



*making
a strong
program
better*



2004 TRICARE Stakeholders' Report
Volume VI

a letter to our stakeholders

As we witnessed during Operation Enduring Freedom in Afghanistan, and we have seen again in Operation Iraqi Freedom—an important element of our success on the battlefield has been the performance of our battlefield medical professionals. Profound courage, the employment of new strategic concepts in treatment and evacuation, and the wise use of new technology have all contributed to the great successes achieved in treating the men and women of our military services.



William Winkenwerder, Jr., M.D.
Assistant Secretary of Defense
(Health Affairs)
Director of the TRICARE
Management Activity

Success breeds success. And in 2004, we have important duties to build upon our record in 2003. The Global War on Terrorism continues, and we will continue to protect our forces as they engage the enemy around the globe. Here in the United States, among the most important tasks is the transition to the next generation of TRICARE contracts. After more than two years of design, bidding, review, and award, we are now well into our contract transition, moving from contracts first awarded in 1995 to a new set of contracts that greatly simplify our management of TRICARE, while instilling the right contractor incentives for improving customer service and overall performance.

This year's Stakeholders' Report features compelling stories on TRICARE successes over the last year in the areas of Readiness, Quality, Access, Customer Service, and Efficiency. In 2004, our plans in each area are ambitious and important. Here is just a glimpse at the priorities for the coming year.

Readiness. Action plans are being implemented to address "lessons learned" from our recent and ongoing military engagements. Our deployment health programs, while not new, will remain among the most important activities for us—as hundreds of thousands of service members deploy and re-deploy from Iraq and other locations throughout the world.

Quality. In January 2004, the Composite Health Care System II (CHCS-II) will begin its worldwide deployment, a three-year project that will place the Military Health System (MHS) in the forefront of the U.S. health care system. Our automated patient record will be available to providers wherever they serve—improving quality of care, reducing redundant tests, and better serving our beneficiaries. Every medical professional will be an essential partner in this endeavor. The return on our investment will be extraordinary.

Access. Access to care remains the leading indicator for overall satisfaction with the TRICARE program. We have made improvements with the introduction of TRICARE Online and the Open Access model. Yet more improvement is expected. We will increase the visibility of both programs and their performance in the coming year, fully expecting that every military treatment facility has communicated with its beneficiaries about these important enhancements to our TRICARE program.

Customer Service. One of the great challenges for 2004 is to sustain our clinical programs while our TRICARE Standard beneficiaries enjoy greater choice, no longer requiring Non-Availability Statements (NASs) for civilian inpatient care. There is no greater focus than on our obstetric programs. In late 2003, we unveiled the Family-Centered Care initiative, and the MHS leadership will be monitoring performance in this area beginning immediately.

Efficiency. Efficiency is not about simply cutting costs. It really is about using our limited resources as wisely as we can—and ensuring our resources are directed at those efforts that can bring about the most benefit for the most people. In the coming year, we will undertake a broad review of our programs, to include a close inspection of the appropriate use of smaller, inpatient medical facilities. In those circumstances where local, civilian capability is available and our demand is low, we may be better able to meet our readiness, quality, access, and customer service goals and be more efficient!

This is a year of great change and dynamism for the MHS. All of you have performed magnificently in service to our service members, present and past, and to their families. I look forward with great optimism to 2004 with you!

Key Priorities and Goals

- Improve force health protection and medical readiness
- Improve performance of the TRICARE health program
- Improve coordination, communication, and collaboration with other key entities
- Address issues related to the attraction, retention, and appropriate training of military personnel

messages from leadership



LTG (Dr.) James B. Peake
Surgeon General of the Army

As we begin moving into the next generation of TRICARE contracts, it's a good time to reflect on how far we have come in implementing the TRICARE program. Since it was first established, the Military Health System has worked hard at continuously improving TRICARE to make it the provider of choice for all our beneficiaries. Over the years, we have been able—with legislative help—to extend the benefit to senior retirees. We are now also expanding the benefit to many of our Reserve component soldiers who are vital to the Nation's War on Terrorism. I am convinced that TRICARE has become one of the most complete and successful health care programs in the country, and the new refined and consolidated contracts will make it even better. It truly has become an outstanding reason to join the military and a great reason to stay.

Military readiness is directly impacted by our ability to provide health protection and critical care as well as peace of mind to our sailors and marines by providing this same level of health care to their families at home. That's what military medicine is all about—keeping our forces fit and ready to fight. We take great pride in our ability to deliver reliable, world-class health care wherever needed, from the foxhole in Iraq to our hospitals and clinics back home, ensuring the readiness of our forces and the health of our families and retirees. It is this duality of mission—administering daily health care and deploying worldwide to protect, support, and heal troops in combat—that truly distinguishes military medicine.



