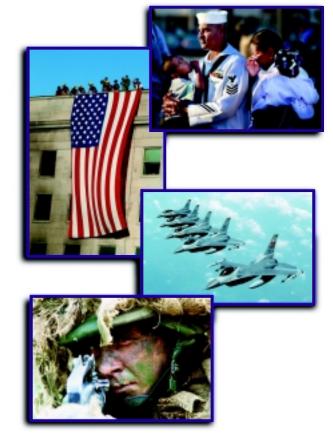


# Our Promise Kept

Our Nation Calls



2002 TRICARE Stakeholders' Report Volume IV



# A MESSAGE TO TRICARE STAKEHOLDERS

- Our Promise Kept, Our Nation Calls -



William Winkenwerder, Jr., M.D. Assistant Secretary of Defense (Health Affairs)



Mr. Thomas F. Carrato
Executive Director
TRICARE Management Activity

Many things changed on September 11, 2001, and military medicine was certainly one of them. This Stakeholders' Report will tell you about the historic improvements TRICARE made in 2001 and about the tremendous challenges that face us in the years ahead. We will remember 2001 as the year we kept our promise and the year our nation called.

In 2001, TRICARE successfully implemented the most sweeping improvements in military health care since World War II. The depth, complexity and sheer number of TRICARE initiatives in the 2001 National Defense Authorization Act were breathtaking. And the timelines to put these new programs and policies in place were short—some took effect the day the legislation was signed!

In a superb example of the potential of "good government," the people of the TRICARE Management Activity (TMA) rolled up their sleeves and got to work putting the new programs in place. They integrated the best ideas of hundreds of people—from the Service Surgeons General staffs, to our Line leadership, to our Congressional staffers. In one year, the TMA held over 50 working-level meetings with the leadership of The Military Coalition and the National Military and Veterans Alliance. The results were impressive: a flawless start-up of TRICARE Senior Pharmacy in April, followed by a solid start-up of TRICARE For Life in October. Simultaneously, TMA led new programs to implementation, including new entitlements for Medal of Honor recipients, reduced catastrophic caps for retirees, eliminated co-pays for active duty dependents, waived charges for TRICARE Prime Remote families, and many other improvements. TRICARE kept the promise to our "greatest generation," and also renewed its promise for the generations to follow.

Then came September 11th. The hinge of history turned, and we turned with it.

Even as we mourned the loss of friends and coworkers in the Pentagon, we turned our attention to our new mission: combating terrorism. We staffed the Family Crisis Support Center, helping the families of the Pentagon and Flight 77 victims, and supported the Reserve Forces call-up in support of Operations NOBLE EAGLE and ENDURING FREEDOM. And now we are reviewing and retooling our medical readiness resources, treating combat-wounded heroes in military hospitals, and mobilizing our scientific community in the battle against bioterrorism. Deployed military members worldwide are depending on TRICARE to take care of their families back home. TRICARE will meet this mission.

We shall not falter, and we shall not fail.

TRICARE will get the job done for America.

# **TRICARE 101**

**BASIC FACTS** 

#### What is TRICARE?

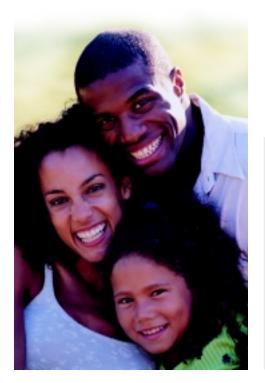
A Health Care Program Using Military Health Care as the Main Delivery System

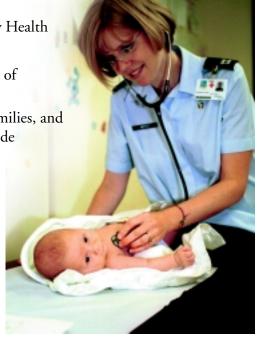
 Augmented by a Civilian Network of Providers and Facilities

 Serving our Active Duty, Their Families, and Retired Military/Families Worldwide



- Improve Medical Readiness
- Improve Access
- Maintain High Quality
- Contain Costs





