 64 years old. Insurance coverage for reservists varies by rank and age. According to the 2003 Status of Forces Survey, officers and senior-enlisted reservists were more likely to have health insurance than junior-enlisted personnel. Ninety-one percent of officers and 87 percent of senior-enlisted personnel, both of whom have an average age of over 37 years, reported having health insurance; 67 percent of junior-enlisted reservists, with an average age of 25 years, reported having health insurance.<sup>24</sup>

Insurance coverage for reservists also varies between those with dependents and those without dependents. For example, 87 percent of reservists with dependents reported having civilian health insurance prior to their most recent activation, while only 65 percent of reservists without dependents reported having civilian health insurance. Similarly, 91 percent of senior-enlisted reservists with dependents had such insurance prior to their most recent mobilization, compared with 70 percent of senior-enlisted personnel without dependents.

The percentage of reservists with health insurance has remained relatively consistent over time. In prior work we reported that in 2000, nearly 80 percent of all reservists had health insurance, and 60 percent of junior enlisted reservists had health insurance. Eighty-six percent of reservists with dependents had health insurance and 63 percent of reservists without dependents reported having insurance.<sup>25</sup> Within the general population, there has been a slight decrease in the number of individuals with health insurance over the past 6 years: In 2000, 82 percent of the 18 to 64 year old population had health insurance, as compared with 80 percent in 2005.

Reservists and their dependents obtained health insurance through a variety of sources, and some had more than one source of insurance coverage. Figure 2 shows the sources of reservists' and their dependents' health insurance prior to mobilization. The primary source of health

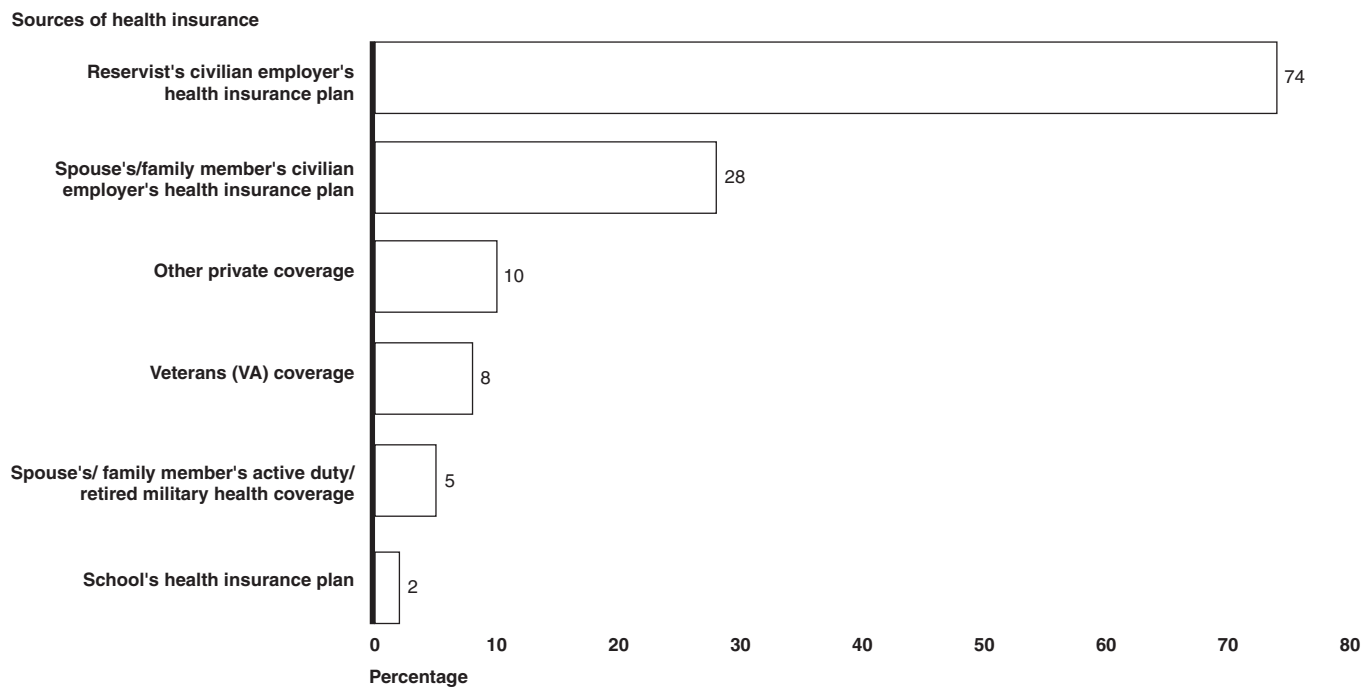
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<sup>24</sup>Age data provided by DOD as of October 2006. DOD categorizes enlisted personnel as either junior enlisted (classified as E-1 to E-4) or senior enlisted (classified as E-5 to E-9). The average age of junior-enlisted Selected Reservists is 25 years old; the average age of senior-enlisted Selected Reservists is 37 years old. The average age for officers in Selected Reserve status is 39 years old.

<sup>25</sup>GAO, *Defense Health Care: Most Reservists Have Civilian Health Coverage but More Assistance Is Needed When TRICARE Is Used*, GAO-02-829 (Washington, D.C.: Sept. 6, 2002).

insurance was civilian employers. About three-quarters of reservists and their dependents were covered by their civilian employers' health plan, and over one-quarter were also covered by their spouses' civilian employer's health plan.

**Figure 2: Sources of Reservists' and Their Dependents' Health Insurance, Prior to Mobilization, 2003**



Source: DOD's 2003 Status of Forces Survey.

Note: Margin of error within ± 2 percent.

Percentages total more than 100 because some survey respondents reported more than one source of health insurance for themselves or their dependents.