VADM (Dr.) Michael L. Cowan
Surgeon General of the Navy



Lt Gen (Dr.) George Peach Taylor, Jr.
Surgeon General of the Air Force

As the global war on terrorism moves into the next phase, our medical team members remain side-by-side with our fellow military members, providing the right care at the right time with the right capability. Our one-of-a-kind, worldwide medical capability is an integrated system that involves all the military services — along with TRICARE contractors and civilian networks — whose unique capabilities enhance the overall mix. Fielding our magnificent force would not be possible, however, without healthy families, trained medics, and ongoing research into ways to sustain and enhance performance. So with equal vigor, we seek to improve the health of our families, not just provide episodic medical care. As we continue to focus on supporting and facilitating the interface between patients and the health care team, our emphasis on health promotion, disease prevention, primary and specialty care optimization, and the next generation TRICARE contracts will produce a far superior health care benefit for all our people.



To comment on the 2004 TRICARE Stakeholders' Report, e-mail: comments@tma.osd.mil, or write to: TRICARE Management Activity, Office of Communications & Customer Service, Skyline Five, Suite 810, 5111 Leesburg Pike, Falls Church, VA 22041-3206
The report is available online at www.tricare.osd.mil/stakeholders.

Table of Contents

Messages from Leadership	1
TRICARE Quick Facts	2
Measures for Success	3
Enhancing Medical Readiness	4
Maintaining High Quality Care	6
Improving Access to Care	10
Excelling at Customer Service	12
Obtaining Maximum Efficiency	14
Going the Extra Mile	16

Pull-Out Poster in Center

TRICARE quick facts

What is TRICARE?

A health care plan using military health care as the main delivery system

- Augmented by a civilian network of providers and facilities
- Serving our uniformed services, their families, retired military, and their families worldwide

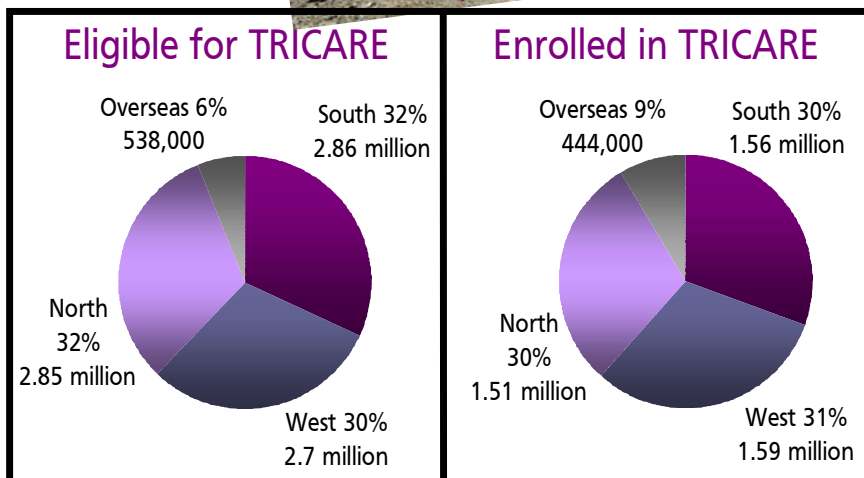


Vision

A world-class health care system that supports the military mission by fostering, protecting, sustaining, and restoring health

Mission

To enhance the Department of Defense and our nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care



TRICARE Facts and Figures

Total Beneficiaries	8.9 million
TRICARE Enrollees	5.1 million
Military Hospitals / Medical Centers	75
Medical Clinics	461
Military Health System Personnel*	132,565
*Work years funded by Defense Health Program (91,917 military and 40,648 civilian)	
Total Unified Medical Budget	\$27.363 billion
<i>(Includes \$ 4.903B from the DoD Medicare Eligible Accrual Fund)</i>	

A Week in the Life of the Military Health System

Inpatient Admissions	18,086
Outpatient Visits	1.46 million
Prescriptions	1.99 million
Births	2,013
Dental Procedures	382,725
Claims Processed	2 million



measures for success

The Military Health System senior leadership recently defined a revised set of performance metrics. The metrics are each specifically designed to assess our progress in achieving our strategic priorities.

three top performance measures



Individual Medical Readiness

This new tri-service composite measure provides commanders and the medical leadership with a comprehensive picture of individual medical readiness to ensure a fit and ready force. It allows us to more quickly focus attention and resources on those areas requiring greater attention.