#### **TRICARE** by the Numbers

Total Beneficiaries	8.4 million
Prime Enrollees	4,006,000
Military Hospitals	76
Clinics	460
Military Health System Personnel 131,000	
Total Budget	\$24 billion

## A Week in the Life of the Military Health System

<ul> <li>Admissions</li> </ul>	11,700
• Outpatient Visits	967,500
• Prescriptions	1.5 million
• Births	1,900
• Toll-Free Calls	485,000
• Claims Processed	846,200

"The level of health care that you provide, day in and day out, to our soldiers, airmen, sailors, marines and their families around the world is absolutely second to none; it is the best health care in the world."

General John M. Keane Army Vice Chief of Staff 25 January 2001

#### **A TRICARE Hero**

TSgt Susan Smith, USAF McConnell Air Force Base, Kan.



TSgt Susan Smith helped prevent weight-related military discharges, saving the Air Force \$1 million over 2 years. Through her dedication to military fitness standards, she has contributed significantly to readiness and retention.

# Holding the Line on Costs

Premiums in the Federal Employees Health Benefits Program rose 26 percent between 1998 and 2000.

Meantime, there have been no increases in premiums for TRICARE.

Premiums actually **decreased** for the TRICARE Dental Program at the beginning of 2001, while benefits increased.

# 2001: TRICARE'S CHAMPIONSHIP SEASON...

#### THE YEAR IN REVIEW

"Great customer service happens right on the front lines of the Military Health System (MHS), and I think it's one of the best untold stories of TRICARE."

> Mr. Thomas F. Carrato Executive Director TRICARE Management Activity 10 July 2001

#### **TRICARE Heroes**

TRICARE Service Center Naval Hospital, Great Lakes, III.



The 14-member TRICARE
Service Center staff of the Naval
Hospital in Great Lakes, Ill.,
strives for nothing less than
100 percent customer
satisfaction. Employed by a
TRICARE managed care support
contractor, the center's staff uses
a T.E.A.M. (Treat Everyone As
Me) approach to working with
TRICARE beneficiaries.

# TRICARE: Best Value & Best Price

Active duty personnel and their family members enrolled in TRICARE Prime receive essentially free health care.

An E-5 family of four would pay an average of \$4,080 a year plus co-pays for a comparable civilian health plan. In 2001, the people of TRICARE implemented an astonishing array of improvements. It was like Barry Bonds hitting 73 home runs, the 1997 Chicago Bulls winning 72 regular-season games, and the 1972 Miami Dolphins going undefeated. And, TRICARE, in the style of the champion, pulled off all of its miracles in a single season!

The complexity involved in implementing all the new programs was truly daunting. A million moving parts—from computers to claims to contracts to common sense—had to work together. Somehow, with teamwork and determination, we got the job done. Here are just the highlights of TRICARE's championship season:

- Implemented TRICARE Senior Pharmacy 1 April 2001, providing low-cost prescription medications from the National Mail Order Pharmacy and TRICARE network and non-network civilian pharmacies
- Implemented TRICARE For Life 1 October 2001, providing second payer to MEDICARE coverage for beneficiaries age 65 and over
- \* Established worldwide toll-free TRICARE information center
- Extended Medal of Honor recipients eligibility for TRICARE medical, pharmacy, and dental benefits
- \* Eliminated co-pays for active duty family members enrolled in TRICARE Prime
- Reduced retiree catastrophic cap under TRICARE Standard to \$3,000
- Implemented TRICARE Prime Remote Waived Charges Benefit for family members residing with active duty members in remote locations
- ★ Established TRICARE Reserve Family Demonstration Project for family members of activated reservists and guardsmen called up in response to the September 11<sup>th</sup> terrorist attacks
- Authorized surviving family members of deceased active duty uniformed services personnel for an additional 2-year extension of their medical and dental benefits
  - Simplified co-pay structure for prescription drugs
  - Initiated Women, Infants, and Children Overseas Program

Expanded TRICARE Dental Program coverage for active duty family members, members of the Selected Reserve, and the Individual Ready Reserve, and their family members

Commenced new Pharmacy Data Transaction Service, improving the quality of prescription services and enhancing patient safety

Activated worldwide single enrollment with launching of the National Enrollment Database in July 2001

# **AND A TRIUMPH IN COMMUNICATIONS!**

THE YEAR IN REVIEW

With literally hundreds of complex beneficiary-level changes in the TRICARE program in 2001, a top priority was communications. Millions of people needed to know how the changes would affect them. How did TRICARE meet this historic test?



last 6 months of 2001

*First*— by involving real-life beneficiaries in every step of the communications campaign.