### Many Mobilized Reservists Choose to Maintain Civilian Coverage

Although reservists are required to enroll in TRICARE and their dependents become eligible for TRICARE when the reservists are mobilized, most opt to maintain their civilian insurance for their dependents during their active-duty service. According to the 2003 Status of Forces Survey, 52 percent of reservists maintained their civilian employer's health insurance during their most recent mobilization. The 2004 Status of Forces Survey found that 85 percent of reservists reported that their civilian employer continued to pay at least a portion of their insurance premium. According to the survey and our interviews with DOD officials, many reservists maintained their civilian health insurance to

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avoid disruptions associated with changing to TRICARE and to ensure that their dependents could continue seeing their current providers who may not accept TRICARE.

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### Relatively Few Reservists Have Enrolled in TRS

On April 27, 2005, TRS became available to certain reservists returning from active duty on contingency operations. In October 2006, TRS became available to an expanded number of reservists based upon their health insurance status. As of December 2006, less than 3 percent of eligible reservists had enrolled in TRS. DOD officials reported that more than 485,000 reservists were eligible to enroll in TRS, and as of December 2006, over 11,000 reservists had enrolled themselves or their dependents in TRS.<sup>26</sup> DOD officials said that one reason for the low enrollment rate may be the result of an enrollment process which, until passage of the NDAA for Fiscal Year 2006, required reservists to take the first step toward enrollment while they were still on active duty. To become eligible to purchase coverage in TRS, a reservist had to execute a service agreement to remain in Selected Reserve status while still serving on active duty. This usually occurred at a demobilization site. Officials told us that they believe that a primary reason that reservists did not take this first step in the enrollment process was that reservists were generally more focused on returning to their families during this period than they were on making decisions about their health insurance. The NDAA for Fiscal Year 2006 changed this requirement so that reservists have up to 90 days from the end of their active-duty service to execute the service agreement and the length of the agreement determines the time period of their eligibility for TRS at the 28 percent premium. The NDAA for Fiscal Year 2007 eliminated the service agreement requirement and, under this law, eligibility for TRS will end only upon the termination of the reservist's service in the Selected Reserve. Finally, some DOD officials said that a lack of education about the program may also have resulted in low participation rates.

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<sup>26</sup>As of the end of April 2006, over 485,000 reservists had been mobilized for a contingency operation. About 19 percent have served more than once.

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## DOD Is Challenged by the Task of Educating Reservists and Their Dependents about TRICARE

The increased number of reservists being mobilized and changing TRICARE eligibility requirements for reservists have challenged DOD in its efforts to educate reservists and their dependents about TRICARE. Reservists have reported that they and their dependents are not well informed about TRICARE, with less than 20 percent saying they were well informed. The primary educational resources DOD relies on are the TRICARE briefings provided by each reserve component to mobilized reservists just prior to deployment, and those given at demobilization sites when reservists return from deployment. These briefings are supplemented by family support programs, Web sites, toll-free customer assistance numbers, and print materials. DOD officials said that education could be improved for reservists and their dependents by providing TRICARE briefings to reservists at times not associated with mobilization or demobilization, targeting TRICARE education for dependents, and improving other existing educational resources. DOD has worked to improve several of its tools for educating reservists about TRICARE, but it currently has no plans to require that the reserve components provide additional TRICARE briefings.

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## DOD Is Educating an Increased Number of Reservists and Dependents about TRICARE

Increased mobilizations of reservists and continuing changes to TRICARE eligibility have increased the number of reservists and dependents that DOD must educate about TRICARE. The terrorist attacks of September 11, 2001, marked the beginning of a substantial increase in the number of reservists being mobilized and therefore eligible for TRICARE. From 1996 to 2001, DOD provided TRICARE education to approximately 10,000 mobilized reservists annually. Since the beginning of fiscal year 2002, DOD has provided TRICARE education to about 125,000 mobilized reservists annually, according to DOD officials.

Steadily expanding TRICARE eligibility for reservists has also placed new challenges on DOD to continually update its educational programs. These expansions (described in app. II) have required DOD to revise its training materials, update its Web site, and retrain benefits counseling and assistance coordinators to provide more current information to reservists and their dependents. For example, the pre-active duty benefits discussed earlier were expanded, from 30 days to up to 90 days prior to the date active-duty service begins. TAMP, which provides continued TRICARE coverage to reservists separating from active duty, was extended from 60 days to 180 days. In fiscal year 2005, with the initial implementation of TRS, DOD developed new educational materials to inform reservists and their dependents of their new benefits. The NDAA for Fiscal Years 2006 and 2007 each revised the provisions of TRS. In response to these

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requirements, DOD updated its educational tools because the tools describing who is eligible, what premiums they pay, and when they must register changed with each revision.

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## Most Reservists and Their Dependents Are Not Well-Informed about TRICARE

Reservists reported that they and their dependents are not well informed about TRICARE. TRICARE BCACs that responded to our survey in 2006 reported that the most commonly experienced problem that reservists and their dependents face when using TRICARE is a poor understanding of the program. According to DOD's 2003 Status of Forces Survey, the last time DOD surveyed reservists about their knowledge of TRICARE, less than 20 percent of all reservists believed that they were well-informed about their TRICARE benefits.