Satisfaction with Telephone Access

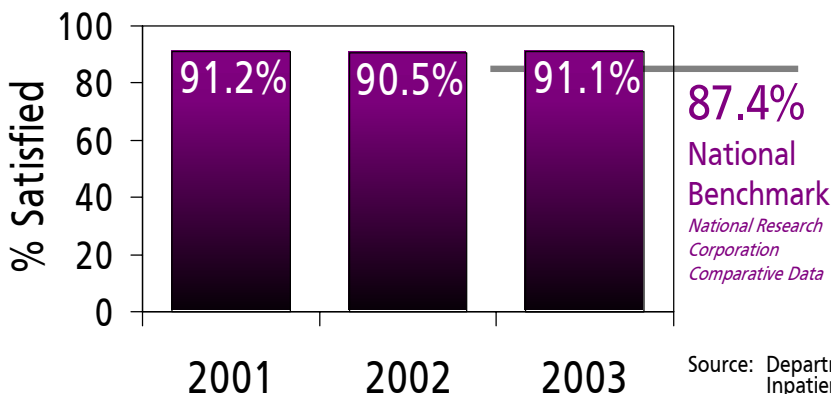
While measuring access to care using a number of metrics that assess compliance with stated access standards, the ease of making appointments by phone is known to correlate strongly with most beneficiaries' overall perception of their access to care. This metric is based on a monthly customer satisfaction survey of individuals who had an outpatient visit at a military hospital or clinic during the previous month.



Satisfaction with the Health Plan

This is a bottom-line measure assessing overall satisfaction with TRICARE. It encompasses the entire beneficiary experience including access to care, quality of care, timeliness and accuracy of claims processing, and general customer service. This metric allows us to benchmark ourselves against the performance of all large civilian health plans participating in the national Consumer Assessment of Health Plans Survey database.

Overall Customer Satisfaction with Direct Care Inpatient Surgical Services



Source: Department of Defense Inpatient Satisfaction Survey



enhancing medical readiness



Pulmonologist, LCDR (Dr.) David P. Murphy, completes a physical exam and discusses the proposed asthma treatment plan with an active duty patient.

Asthma: Assessed, Diagnosed, and Prescribed Treatment in One Day

In Okinawa, Japan, where service members are exposed to many triggers of asthma like mold, coral dust, pollen, dust mites, smoke, etc., it became obvious that to support operational readiness, there needed to be a process that would help service members suffering from asthma get back on their feet as soon as possible.

On average, patients were waiting 35 days, after pulmonary function tests (PFTs) were performed, to get follow-up care. It was apparent that the military treatment facility (MTF) needed to improve access to care; maintain continuity of care; return military members back to full duty in days, versus weeks or months; and enhance operational readiness.

So, in November 2002, LCDR (Dr.) David P. Murphy, head of pulmonary/critical care at the U.S. Naval Hospital in Okinawa, designed and implemented a new plan to assess, treat, and educate asthma patients in just one day.

With a team of other caregivers, HM1 Mark Meyers, CRT, HM1 David Herring, CRT, and Ms. Deborah Gleichman, LCDR Murphy identified the causes of delayed asthma treatment.

Patients often had problems getting to the MTF, they feared medical separation, or they were deployed. Physicians often had a lack of available appointments and inconsistent diagnostic criteria and treatment regimens and were also sometimes deployed. In addition, slow returning test results often required patients to return for another consult. All of this contributed to physician consult visits taking place anywhere from 3 to 120 days after PFTs were performed.

LCDR Murphy's team developed a new plan that allows him to see patients as walk-ins if the PFTs indicate asthma. At the check-in desk, a pulmonary technician uses the team's enhanced asthma consultation and user-friendly PFT interpretation sheets to assess the patient's vital signs and symptoms. The technician obtains pertinent history and known triggers before evaluation. The team conducts extensive education to enhance patients' compliance with and efficacy of metered-dose inhalers.

During the first year of implementation of the active duty asthma policy, the clinic saw 102 walk-ins. All were seen and evaluated by the pulmonary physician on the day the PFTs were conducted. Of the 102 patients, 98 percent returned to full duty within days of the appointment versus the previous weeks or months.

"We hope that other Navy military treatment facilities will also consider the One Day Asthma plan," said LCDR Murphy. He continued, "We diagnose and prescribe therapy in one day, it may take a few days for the medication to work and enable a service member to return to full duty."

One Day Asthma Plan

U.S. Naval Hospital Okinawa

On average, patients were waiting 35 days, after pulmonary function tests were performed, to get follow-up care. After the asthma policy was implemented, all patients were diagnosed and prescribed therapy in one day. Ninety-eight percent were returned to full duty within days of the appointment versus the previous weeks or months.

2002	Days for Follow-Up Care	Number of Patients
	<10	8
	<30	22
	<60	25
	<90	4
	<120	2
120 or >	5	

2003	Days for Follow-Up Care	Number of Patients
	Same Day	102



Health Care Continuity During Deployment

During Operation Iraqi Freedom, services deployed many providers who work in military treatment facilities, sometimes with less than 48-hours notice. The Military Health System made Herculean efforts to ensure that health care would still be readily available to those beneficiaries left back home.