**Second**— by being totally up-front and honest about any problems with the new programs.

Third— by knowing our TRICARE market and knowing which communications tools would work best with which audience.

Here are a few examples of how we used the TRICARE Communications Tool Kit to help us tell the story of 2001's "tsunami" of TRICARE improvements:

#### TRICARE Communications Tool Result Direct-mailed over 4.5 million letters and 96-98% of TFL beneficiaries surveyed reported\* that they found this information helpful information packages directly to the homes of our TRICARE For Life (TFL) beneficiary population 1.6 million calls received on 1-877-DOD-MEDS Clear, positive, responsive communications available to TFL beneficiaries 7 days a week and 1-888-DOD-LIFE toll-free lines at our Worldwide Toll-Free Information Center TRICARE Web site (www.tricare.osd.mil) Surge in hits/utilization as beneficiaries—and transformed into daily news source for latest especially TRICARE staffers worldwide updates on TFL accessed the site for all-purpose "TFL 101" briefings they could use in the field, regular news releases on key issues, real-time postings of policy letters and instructions TMA hosted over 50 working-level meetings Vital, daily communications helped identify and with The Military Coalition and the National solve problems, improved our marketing Military and Veterans Alliance in 2001 products, and built trust and teamwork between TMA and the Coalition & the Alliance Media helped alert beneficiaries to a clear, well-Thorough, immediate, personal communications to key media and defined problem and solution. Coalition & Coalition/Alliance leadership when the "TFL Alliance guidance was essential in helping Glitch" became known affected beneficiaries solve problems Regular Media Roundtables for Military, Thousands of postings of TFL stories, updates, Government, and General Media and features in base papers, syndicated columns, retiree newsletters, Coalition & Alliance publications worldwide January 2001 TRICARE Conference driven by 2,300 Military Health System attendees from National Defense Authorization Act/TFL around the world received latest, best training Changes on new TRICARE benefits TMA handled over 350 press inquiries in the Key TRICARE messages conveyed through

\*The Retired Officer Magazine, December 2001, p. 28, The Retired Officers Association survey of TRICARE beneficiaries

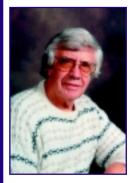
local and major media outlets worldwide

"No legacy is so rich as honesty."

William Shakespeare

#### **A TRICARE Hero**

Retired MSgt. Max J. Beilke U.S. Army



Max Beilke, author of "Max Facts," an Army Retiree online publication, was one of TRICARE's greatest voices. He was an invaluable part of our TRICARE For Life "triumph in communications." We lost Max in the terrorist attack on the Pentagon, September 11th. We honor his memory.

## Renewing Our Promise to the Greatest Generation

"My father-in-law learned that on Oct. 1 he will be able to drop his Medigap insurance, saving at least \$1,200 a year using TRICARE For Life, instead, as a premium-free supplement to Medicare. He seemed stunned."

Tom Philpott, Military Update, 15 March 2001

"If I could send a 'Thank you' card to everyone (involved in TRICARE For Life), I would. They are just a blessing."

> Pat Heath, wife of retired Air Force Lt. Col. Russell Heath Sr. 26 December 2001

"TRICARE's Senior Pharmacy benefit is the greatest thing to come along since sliced bread; and I know when sliced bread was invented... I remember that... nearly \$4,100 spent on prescription drugs is now going into savings."

> Navy CAPT Clarence Creel (Ret.) Times News Service, 1 October 2001

# **HIGH PERFORMANCE HEALTH PLAN...**

THE STATE OF TRICARE

"TRICARE is working better than ever...The TRICARE Management Activity has its eye on the future, not on the past."