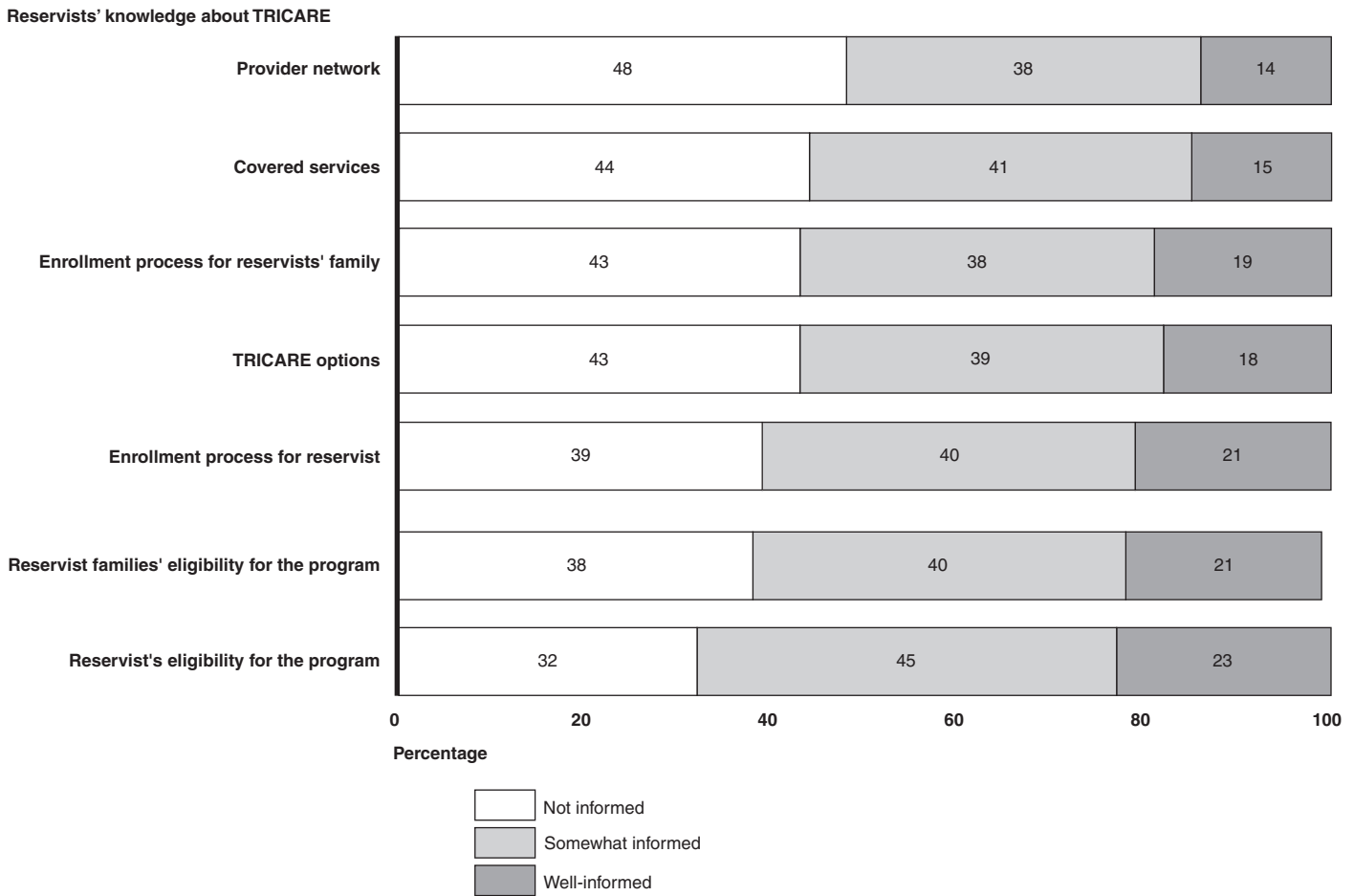
These findings are consistent with our past work on civilian health coverage of reservists and their dependents, and they indicate that DOD has been challenged by the task of educating reservists about TRICARE since at least 2000. In past work, we found that reservists and their dependents that had dropped their private health insurance for TRICARE reported problems understanding TRICARE. We concluded that they could benefit from improved TRICARE education.<sup>27</sup> Figure 3 illustrates data from DOD's 2003 Status of Forces Survey showing reservists' opinions of how well-informed they felt about various aspects of TRICARE. Reservists' two most frequently cited areas of confusion included knowing which doctors participated in the TRICARE provider network, and which services are covered by TRICARE.<sup>28</sup>

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<sup>27</sup>GAO-02-829, p. 19.

<sup>28</sup>In 2005, DOD consolidated its TRICARE regions from 12 to 3, with a similar reduction in the number of contractors responsible for maintaining the network of physicians in each region. We did not specifically assess the impact, if any, this has had on reservists but it represents one more change that TRICARE has faced in educating reservists about TRICARE.

**Figure 3: Reservists' Knowledge about Various Aspects of TRICARE**



Source: DOD's 2003 Status of Forces Survey.

Note: Margin of error within  $\pm 2$  percent.

Surveys indicate a lack of awareness about DOD programs designed to assist family members in learning about and using TRICARE. DOD officials said that they were interested in reaching out to reservists' dependents because they recognize that reservists' dependents, specifically spouses, often play a major role in the family's understanding and use of TRICARE. However, DOD's 2000 Survey of Reserve Component Members indicated that fewer than 50 percent of the spouses of mobilized reservists were aware of the family support programs designed to assist them in understanding and using TRICARE. The 2002 survey showed that fewer than 10 percent of spouses used these programs.

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## DOD Uses a Variety of Tools to Educate Reservists and Their Dependents about TRICARE

DOD relies on a several methods to educate reservists and their dependents about TRICARE. TRICARE briefings by each reservist's reserve component are the primary tool DOD uses to educate reservists about TRICARE. The briefings generally occur when a reservist is mobilized and when the reservist returns from a mobilization. However, many DOD officials and TRICARE BCACs have said that this is not an ideal time for reservists to initially learn about TRICARE. According to DOD officials, these days of training are often so full of critical information that it is difficult for the reservist to absorb all of the details of TRICARE. These briefings also occur at a time when a reservist may have already been eligible for TRICARE for up to 90 days without realizing it.<sup>29</sup> Similarly at demobilization sites, where reservists are debriefed upon returning from theater, officials tell us that many reservists are focused on returning home to their families rather than learning the details of their TRICARE benefits. In addition, briefings at mobilization and demobilization sites typically do not include reservists' dependents.