In Region 6, for example, the deployment of some orthopedic surgeons created the potential for the remaining troops to experience difficulty in obtaining surgical appointments at the two military medical centers in the San Antonio area. The staff of the Randolph Clinic at Randolph Air Force Base in Texas, in collaboration with the health care finder at Health Net Federal Services, referred individuals requiring care, including active duty personnel, to some of the area's leading civilian orthopedic surgeons for exams, evaluations, and, in some cases, surgery. Not only were patients seen in a timely manner, but also, in some cases, their surgical procedures were successfully accomplished within a week of their initial examination.

Taking Care of Families While Troops Are Deployed

When the diabetic wife of an active duty Coast Guard member learned her husband was deploying, she also discovered she was pregnant. She called Luanne Burnett, RN, and Health Systems Manager of the TRICARE Service Center for Naval Support Activity Mid-South in Millington, Tennessee. Ms. Burnett helped set up the wife with needed provider services, and even helped get supplies for an insulin pump.



Luanne Burnett, RN

During her husband's deployment, the expectant mother called Ms. Burnett regularly throughout her pregnancy anytime she needed information about TRICARE, and sometimes, just to talk.

Ms. Burnett was justifiably proud of their relationship; "She said she felt very comfortable with me and trusted me to give her correct information." The patient gave birth to a healthy baby girl on the birthdate of Ms. Burnett's son! "She brought in the baby to meet me and thank me for all my help and support through such a trying time. The baby's picture is on my bulletin board."

Enhancements Made for Reserve Component and Their Families

The Military Health System significantly enhanced access to health care for the Reserve component (Guard and Reserve) and their family members during the past year. The Temporary Reserve Health Care Program authorized temporary health care benefits under TRICARE—several of which were effective November 6, 2003, through December 31, 2004. Some of the key provisions include TRICARE coverage for Reserve component families effective on the day the sponsor receives a delayed-effective-date order to active duty, an extension of the transitional health care benefits for eligible Reserve component sponsors and family members from 60 or 120 days to 180 days, and full-time Reserve Beneficiary Counseling and Assistance Coordinators for each TRICARE region.

In addition, family members of Reserve component personnel activated to military service for more than 30 consecutive days may enroll in TRICARE Prime. Family members who "reside with" their sponsors in a TRICARE Prime Remote location at the time of the sponsor's activation may enroll in the TRICARE Prime Remote for Active Duty Family Members program. Finally, to ensure continuity of care for family members of the 163,000 Reserve component personnel called to active duty for more than 30 consecutive days in support of Federal contingency operations, the TRICARE Reserve Family Demonstration Project is extended for an additional year. The demonstration, which began on September 14, 2001, is now extended through October 31, 2004.

maintaining high quality care

U.S. Army Amputee Patient Care Program Mends More than Lost Limbs

Motivation is what keeps people going forward in life. For amputees, nourishing and maintaining their motivation level are the keys to recovery.

How can a military hospital recognize the importance of morale and restore the emotional health of amputees returning from combat? It does so by creating a staff model that puts the patient and family at the center of a team of experts, involving more than 20 health care specialties that treat all of a patient's needs, not just the amputation site(s).

Patients treated throughout the U.S. Army Amputee Patient Care Program are mainly soldiers who were previously in excellent physical condition. In spite of multiple injuries and sometimes multiple amputations, these fit soldiers often have a desire to return to a higher activity level than amputees in the civilian population. The Army's patient-centered model is put to work the moment patients arrive at a military treatment facility and continues after they are discharged and seen on an out-patient basis. Throughout their care, they are wrapped in a positive atmosphere that does not say no.

The Walter Reed Army Medical Center in Washington, D.C. models this atmosphere with the care it provides throughout the evacuation chain, beginning in theater and moving through Landstuhl U.S. Army Regional Medical Center in Germany to the states. At Walter Reed, patients and staff attend a multitude of meetings, rounds, support groups, training sessions, clinics, recreation programs, and other activities that provide countless ways to share information on patient needs. Information sharing enables the team to work toward the common goal of maximizing a soldier's potential. What is unique about Walter Reed's team is that no individual member of the patient care team is any more or less important than any other. The measure of the team's success is whether patients gain the resources and tools they need to help themselves.

What seem like haunting images to people outside of this atmosphere, such as multiple prostheses, are normal in the Amputee Patient Care Program. Patients are taught to live their lives in a different, not a lesser, way. In fact, the prosthetics lab is more of a discovery land than a clinic. Patients and providers are anxious to see the finished products, which are often the most technologically advanced in the world. Providers participate in several research protocols that address the Nation's growing need for innovative and functional prostheses.

Artificial arms and legs are only a portion of what it takes to help amputees achieve their highest possible goals, including staying on active duty. The Army's program includes too many rehabilitation experts to list, but their effect on mind, body, and morale is evident not only in the patients they treat but also in the changing attitude of leadership who are supportive of retaining these soldiers on active duty.

Throughout the Army's Amputee Patient Care Program, a team of dedicated providers mends amputees through leading-edge medical care and an abundant prescription of positive attitude.