> Dr. David S. C. Chu Undersecretary of Defense for Personnel and Readiness 1 October 2001

#### **A TRICARE Hero**

Vannessa Brown Columbus Air Force Base, Miss.



It's individuals like Vannessa
Brown who have helped
TRICARE become an industry
leader in claims processing.
With an eye for administrative
details, like incorrect codes on
claim forms, Ms. Brown is able to
help beneficiaries fix claims
processing difficulties before
they go any further.

# Robust Network of Physicians & Hospitals

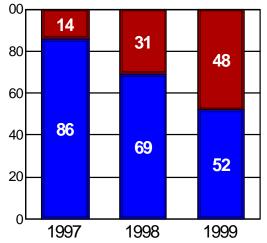
Nearly 40% of U.S. hospitals participate in the TRICARE network.

Nearly 30% of U.S. physicians participate in the TRICARE network.

Yet TRICARE beneficiaries represent only 3% of the U.S. population.

# Military Receives High Marks from Joint Commission on Accreditation of Healthcare Organizations (JCAHO)

All Military Hospitals and Major Clinics Eligible for Accreditation from 1997 to 1999



Nationally, the average number of hospitals receiving commendation is 5 percent, while an astonishing 48 percent of military facilities received commendation in 1999!

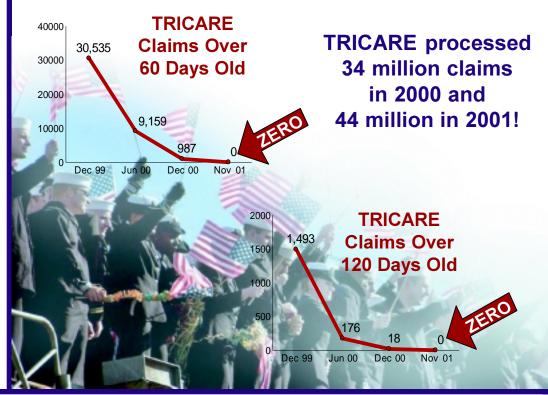
% Accredited with Commendation

% Accredited

JCAHO evaluates medical facility compliance based on a focused set of requirements that are as essential to the delivery of good patient care.

# That Number Again? ... ZERO

In November 2001, the number of TRICARE "clean" claims over 60 days and 120 days reached an incredible all-time low of zero! At the same time, the annual number of claims processed skyrocketed to 44 million!



# FOR HIGH PERFORMANCE PEOPLE

THE STATE OF TRICARE

Congressionally Directed TRICARE Evaluation:

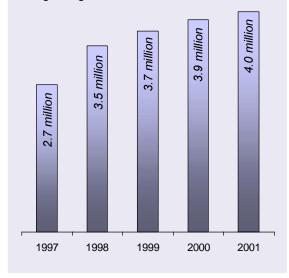
## **Steady Improvements**

- Improved access to care
  - -Greater use of preventive care
  - -Easier to get appointments
  - -Shorter wait to see provider
- Increased satisfaction with quality of care
- Increased satisfaction with TRICARE over time
- Consistent results across TRICARE regions

The CNA/IDA study is a multi-year Congressionally directed evaluation of all TRICARE regions. Draft results as of January 2002.

# **Healthy Growth** in TRICARE **Prime Enrollment**

Enrollment in TRICARE Prime has Increased Every Year Since the Beginning of TRICARE



"I sleep a lot better knowing what a group of dedicated professionals try to make TRICARE work."

> Chief Master Sergeant Kenneth Van Holbach U.S. Air Force 22 January 2001

#### **A TRICARE Hero**

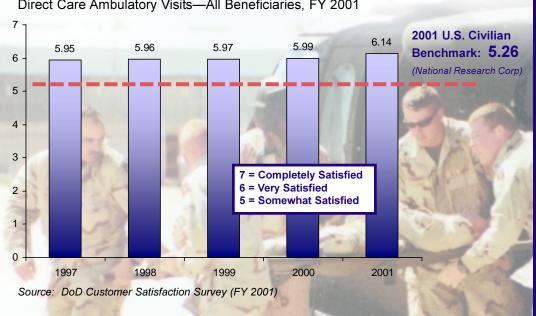
Lt. Col. George E. Peoples U.S. Army, MC Walter Reed Army Medical Center, Washington, D.C.