Family support programs designed to educate reservists' dependents about TRICARE are used by most of the reserve components, including the National Guard, Air Force, Army, Navy, and the Marines. DOD officials said that these programs are important because reservists' dependents often play a major role in understanding and using reservists' TRICARE benefits. Family support programs are intended to increase knowledge about a variety of military benefits, including TRICARE. For example, the Air Force Reserve Command provides TRICARE information and assistance at family support offices. In order to provide the most current information to reservists and their dependents, personnel at these locations are educated regularly about new programs that affect reservists. Similarly, the National Guard Bureau has established family assistance centers that provide support for dependents of deployed soldiers in the National Guard and other reserve components, as well as assistance for demobilizing soldiers. However, reservists have reported a lack of awareness about these programs and fewer than 10 percent of reservists' spouses said they took advantage of these programs.

DOD relies on other educational resources such as the TRICARE Web site, toll-free customer assistance phone numbers, the use of BCACs, and print

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<sup>29</sup>DOD officials said that while pre-active-duty benefits give reservists up to 90 days of TRICARE coverage prior to the date their active duty begins, reservists are rarely given 90 days notice of upcoming active duty.

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materials sent directly to reservists and their dependents. However, most of these resources are helpful only to reservists and their dependents that actively seek TRICARE information; they do not reach out to reservists that are not already pursuing the information.

In a survey administered by DOD in 2005, a third of reservists cited the TRICARE Web site as their primary source of information when they seek assistance. However, DOD officials acknowledged that the site was cumbersome, with a satisfaction rate of less than 60 percent. DOD reported in January 2006 that its TRICARE Web site contained over 538,000 pages of content and over 300 subsites.<sup>30</sup>

In DOD's 2005 survey, close to 13 percent of reservists cited a preference for obtaining assistance from toll-free customer assistance numbers. However, as of December 2006, the TRICARE Web Site listed at least 25 different toll-free customer assistance numbers. This doesn't include any toll-free numbers that each reserve component might have available. This large number of TRICARE customer service numbers confuses beneficiaries. TRICARE users ranked phone and electronic sources of information as the most difficult to use. DOD's Communications and Customer Service Group acknowledged that such a multitude of customer assistance numbers is sometimes not helpful.

Finally, less than 3 percent of reservists said that they rely on print materials such as newspapers and newsletters. Although DOD has updated some of its print materials with information about TRS, these materials are not reaching all reservists. DOD said that the reserve components' administrative personnel update the file of reservists' addresses in DEERS when notified by the member, but incorrect addresses remain for approximately 10 percent of reservists. According to DOD officials, this results in approximately 10 percent of TRICARE mailings being returned to sender as misdirected mail.

Individual reserve units also provide TRICARE education to their members. This is sometimes a reservist's primary source of information about his or her TRICARE benefits. However, DOD officials said the quality of this information can vary greatly across units and depends largely on the individuals charged with providing the information.

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<sup>30</sup>TRICARE Conference, "Military Medicine: Transforming the Future" (Washington, D.C.: Jan. 30-Feb. 2, 2006).



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## DOD Officials Recognize the Need for Improved TRICARE Education

DOD officials recognize that TRICARE education could be improved, but they currently do not plan to require that the reserve components provide additional TRICARE briefings. DOD officials have suggested that TRICARE education could be made more effective by supplementing the TRICARE briefings provided at mobilization and demobilization sites with annual briefings during training periods when reservists are not being mobilized and are therefore better able to focus on the material covered in the briefing. DOD officials said that briefings at mobilization sites are a logical time to remind reservists of their available TRICARE benefits, but this is not the best time to expose reservists to TRICARE information for the first time. However, as of July 2006, DOD had no plans to require reserve components to increase the number of TRICARE briefings they provide to reservists or change the time that they provide them.

Half of the TRICARE BCACs that responded to our survey said that education should be improved. Some suggested targeting additional education to dependents of mobilized reservists. Other DOD officials agreed and said that the spouses of reservists are generally responsible for the family's health care decisions when the member is mobilized, so dependents should therefore be a focus of DOD's educational efforts. However, DOD officials we interviewed noted that when dependents are invited to briefings they often do not attend. They said that publicizing information to families could be a challenge, but suggested that reservists and their families also bear some responsibility for being aware of these programs.

In November 2006, DOD launched a redesigned TRICARE Web site and TMA has plans to reduce the number and redundancy of pages on the Web site. DOD officials acknowledge that they have inaccurate addresses on file for some reservists. They continue to send reminders to reservists to keep the information in DEERS current, but they expect there will always be a number of incorrect addresses on file.

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## Most Reservists Are Satisfied with Their TRICARE Benefits, but Some Reservists Experience Difficulties Using TRICARE

