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Highlights

DEFENSE HEALTH CARE

Oversight of the Adequacy of TRICARE's Civilian Provider Network Has Weaknesses

Why GAO Did This Study

During 2002, in testimony to the House Armed Services Committee, Subcommittee on Personnel, beneficiary groups described problems with access to care from TRICARE's civilian providers, and providers testified about their dissatisfaction with the TRICARE program, specifying low reimbursement rates and administrative burdens.

The Bob Stump National Defense Authorization Act of 2003 required that GAO review DOD's oversight of TRICARE's network adequacy. In response, GAO is (1) describing how DOD oversees the adequacy of the civilian provider network, (2) assessing DOD's oversight of the adequacy of the civilian provider network, (3) describing the factors that may contribute to potential network inadequacy or instability, and (4) describing how the new contracts, expected to be awarded in June 2003, might affect network adequacy.

GAO's analysis focused on TRICARE Prime—the managed care component of the TRICARE health care delivery system. This testimony summarizes GAO's findings to date. A full report will be issued later this year.

What GAO Found

To oversee the adequacy of the civilian network, DOD has established standards that are designed to ensure that its network has a sufficient number and mix of providers, both primary care and specialists, necessary to satisfy TRICARE Prime beneficiaries' needs. In addition, DOD has standards for appointment wait, office wait, and travel times that are designed to ensure that TRICARE Prime beneficiaries have adequate access to care. DOD has delegated oversight of the civilian provider network to lead agents, who are responsible for ensuring that these standards have been met.

DOD's ability to effectively oversee—and thus guarantee the adequacy of—the TRICARE civilian provider network is hindered in several ways. First, the measurement used to determine if there is a sufficient number of providers for the beneficiaries in an area does not account for the actual number of beneficiaries who may seek care or the availability of providers. In some cases, this may result in an underestimation of the number of providers needed in an area. Second, incomplete contractor reporting on access to care makes it difficult for DOD to assess compliance with this standard. Finally, DOD does not systematically collect and analyze beneficiary complaints, which might assist in identifying inadequacies in the TRICARE civilian provider network.

DOD and its contractors have reported three factors that may contribute to potential network inadequacy: geographic location, low reimbursement rates, and administrative requirements. However, the information the contractors provide to DOD is not sufficient to measure the extent to which the TRICARE civilian provider network is inadequate. While reimbursement rates and administrative requirements may have created dissatisfaction among providers, it is not clear that these factors have resulted in insufficient numbers of providers in the network.

The new contracts, which are expected to be awarded in June 2003, may result in improved network participation by addressing some network providers' concerns about administrative requirements. For example, the new contracts may simplify requirements for provider credentialing and referrals, two administrative procedures providers have complained about. However, according to contractors, the new contracts may also create requirements that could discourage provider participation, such as the new requirement that 100 percent of network claims submitted by providers be filed electronically. Currently, only about 25 percent of such claims are submitted electronically.