The products developed in the prosthetics lab of the Amputee Patient Care Program at Walter Reed Army Medical Center, Washington, D.C. are often the most technologically advanced in the world.



Region 6 Teledermatology Initiative Expands Access to Quality Care

The teledermatology initiative aims to increase access to dermatological care regardless of patient location and local dermatologist availability. Since February 2002, the TRICARE Region 6 partnership with the Great Plains Regional Medical Command expanded the participating sites from 3 to 20 facilities. Teledermatology diverts up to 90 percent of network dermatological referrals. Patients are screened and photographed at their local facility and data are entered into a secure computer. Physicians receive recommendations from a dermatologist within 72 hours. Approximately 80 percent of all cases are then managed by local primary care providers.

Teledermatology ensures only patients requiring in-person dermatological care are referred to the network. "Teledermatology is becoming part of how we deliver care day-to-day because it allows us to more efficiently utilize our scarce dermatologic

resources. But most importantly, teledermatology allows us to provide the highest quality of care in a timely fashion for all our patients, regardless of location," says MAJ (Dr.) Hon S. Pak, Chief of Teledermatology at Brooke Army Medical Center in Fort Sam Houston, Texas.



MAJ (Dr.) Hon S. Pak

Electronic Health Records Improve Quality of Care

Imagine real-time, 24/7, worldwide access to comprehensive patient medical and dental records. The Composite Health Care System II (CHCS II), the military electronic health record, provides just that.

CHCS II enhances the quality of health care delivery by generating, maintaining, and providing secure on-line access to health records. CHCS II allows sophisticated data mining and analysis, functioning as a decision support system aiding in the recognition of potential patient safety risks. CHCS II ensures the continuity of health information and patient-centered health care delivery—one patient, one record.

CHCS II began worldwide deployment in January 2004.



Baumholder Army Health Clinic Promotes 40-minute Well-woman Exams

In the first 6 months that the U.S. Army Health Clinic in Baumholder, Germany instituted 40-minute well-woman exams on Friday mornings, more than 120 women participated. The idea, implemented in June 2003, was to switch the emphasis of services to the remaining population, spouses of deployed warriors, in an effort to catch issues early through wellness checkups.

Before June, physicians could dedicate only 20 minutes to these exams, with limited patient physician interaction, explained Baumholder physician, CPT Suzin Tyner. Now, she says, for patients who elect to do the Friday morning exams, there is time to discuss patient concerns and answer questions during this important annual checkup. Clinic Commander, LTC Frank Bannister, says that "medical staff have been most excited about the opportunity to spend more time with patients on wellness related issues."



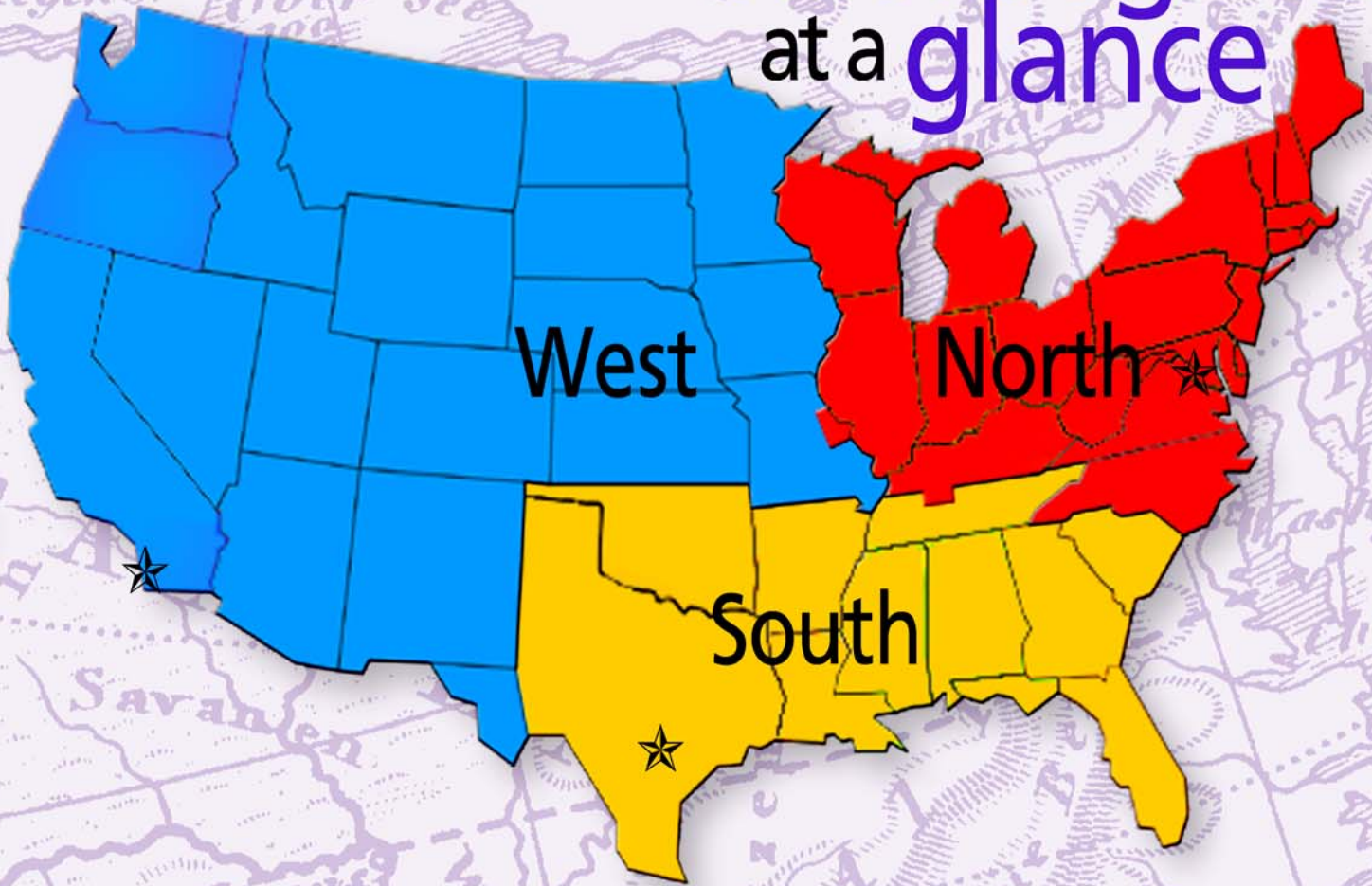
U.S. Army Health Clinic, Baumholder, Germany