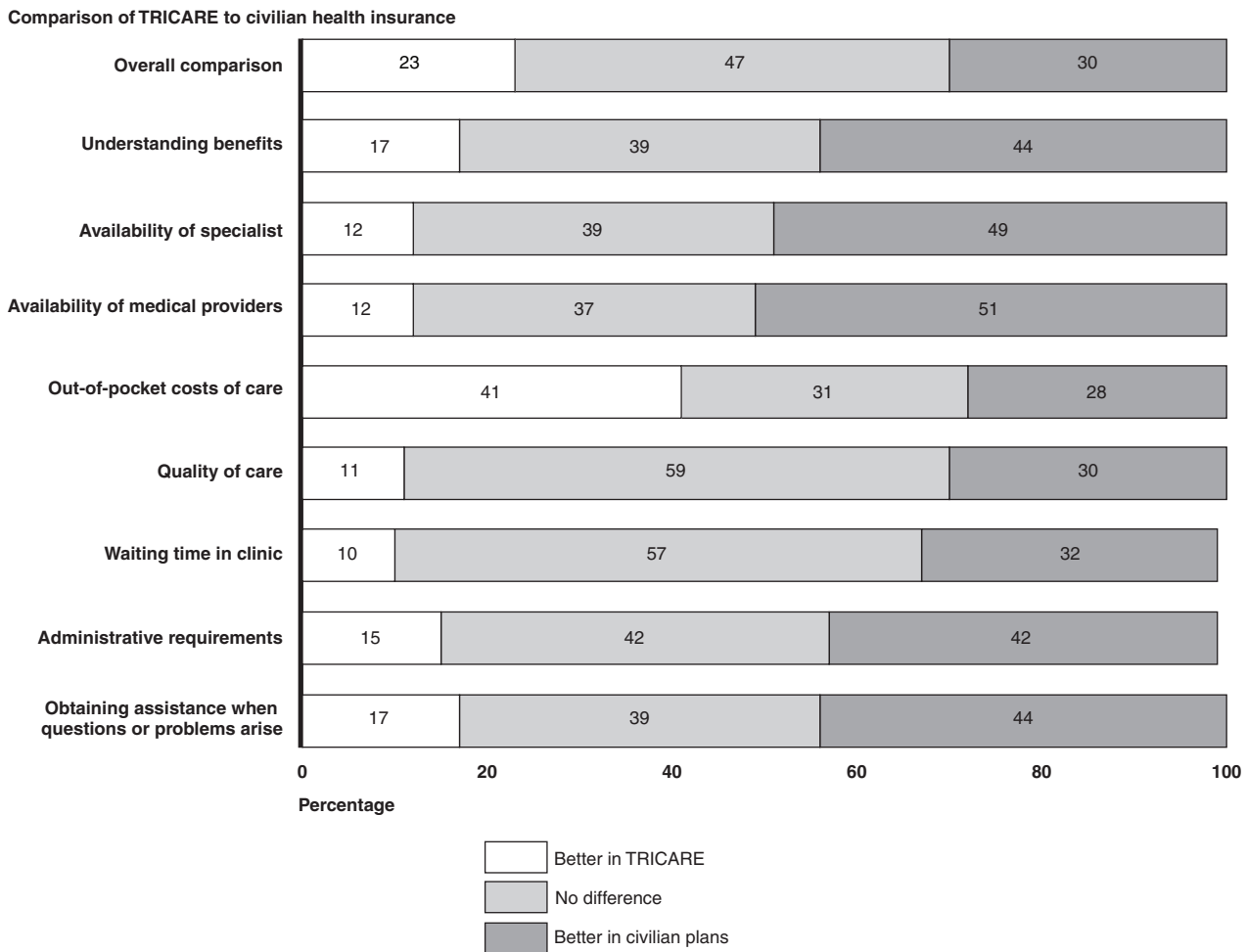
A majority of reservists report that they are satisfied with their TRICARE benefits; however, some reservists have experienced difficulties when using TRICARE. According to our interviews with reservists and DOD's most recently available data, over half of the reservists who used TRICARE were satisfied with it. Additionally, 70 percent of reservists thought that TRICARE was either equal to or better than their civilian health insurance. However, when reservists did experience problems with TRICARE, the most commonly reported difficulties were (1) a general lack of understanding about the TRICARE program, (2) establishing TRICARE eligibility, (3) obtaining TRICARE assistance, and (4) finding a health care provider. DOD officials said they believed that some of these problems stemmed from difficulties reservists encounter in establishing their eligibility in DEERS, which is done through reserve component administrative personnel. Registration in DEERS is necessary for reservists and their dependents to use TRICARE. The officials we interviewed observed that helping reservists understand their benefits, establishing reservists' eligibility for TRICARE, and addressing specific concerns is complicated because responsibility for resolving problems is divided across organizational units. TRICARE is administered by TMA, but recording reservists' eligibility in DEERS is managed by each reserve component's administrative personnel.

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## Most Reservists Are Satisfied with TRICARE

In our interviews with over 100 reservists, we found that over half reported that they were satisfied with their TRICARE benefit. This was also supported by DOD's 2004 Status of Forces Survey, which showed that 70 percent of reservists thought TRICARE was either equal to or better than their civilian health insurance plans. DOD's 2003 Status of Forces Survey showed that over 60 percent of the reservists who used TRICARE reported being satisfied with their own TRICARE benefits and with their dependents' TRICARE benefits. Only 20 percent of reservists reported dissatisfaction with the benefits in the 2003 Status of Forces Survey. Figure 4 illustrates how specific aspects of TRICARE compared with reservists' civilian health insurance.

**Figure 4: Comparison of Specific Aspects of Reservists' TRICARE Health Insurance to Civilian Health Insurance**



Source: DOD's 2004 Status of Forces Survey.

Note: Margin of error within ± 2 percent.

Percentages may not total 100 due to rounding.

### Some Reservists and Their Dependents Experienced Difficulties When Using TRICARE

Some reservists and their dependents experienced difficulties when they used TRICARE. Our surveys of BCACs and interviews with reservists and DOD officials indicated that when reservists experienced difficulties using TRICARE, the most common difficulties included a lack of knowledge about TRICARE benefits, problems establishing TRICARE eligibility, obtaining TRICARE assistance, and finding medical providers. These

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findings were consistent with data from DOD's 2003 Status of Forces Survey.

## Understanding Benefits

Fifty-eight percent of the TRICARE BCACs that responded to our survey reported that the biggest problem reservists and their dependents faced when using TRICARE is their ability to understand TRICARE. Many reservists and their dependents lack a basic understanding of TRICARE. According to the 2004 Status of Forces Survey, about 41 percent of reservists reported that their dependents did not use TRICARE insurance because of the complexity of TRICARE. Some BCACs said that reservists and their dependents continue to experience difficulties understanding the complexity of the various options, knowing which benefits are covered, understanding the referral process and authorizations required, and the changing enrollment requirements. For example, enrollment requirements change throughout the periods before, during, and after a reservist's active-duty service. Dependents of reservists who have been ordered to active duty for a period of more than 30 consecutive days may enroll in TRICARE Prime if they wish to be covered by that option. Dependents enrolled in TRICARE Prime must then re-enroll to continue TRICARE Prime coverage during their TAMP period when the reservist returns from active duty. However, dependents using TRICARE Extra and TRICARE Standard are not required to re-enroll to receive TAMP benefits. Access to TRICARE could be impaired if reservists and their dependents fail to adhere to the changing enrollment requirements.