Dr. George Peoples is one of TRICARE's brightest stars in its ongoing quest for clinical excellence and quality care. His development of cancer vaccines, seen by international experts as a major medical breakthrough, could save millions of lives, and billions of health care dollars worldwide.

# Satisfaction with Medical Care Remains Above National Average

Direct Care Ambulatory Visits—All Beneficiaries, FY 2001



### **Maintaining** Satisfaction with **TRICARE**

Scores for overall satisfaction with TRICARE have remained consistently high since 1997.

When compared to HMO civilian benchmarks, overall satisfaction with TRICARE is higher than the civilian benchmark. This is true for all TRICARE regions.

## A NEW LEADERSHIP TEAM...

The woods are lovely, dark and deep. But I have promises to keep, And miles to go before I sleep, And miles to go before I sleep.

Robert Frost

#### **A TRICARE Hero**

Maj. Gail Fancher, USAF, MC McConnell Air Force Base Wichita, Kan.



Through optimization, Maj. Gail Fancher has increased efficiency, ensured quality of care, contributed to military readiness, and contained costs at her military treatment facility. She spearheaded efforts to increase appointment efficiency in the acute care clinic and implemented strategies to increase the speed with which providers could respond to patient needs and concerns.

#### **Get Your Degree From TRICARE U**

TRICARE University is the on-line learning site for the TRICARE program. It includes chapters on eligibility, co-payments, benefits, special programs, DEERS, TRICARE pharmacy, dental, overseas programs, administration, claims, and customer service. This site is open to everyone.

tricareu.tricare.osd.mil

Dr. William Winkenwerder, Jr., was sworn in as the new Assistant Secretary of Defense (Health Affairs) 29 October 2001.

Dr. Winkenwerder (at left, holding flag) is responsible for effectively executing DoD's health care mission to maintain readiness; to provide health care services and support to members of the armed forces during military operations; and to provide health care services and support to members of the uniformed services, their family members, and others entitled to DoD health care.





Mr. Thomas F. Carrato became the new Executive Director of the TRICARE Management Activity 7 June 2001.

Mr. Carrato is responsible for improving and enhancing TRICARE worldwide, and for ensuring the availability and affordability of high-quality, accessible health care for uniformed services beneficiaries worldwide.

#### Their Vision for TRICARE

A world-class health system that meets all wartime and peacetime health and medical needs for the active military, their families, and retirees

#### **Their Key Priorities & Goals**

- Improve Force Health Protection and Medical Readiness
- Improve Performance of the TRICARE Health Program
- Improve Coordination, Communication, and Collaboration with Other Key Entities—Military Services, Lead Agents, Congress, Health & Human Services, Centers for Medicare & Medicaid Services, Centers for Disease Control and Prevention, Food and Drug Administration, Beneficiary Organizations, and the Department of Veterans Affairs
- Address Issues Related to the Attraction, Retention, and Appropriate Training of Military Medical Personnel

# **AND A NEW PROMISE**

WHAT'S NEXT?

# TRICARE's To Do List for 2002

- Improve Service and Satisfaction of Active Duty Members
  - ☐ Place special emphasis on improving Active Duty Satisfaction
- Implement a New Concept of Business for Contracted Care and a New Set of Contracts
- Improve Contracting Process,
   Management of Contractor Performance,
   Working Relationships with Contractors
- Improve Quality of Care
- ☐ Improve Coordination and Communication with Other Key Entities



"The challenges the Nation faces do not loom in the future, but are here now."