The next generation of TRICARE contracts

Contract	Start Date	What it Means
TRICARE Mail Order Pharmacy Awarded to: Express Scripts, Inc.	Mar 2003	No change. Prescriptions filled by mail and refills ordered by mail, phone, or on-line. Pharmacy Data Transaction Service checks prescriptions against the medical profile.
TRICARE Retiree Dental Program Awarded to: Delta Dental	May 2003	Enhancements made for uniformed services retirees and family members. Reduces the mandatory enrollment period from 24 to 12 months. Annual maximum benefit per enrollee and lifetime maximum benefit for orthodontic care increased from \$1,000 to \$1,200.
Designated Provider Awarded to: Martins Point Health Care, Brighton Marine Health Center, Johns Hopkins Medical Services, CHRISTUS Health, The Pacific Medical Clinics	Jun 2003	No change. Comprehensive health care services continue to be offered through the Uniformed Services Family Health Plan. Provides TRICARE Prime-like benefit to approximately 77,000 beneficiaries.
TRICARE Global Remote Overseas Awarded to: International SOS Assistance, Inc.	Sep 2003	Consolidated remote overseas health care contracts in the TRICARE Europe, Pacific, Latin America and Canadian regions. Standardized the health care benefit across overseas regions. All provider facilities are fully credentialed. No out-of-pocket expenses, with a cashless/claimless billing process.
Marketing/Education Materials Awarded to: CACI, Inc. Federal	Oct 2003	National suite of TRICARE marketing and education products will be developed to educate TRICARE's 8.9 million beneficiaries on the TRICARE program and health care benefits.
TRICARE Information Service Awarded to: CACI, Inc Federal	Dec 2003	Provides telephone-based service for the Military Health System that answers basic TRICARE information and refers callers to other partner call centers. For commonly requested TRICARE information, an interactive voice response feature is available 24 hours a day, 7 days a week.
TRICARE Retail Pharmacy Awarded to: Express Scripts	Apr 2004	Enhancements were made to retail pharmacy services for beneficiaries in the United States, Guam, Puerto Rico, and the U.S. Virgin Islands. Provides greater access to pharmacies when traveling outside home region. Offers consistent access to drugs, providing a continuity of benefits across all regions.
National Quality Monitoring Awarded to: Maximus Inc	Apr 2004	Provides an impartial evaluation of health care services emphasizing the quality of care management across the three regional contractors (North, South, and West). Will serve as the second level of appeal for medical necessity denials.
Dual-eligible Claims Processing Awarded to: Wisconsin Physician Services Insurance Corp.	Apr-Nov 2004	Provides claims processing for those eligible for both TRICARE and Medicare, resulting in improved claims processing with only one nationwide contractor. There will be a new address for submitting paper claims. No impact on beneficiaries whose providers submit claims on their behalf.
Health Care Services and Support Awarded to: Health Net Federal Services (North), TRIWEST Healthcare Alliance Corporation (West) and Humana Military Healthcare Services (South)	Jun-Nov 2004	Provides health care services to our 8.9 million uniformed services beneficiaries and support to hospitals and clinics in the United States. TRICARE will reduce the number of CONUS regions, resulting in better customer service, improved portability, and increased access to quality health care.