## Establishing Eligibility

Establishing eligibility for TRICARE in the DEERS database—DOD's computerized database used to record TRICARE eligibility—has been problematic for many reservists and their dependents. Almost half of the BCACs that responded to our survey said that the process for establishing TRICARE eligibility in DEERS needed to be improved. DEERS stores the identity of reservists, dependents, and others who are entitled to TRICARE benefits as well as their dates of eligibility. BCACs that we surveyed and other DOD officials said that many reservists and their dependents are incorrectly entered into DEERS when the reservists are mobilized. When reservists return from a mobilization, they are required to update their status in DEERS and to keep their dependents' information updated as well in order to receive the benefits for which they are eligible. Reservists sometimes do not do this. When DEERS is not properly updated, reservists or their dependents might be denied medical care, or be charged incorrectly for medical services. According to DOD officials we interviewed, dependents of active-duty members also have problems with DEERS, but these problems are accentuated for dependents of reservists because their eligibility status can change more frequently.

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DOD does not collect data on how many reservists and their dependents experience problems with the information entered into the DEERS system. However, DOD officials said that they believe that some of the problems reservists face in using TRICARE, including the other problems described in this report, stem from problems in their DEERS enrollment. This problem is exacerbated by the fact that BCACs and other TMA staff are not able to resolve reservists' problems with DEERS because each reserve component's administrative personnel, rather than TMA, record reservists' eligibility information in DEERS. Reservists often do not realize that they need to seek assistance with DEERS from a different office than that from which they would seek benefits assistance. For example, a reservist who was not properly registered in DEERS might seek assistance from a TRICARE BCAC, who would be unable to assist the reservist with his or her problem, rather than the administrative personnel who could assist with these problems.

#### Finding Assistance

Almost a third of the BCACs that responded to our survey said that many reservists and their dependents experience difficulties in obtaining TRICARE assistance when problems or questions about TRICARE arise. Many reservists do not have a designated TRICARE expert within their unit and are not aware of the many resources available to assist them with their TRICARE benefits. BCACs we surveyed also reported that when reservists call for information, sometimes even unit-designated TRICARE representatives are confused by reservists' benefits and cannot answer beneficiary questions. Some BCACs responsible for assisting reservists in using TRICARE do not have access to DEERS and are therefore unable to provide accurate information about TRICARE eligibility to reservists and their dependents.

#### Finding Medical Providers

Over a quarter of the BCACs that responded to our survey reported that finding a medical provider is one of the problems most commonly experienced by reservists and their dependents when using TRICARE benefits. Some DOD officials we spoke with also said that reservists and their dependents experience difficulties finding medical providers that accept TRICARE. However, other work we have done reviewing access to care for TRICARE beneficiaries indicates that there are a large number of TRICARE providers accepting new patients except where there are few practicing providers in general, such as in geographically remote areas.<sup>31</sup>

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<sup>31</sup>GAO, *Defense Health Care: Access to Care for Beneficiaries Who Have Not Enrolled in TRICARE's Managed Care Option*, GAO-07-48 (Washington, D.C.: Dec. 22, 2006).

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We could not determine whether reservists that experienced difficulty finding TRICARE providers lived in geographically remote areas.

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## Conclusions

Changes to reservists' TRICARE eligibility have resulted in DOD having to educate a growing number of reservists and their dependents about their eligibility requirements and benefits under TRICARE. Despite DOD's use of a variety of tools to educate reservists about TRICARE, reservists, BCACs, and DOD officials continue to suggest that TRICARE education could be improved by providing TRICARE briefings at times other than when reservists are being mobilized or returning from mobilizations. For example, reservists have other required training periods during the year where a discussion of TRICARE benefits could be a part of the program. In addition, while reservists and their dependents become eligible for TRICARE up to 90 days before the reservists' active-duty service begins, they might not learn of this eligibility until the TRICARE briefing they receive at the mobilization site. Despite this shortcoming, DOD has no plans to add additional TRICARE briefings during times other than mobilization and demobilization.

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## Recommendation

We recommend that the Assistant Secretary of Defense for Health Affairs improve TRICARE education for reservists and their dependents by providing additional TRICARE briefings to reservists and their dependents. These briefings could be provided to reservists during training periods not associated with mobilizations or at the time that reservists are first informed of their impending mobilization.

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## Agency Comments and Our Evaluation

DOD provided written comments on a draft of this report. DOD partially concurred with our recommendation, agreeing that information about TRICARE should be provided to reservists and their family members when they are first informed of a pending mobilization of the member or any time a member is ordered to active duty or full-time National Guard duty for more than 30 days. However, DOD did not agree that providing additional briefings during periods not associated with mobilizations would be beneficial. DOD's comments are reprinted in appendix III.

DOD noted that reservists' training time is limited and must be prioritized to maximize its value. DOD further noted the difficulty in holding the interest of an audience to describe a benefit for which they are not yet eligible. DOD stated that it has provided an abundance of information about TRICARE to reservists and their family members.

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As we noted earlier, DOD has revised its training materials and updated its Web site to provide more current information to reservists and their dependents. However, our surveys and interviews with BCACs and reservists indicate that these materials are not reaching all reservists, but instead reach only those that actively seek TRICARE information. Furthermore, we understand the importance for DOD to effectively use limited training time. However, we continue to believe that providing TRICARE briefings whenever time becomes available during reservist training periods—a time when reservists are not distracted by other concerns associated with mobilization—would be an effective way to help ensure that reservists are aware of the most current information about TRICARE.

DOD also provided technical comments, which we have incorporated where appropriate.

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We are sending copies of this report to the Secretary of Defense, appropriate congressional committees, and other interested parties. We will also make copies available to others upon request. In addition, the report is available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (202) 512-7119. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Another contact and staff acknowledgments are listed in appendix III.