> Donald H. Rumsfeld Secretary of Defense Quadrennial Defense Review 30 September 2001

#### A TRICARE Hero

**Jaclyn Barker** Wright-Patterson AF Base, Ohio



Jaclyn Barker, 8-year-old daughter of Lt. Col. Kenneth W. Barker of the Aeronautical Systems Division training systems office, who was born without most of her right forearm and hand, gave her first violin recital after being fitted with a prosthesis in September 2000. In concert with her Wright-Patterson Medical Center pediatric case manager, Kathy Maguire, and a special TRICARE benefit called the Program For Persons With Disabilities, Jaclyn was able to pursue her musical goals.

#### You Should Know...

The TRICARE Operations Center (TOC) is a great tool for military medical staffs to use in the day-to-day management of their peacetime medical operations. Take a look:

www.tricare.osd.mil/tools/

"My wife and I (and our families) cannot be more appreciative of the support provided by TRICARE during this critical period.

The service was on time and outstanding in every way.

Having TRICARE behind us was truly a blessing...

GOD bless TRICARE."

A 27-year Navy Veteran 17 July 2001

#### **A TRICARE Hero**

**Dr. Jim Sears**Former Executive Director
TRICARE Management Activity



Under Dr. Sears' leadership, the people of TRICARE made significant improvements in the TRICARE program. He was instrumental in setting the stage for the success of the TRICARE For Life program.

Dr. Jim Sears, TRICARE Zealot!

# Impacting People's Lives

A beneficiary reports that he was paying \$733 each quarter for two prescriptions—that's nearly \$3,000 a year. Under TRICARE Senior Pharmacy, he now pays only \$9 per prescription—\$72 a year!

A retiree couple relates that they dropped their supplemental insurance, saving \$950 every quarter (\$3,800 a year). At \$9 a prescription, they are now able to purchase medications they weren't able to afford before.

# **OUR PROMISE KEPT...**

What a difference a year makes! Think back—just one year ago—our Medicare-eligible military beneficiaries had no pharmacy entitlement. They were also "on their own" in paying the medical bills Medicare didn't cover. They felt that Uncle Sam had broken a promise of free health care—a promise made when they were young, just entering the Service. But now all that has changed. TRICARE Senior Pharmacy started on 1 April 2001, followed by TRICARE For Life on 1 October 2001. These programs are improving the daily lives of America's "greatest generation."



The Retired Officers Association conducted a survey of 5,000 members and 1,500 auxiliary members to gauge their understanding of the new TRICARE For Life (TFL) benefit.

- 96% had heard of TFL
- 82% acknowledged receiving DoD materials on TFL and the new TRICARE Senior Pharmacy benefit
- 96 to 98% rated the materials helpful or very helpful
- 86% knew that TFL is a Medicare wraparound with no premiums
- 74% intend to drop their Medicare supplemental insurance

The Retired Officer Magazine December 2001, p. 28

# Leaders Speak... About TRICARE For Life

"That is an extremely generous benefit, one that many people who are currently employed would like to have," John Rother, legislative and policy director for the American Association of Retired Persons (AARP), told The Detroit News. "It's well beyond the kind of benefit enjoyed by most other retired people."

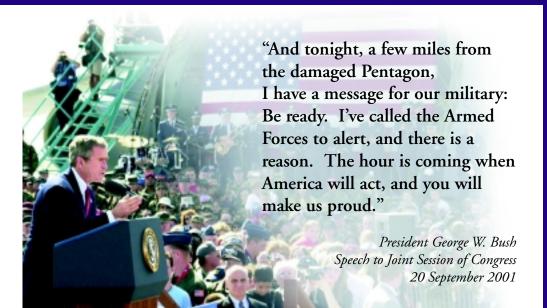
"One of the hardest things we face in communicating about TRICARE For Life is convincing eligible beneficiaries that it's real! ... TRICARE For Life is real, and it's here to stay."

> Mr. Thomas F. Carrato Executive Director TRICARE Management Activity

"One of the most capable headquarters staffs I have worked with in the past 40 years." (Referring to the TRICARE Management Activity)

Maj. Gen. Richard D. Murray, USAF (Ret.)
President
National Association
for Uniformed Services

# **OUR NATION CALLS**



# Getting the Job Done For America: TRICARE's Contribution

People think of TRICARE as peacetime health care.

But what is TRICARE's role in wartime?

Simple: TRICARE's job is to help win America's wars.