TRICARE

new regions
at a glance



Global Remote Overseas



improving access to care



Sheppard Air Force Base, Wichita Falls, Texas

In the first 5 months at Sheppard Air Force Base, over 1,400 appointments were booked online, with 187 (13%) appointments cancelled online. By the end of 2003, appointments online were offered through TRICARE Online at 233 sites

Appointment Types Available on TRICARE Online

Primary Care Appointment Types

- First time visits with a Primary Care Manager (PCM)
- New Problem/Urgent
- New Problem/Not Urgent
- Follow-up PCM visit

Some Facilities Offer These Self-Referral Appointments

- Annual eye exams
- Routine physicals
- Flight physicals
- Pap smears
- Dietary counseling
- Hearing screening
- Mental health
- Well-baby exams
- School physicals
- Preventive health assessments

TRICARE Online Improves Access to Appointments at Sheppard Air Force Base

TRICARE Online (TOL) makes it easier than ever to make a primary care or self-referral appointment via the Internet for care at select military treatment facilities (MTFs) throughout the world. Beneficiaries at Sheppard Air Force Base in Wichita Falls, Texas, can attest to this. Since TOL's full launch at Sheppard's 82nd Medical Group in September 2003, more than 2,500 TRICARE Prime beneficiaries registered with TOL and used it to make over 1,400 appointments in the first five months. TOL provides a safe and secure alternative to making appointments by telephone and saves an average of \$3 per appointment. The convenience of 24/7 access and the simplicity of the Web site have made TOL very popular. Every week, more beneficiaries register and begin making appointments on TOL.

Sheppard's family practice clinic has the most online appointments, while the pediatric clinic and optometry clinic follow closely behind. Parents describe TOL as wonderful! When children wake up in the morning or in the middle of the night feeling ill, parents have the choice to go online, even before the clinic opens, and make an appointment with their child's primary care provider. TOL allows enrolled MTF TRICARE Prime beneficiaries to see available appointments at their MTF at least 30 days in the future.

Making an appointment with TOL not only saves time and money, but also improves the access and quality of care beneficiaries demand. Allowing beneficiaries to view appointment schedules online and to select the appointment that is most convenient for them, provides the freedom and choice many TRICARE beneficiaries want and need. TOL also benefits the health care delivery team, because it eases administrative tasks and allows them to focus on direct patient care.

LCDR Mark Hernandez, TRICARE Southwest Deputy Director of Health Plans and Operations, believes that TOL enhances the MTF TRICARE

Prime benefit and allows beneficiaries greater freedom and access to quality health care services at the click of a mouse.





In Just One Year, TRICARE ...

- Awarded and launched the new TRICARE Mail Order Pharmacy contract.
- Offered TRICARE Prime to the family members of Reserve component (Guard and Reserve) personnel activated for more than 30 consecutive days (versus previous 179 days).
- Implemented the privacy rule of the Health Insurance Portability and Accountability Act of 1996.
- Enhanced the TRICARE Retiree Dental Program.
- Awarded the new national TRICARE Retail Pharmacy contract.
- Awarded three new regional TRICARE contracts for health care services and support.
- Awarded and implemented the TRICARE global remote overseas contract.
- Selected eight medical sites to participate in joint demonstrations with the Department of Veterans Affairs.
- Extended the TRICARE Reserve Family Demonstration Project through October 31, 2004.



"I came today to thank the troops and their families and their loved ones for their sacrifice. I also want to thank the staffs of these hospitals, the leadership, the doctors and the nurses, the people who care for those who have been hurt, for their extraordinary service to their fellow Americans."

- President George W. Bush, during an April 11, 2003 visit to Walter Reed Army Medical Center, in Washington, D.C.

Improving Access for TRICARE Standard Beneficiaries

TRICARE Standard has been working for active duty families, retirees, and their families for more than 35 years. The Military Health System (MHS) has made improvements to TRICARE Standard and remains committed to enhancing it. The National Defense Authorization Act for Fiscal Year 2004 requires the MHS to survey market areas in the United States to determine acceptance of TRICARE by providers, appoint a senior official to achieve participation of providers in TRICARE, and submit a plan to Congress by March 31, 2004, to improve TRICARE Standard. The plan will address processes to inform TRICARE Standard beneficiaries about their health care coverage and methods to assist them in locating TRICARE-authorized providers. The new TRICARE regional office directors will play a key role in implementing this plan and improving TRICARE Standard.

TRICARE Global Remote Overseas

The TRICARE global remote overseas contract brings equity of the TRICARE Prime benefit to family members and sponsors in remote locations overseas where military treatment facilities are not available. Under the new contract, International SOS Assistance, Inc., coordinates and provides health care services and pays claims for active duty sponsors and family members in designated remote overseas locations. The coordination of health care services in the TRICARE Pacific Region and designated sites in TRICARE Europe began September 1, 2003. Services under this contract are now available throughout TRICARE Pacific, Europe, and Latin America.



improving access to care

excelling at customer service



"Childbirth is a time of uncertainty and concern.