Marcia Crosse  
Director, Health Care

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# Appendix I: Objectives, Scope, and Methodology

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The National Defense Authorization Act (NDAA) for Fiscal Year 2004 directed that we study the health insurance coverage of reservists and their dependents, DOD's efforts to provide assistance specifically to reservists and their dependents to facilitate their access to and use of TRICARE benefits, and reservists' and their dependents' experiences using TRICARE.<sup>1</sup> To do this, we (1) identified the extent to which reservists have civilian health insurance, (2) examined DOD's efforts to educate reservists and their dependents about TRICARE, and (3) described reservists' level of satisfaction with TRICARE and the types of problems reservists and their dependents experienced when using TRICARE.

To determine the extent to which reservists had civilian health insurance, we obtained data from the Department of Defense's (DOD) 2003 and 2004 Status of Forces Surveys of Reserve Component Members and DOD's 2000 Survey of Reserve Component Members. We discussed the limitations of the surveys with DOD officials and determined that the survey data were reliable for our purposes. We did not independently assess the reliability of DOD's data. To learn about the extent of TRICARE benefits available to reservists and their dependents, we reviewed pertinent legislation, regulations, documents, reports, and information related to the TRICARE health benefits available to activated reservists and their dependents. In addition, we interviewed officials in the offices of the Assistant Secretary of Defense for Reserve Affairs, the TRICARE Management Activity (TMA), the Defense Manpower Data Center, and representatives of the seven reserve components.<sup>2</sup> We also interviewed members of selected reserve military service organizations: the Enlisted Association of the National Guard of the United States; the Reserve Officers Association of the United States; and the Military Officers Association of America. Finally, we reviewed and evaluated reports from the Congressional Research Service and Congressional Budget Office as well as prior GAO reports.

To examine DOD's efforts to educate reservists and their dependents about TRICARE, we interviewed representatives from DOD's TMA, the Office of Reserve Affairs, and each of the seven reserve components about their efforts to educate reservists about TRICARE. We also interviewed officials from outside stakeholder groups. We interviewed over 100

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<sup>1</sup>See Pub. L. No. 108-136, § 705, 117 Stat. 1392, 1528-29 (2003).

<sup>2</sup>The seven reserve components include the Army National Guard and the Air National Guard, as well as the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air Force Reserve, and the Coast Guard Reserve.



reservists from the Army National Guard and the Navy Reserves. We selected these two groups because they had large numbers of reservists demobilizing that we were able to interview during the course of our work. We used these interviews to validate and update information that we had gathered from the various surveys that we used as the basis of our work. We also reviewed DOD TRICARE Web sites and other materials designed to inform servicemembers and their dependents about TRICARE. We developed and administered a Web-based survey of benefit counseling and assistance coordinators (BCAC) who respond to problems encountered by reservists and their dependents when they use TRICARE. With the assistance of DOD officials, we identified BCACs who had direct experience providing TRICARE counseling and assistance to reservists and their dependents. We received survey responses from 226 BCACs who were currently engaged in providing TRICARE counseling and assistance. Because these 226 respondents were not selected at random from a larger population of known BCACs, the information they provided cannot be projected to any other BCACs. In addition, we reviewed our prior work on reservists and military health care. We also used DOD's 2003 and 2004 Status of Forces Surveys of Reserve Component Members, DOD's 2002 Survey of Spouses of Activated National Guard and Reserve Component Members, and DOD's 2000 Survey of Reserve Component Members to provide us with information about reservists' opinions about TRICARE.

To describe reservists' level of satisfaction with TRICARE and the types of problems reservists and their dependents experienced when using TRICARE, we interviewed DOD officials as mentioned above, and we relied on our own survey of BCACs. We used information from the interviews of reservists as described above. We also obtained and analyzed the results of the DOD's 2003 and 2004 Status of Forces Surveys of Reserve Component Members.

Finally, the NDAA for Fiscal Year 2004 mandated that we describe DOD's options for continuing civilian health care coverage while reservists are mobilized. We did not address this part of the mandate in this report because it was addressed in our October 19, 2005 report, *Defense Health Care: Health Insurance Stipend Program Expected to Cost More Than TRICARE But Could Improve Continuity of Care for Dependents of Activated Reserve Component Members* ([GAO-06-128R](#)).

We performed our work from October 2005 through December 2006 in accordance with generally accepted government auditing standards.