"The current war on terrorism reminds us that TRICARE, as an integral component of the worldwide Military Health System, cares for every warrior, every active duty and retired uniformed service member, and every service family, from the community to the battlefront. TRICARE truly gets the job done for America."

Mr. Thomas F. Carrato Executive Director, TRICARE Management Activity 29 November 2001 "Eternal Peace Ends with the Next War."

Russian Proverb

"Readiness is the mission; TRICARE is the strategy."

Lt Gen Chip Roadman Former Air Force Surgeon General

### **A TRICARE Hero**

DiLorenzo TRICARE Health Clinic

The Pentagon, Washington, D.C.



No one ever imagined that a domestic plane would be used as a weapon to strike the Pentagon: but, someone did imagine the accidental crash of a Boeing 757 airliner into the U.S. military's headquarters. Last May, as part of their readiness training, the DiLorenzo TRICARE Health Clinic's tri-service staff participated in a simulation exercise for this unlikely, but possible, event. They were wellprepared to help bring order to chaos after the September 11th terrorist attack.

## **TRICARE Responds**

The TRICARE Management
Activity responded to the
September 11th attack on the
Pentagon by helping to staff the
Pentagon Family Crisis Center.
The staff provided information on
TRICARE benefits, counseled
family members, and informed
support center leadership,
families, and the telephone
information center on the status
of the injured.

TRICARE at the

# Kitchen Table a reenlistment story

The young Air Force Staff Sergeant was coming up on reenlistment. He told his First Sergeant he was leaning toward separation—it was time to see if the "grass was greener" on the other side.

"You know what," said the First Sergeant,
"reenlistment is a family decision. Before you make
a choice that's going to impact your family for the
rest of your life, let's get together and talk it over
with your wife."

The young NCO had never had a First Sergeant over for dinner. But he called home and set things up for that Thursday evening.

After dinner the First Sergeant got down to business. "You're about to make a family decision on reenlistment. As I talk to young people, I find they pretty much understand their pay, housing, travel, and retirement benefits. My job is to make sure you understand your TRICARE benefits, and the almost unbelievable improvements that program has made. In my view, the TRICARE improvements of the last year are worth more than any pay raise you've ever received.

"I see that you've got an 18-month-old son, and a child on the way. I'm going to ask you a few questions about TRICARE to see if you understand what you might be throwing away if you leave the military:

- Did you know that you can expect to spend over \$4,000/year for health care coverage as a civilian, compared to essentially free care in the military?
- Did you know that TRICARE will never disqualify or disenroll you or your family because of your health condition?
- Did you know that your counterparts in civilian life have seen their health care premiums increase as much as 26% in the last 5 years, while TRICARE has actually reduced out-of-pocket costs for active duty families?
- Did you know that TRICARE just added comprehensive medical and pharmacy coverage for over-age-65 military retirees and their families, saving them thousands of dollars a year?"

The husband and wife listened carefully. They knew the care they received when their son was born in their local military hospital was great, and they knew TRICARE had come a long way in a few years. But, they'd never thought of what TRICARE meant to, well, their future security as a family. Now they realized this <u>one</u> decision would impact their health care for the next 60 years!

The next night the young couple sat around that kitchen table and talked, alone. They weighed everything, from the pride of serving their country, to the sacrifices of military life, to the long-term benefits of the TRICARE program. And then they called the First Sergeant to schedule a reenlistment ceremony.



## Talk it over at your kitchen table.

To comment on the 2002 TRICARE Stakeholders' Report, send e-mail to comments@tma.osd.mil or write to: TRICARE Management Activity; Office of Communications & Customer Service Skyline Five, Suite 810; 5111 Leesburg Pike; Falls Church, Virginia 22041-3206.

The report is available on-line at www.tricare.osd.mil/stakeholders. Copies can be ordered from www.tricare.osd.mil/smart/store

This report is dedicated to the memory of Mary Gerwin, Deputy Assistant Secretary of Defense for Health Program Integration and External Affairs, Office of the Secretary of Defense (Health Affairs). Her visionary leadership made the Stakeholders' series possible.