# Appendix II: Selected Legislation Pertaining to TRICARE Eligibility for Reservists

Laws	Description
National Defense Authorization Act for Fiscal Year 2004, Pub. L. No. 108-136, §§ 702-704, 117 Stat. 1392, 1525-28 (2003).	Contained a provision which allowed nonactivated members of the Selected Reserve and the Individual Ready Reserve and their family members to enroll in TRICARE if the member was eligible for unemployment compensation or was ineligible for health care coverage from his or her civilian employer. <sup>a</sup> Another provision allowed reservists who had pending active-duty orders to use TRICARE for up to 90 days before their active-duty service began. A third provision extended the length of time which service members, including demobilized reservists, could use TRICARE after they had been released from active duty to 180 days. These provisions were set to expire on December 31, 2004.
Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Pub. L. No. 108-375, §§ 701, 703, 706, 118 Stat. 1811, 1980-84 (2004).	Indefinitely extended the temporary provision passed in 2003 which allowed reservists with pending active-duty orders to use the military health care system up to 90 days before their active-duty service began. It also indefinitely extended the temporary provision which extended the length of time which service members could use TRICARE after they had been released from active-duty service to 180 days. This legislation did not extend the provision which authorized TRICARE access for reservists who were eligible for unemployment compensation or were ineligible for health care coverage from their civilian employer.  Another provision provided TRICARE Standard coverage through a new program that DOD named TRICARE Reserve Select (TRS). This was made available to reservists who had been activated for a period of more than 30 days in support of a contingency operation on or after September 11, 2001, and who agreed to continue serving in the Selected Reserves after release from active duty. Under this provision, reservists are eligible to purchase TRICARE coverage for themselves and their family members for up to 1 year for each 90 days of active duty served, or the number of full years for which they agreed to continue service, whichever is less. <sup>b</sup> Reservists pay a monthly premium of 28 percent of the total amount determined by the Secretary of Defense on an appropriate actuarial basis as being reasonable for coverage.
National Defense Authorization Act for Fiscal Year 2006, Pub. L. No. 109-163, §§ 701-702, 119 Stat. 3136, 3339-42 (2006).	Extended eligibility for TRICARE Standard to all Selected Reserve component personnel. Those reservists who meet TRS requirements established in the NDAA for Fiscal Year 2005 will continue to pay the 28 percent premium. Those who are eligible for unemployment compensation, are self-employed, or who are not eligible for insurance through an employer-sponsored plan will pay 50 percent. Those who do not qualify for the two lower premium levels, such as those who are eligible for employer-based insurance but prefer to enroll in TRICARE, will pay 85 percent.
John Warner National Defense Authorization Act for Fiscal Year 2007, Pub. L. No. 109-364, §§ 701-702, 120 Stat. 2083 (2006).	Restructures the TRS program by eliminating the three-tiered premium structure. Establishes that reservists who are eligible for the Federal Employees Health Benefit Plan are not eligible to purchase TRICARE coverage. Under this provision, members of the Selected Reserve will be eligible to purchase TRICARE coverage for themselves and their dependents at the 28 percent premium rate regardless of whether they have served on active duty in support of a contingency operation. In addition, eligibility will not depend on the length of a service agreement entered into following a period of active duty; instead, reservists will be eligible for TRS for the duration of their service in the Selected Reserve. DOD is required to implement these changes by October 1, 2007.

Source: GAO.

<sup>a</sup>Under this temporary provision, eligible reservists would have been required to pay a premium equivalent to 28 percent of the total amount determined by the Secretary of Defense on an appropriate actuarial basis as being reasonable for coverage. DOD did not implement this provision before it expired on December 31, 2004, citing a lack of authorized funds.

<sup>b</sup>Reservists who were ordered to active duty for a period of more than 30 days, but served less than 90 continuous days due to an injury, illness, or disease incurred or aggravated while deployed are eligible for 1 year of TRICARE coverage under this provision.

# Appendix III: Comments from the Department of Defense



THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

Ms. Marcia Crosse  
Director, Defense Health Care  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, DC 20548

JAN 26 2007

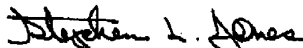
This is the Department of Defense (DoD) response to the GAO draft report, "GAO-07-195, 'MILITARY HEALTH: Increased TRICARE Eligibility for Reservists Presents Educational Challenges,' dated December 22, 2006 (GAO Code 290492)."

Thank you for the opportunity to review and comment on the draft report. The report provides an accurate summary of the new benefits now offered to Reserve Component (RC) members and their families and describes the Department's ongoing efforts to ensure that RC beneficiaries are educated on their benefits and in a position to make the best decisions regarding their health care coverage. The GAO offers one recommendation in its report. The recommendation and the DoD response are enclosed.

We agree that TRICARE information should be provided to RC members and their families upon initial entry into the RC. Furthermore, we agree that TRICARE information is essential when members are notified of pending mobilization and they and their families soon become eligible for TRICARE. We respectfully disagree, however, with the GAO comments that TRICARE education could be provided during additional training periods not associated with mobilization. There are numerous RC training requirements, and annual training time is at a premium. Other important training requirements must take priority during these sessions. Also enclosed are several technical comments.

Again, thank you for the opportunity to provide these comments. My points of contact for additional information are Lt Col James Whitton at (703) 681-0039 and Mr. Gunther Zimmerman (Audit Liaison) at (703) 681-3492.

Sincerely,

  
William Winkenwerder, Jr., MD

Enclosures:  
As stated

GAO CODE 290492/GAO-07-195

**"MILITARY HEALTH: Increased TRICARE Eligibility for Reservists  
Presents Educational Challenges"**

**DEPARTMENT OF DEFENSE COMMENTS  
TO THE RECOMMENDATION**

**RECOMMENDATION 1:** The GAO recommended that the Assistant Secretary of Defense for Health Affairs improve TRICARE education for Reservists and their family members by providing additional TRICARE briefings to Reservists and their family members. Such briefings could be provided to Reservists during training periods not associated with mobilizations or at the time that Reservists are first informed of their impending mobilization. (Page 36/GAO Draft Report)

**DOD RESPONSE:** The Department partially concurs with this recommendation. We concur that information about TRICARE should be provided to Reservists and their family members when they are first informed of the pending mobilization of the member. Moreover, this same requirement should apply any time a member is ordered to active duty or full-time National Guard duty for more than 30 days. These briefings would be timed to coincide with the member and family becoming eligible for TRICARE.

Because Guard and Reserve members perform duty infrequently, training time is at a premium and any training must be prioritized in order to maximize the limited training time available. Moreover, it is difficult to hold the interest of an audience to describe a benefit for which they are not eligible. An initial briefing upon entry into the Guard or Reserve and when the member and family will soon be eligible for TRICARE are appropriate.

There is an abundance of information about TRICARE that is available to Reservists and their family members. The Department will continue to support the ongoing education efforts by the Reserve Components and their parent military departments by producing and providing current and timely educational materials. The Department continues to explore the most effective and efficient avenues to use in delivering this information. In addition, DoD is exploring approaches to notify Reservists if they become eligible for TRICARE up to 90 days before the Reservist's active-duty service begins.

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# Appendix IV: GAO Contact and Staff Acknowledgments

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## GAO Contact

Marcia Crosse, (202) 512-7119 or [crossem@gao.gov](mailto:crossem@gao.gov)

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## Acknowledgments

In addition to the contact named above, Thomas Conahan, Assistant Director; Cathleen Hamann; Adrienne Griffin; Carolina Morgan; and Suzanne Worth made key contributions to this report.

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