It's also a time for great expectation and, most frequently, joy. When families do have the great fortune to be together for the birthing experience, we will extend the joy of birth to be more inclusive of the entire family."

- Dr. David S.C. Chu, Under Secretary of Defense for Personnel and Readiness, August 27, 2003 to a Family-Centered Care celebration at the National Naval Medical Center in Bethesda, Maryland



(U.S. Navy Photo by Tom Watanabe)

A few of Yokosuka's nurses with the Motil family. Mom Geraldine holds newborn Andrew as big brother Arnel and dad AM1(AW) Arnel Motil stand by. While serving in Iraqi Freedom, AM1(AW) Motil received updates from his wife as her pregnancy progressed. Minutes after his ship docked, Motil was one of the first crewmembers ashore. He was whisked to the hospital and two hours later he watched the birth of his son. "I was nervous," he admits, "but not worried. They have wonderful services at the Atsugi Clinic and at the hospital here in Yokosuka. It's excellent."

Focusing on the Family Eases Strain for Military Families Before, During, and After Childbirth

"Few occasions are more joyous or stressful than the birth of a child," said Dr. David S.C. Chu, Undersecretary of Defense for Personnel and Readiness. Dr. Chu and Dr. William Winkenwerder, Jr., Assistant Secretary of Defense for Health Affairs inaugurated the official movement toward family-centered care on August 27, 2003, at the National Naval Medical Center in Bethesda, Maryland. Chu explained that family-centered care is a commitment to service members that the Military Health System will meet their needs for quality care in a sensitive and responsive manner. Some 50,000 babies are born in military hospitals every year, and the father, Chu noted, is "regrettably often absent."

For those who have had the good fortune to participate in and witness the birth of their children, this singular sacrifice of service members and their families is humbling. Often during this special time of pregnancy and childbirth, military members and families are far from home and the natural support systems of family and friends. Through family-centered care, military hospitals offer an extended family, knowledgeable about the separation aspects of military life.

The family-centered-care approach ensures that expectant mothers and families get the best possible coordinated care during this special time. "We're committing ourselves and the system we lead to be more responsible and accessible and to be a leader in family health care services," stressed Winkenwerder. "We are telling our patients, 'We value you, we believe in the quality of care for our health care system, and we want you to choose us.'"

A prime example of family-centered care is the Stork's Nest with 12 studio apartments located next to U.S. Naval Hospital in Yokosuka, Japan. It is available for beneficiaries who live far from Yokosuka but choose to give birth at the hospital. Families can stay together, arriving shortly before their baby is due.

Family-centered care continues after the birth of a child. Naval Hospital Oak Harbor in Oak Harbor, Washington, has a Well-Baby Clinic where newborns get a one- to two-day evaluation including a weight, feeding, and jaundice assessment. With early follow-up, many problems can be avoided. A nursing mothers' support group allows mothers to walk in with their babies for a weight check, support, and education from the lactation consultant, while developing supporting friendships with other new mothers.

The Stork's Nest in Yokosuka and Naval Hospital Oak Harbor are just two highlights of the changing face of maternity care within the Military Health System. While service members are away during this time of uncertainty, they can rest easier knowing that mother and baby are in the best of care.



New Incentives to Inspire Improved Customer Service

Customer service will improve under the next generation of health care delivery contracts, because contractors will have financial incentives based on key performance indicators. These factors include telephone access, referrals, claims processing, reduced payment errors, and maintenance of a robust quality network.

For telephone access, for example, 95 percent of all calls must have a hold time of fewer than 30 seconds. The Government will withhold a performance guarantee of \$0.50 per call that does not meet this standard. Similar guarantees are included for claims processing, access to a network provider, payment errors, and audited editing errors.

Contractors are also eligible for significant positive incentives for customer service. Contractors will be eligible for a quarterly fee commensurate with their performance. The performance will be measured on three components: beneficiary satisfaction determined by a government survey, military treatment facility commander satisfaction, and regional director satisfaction.

Bringing Customer Service Closer to Home

Efforts continue to move TRICARE Service Centers onto the base, making them easier to access. The move also allows staff to better coordinate with military treatment facilities (MTFs) resulting in improved customer service.



In February 2003, Humana Military Healthcare Services partnered with Patrick Air Force Base in Florida to move its center into the MTF. Mr. Dick Rushmore, Ms. Michaelae Jackson, Col Charles Mackett, A1C Daisy Collie, Brig Gen Eric Schoomaker, and Capt Tara Foley cut the ribbon.

TRICARE Phone Numbers



TRICARE Programs
(888) DOD-CARE
or (888) 363-2273

Pharmacy
(877) DOD-MEDS
or (877) 363-6337

TRICARE For Life
(888) DOD-LIFE
or (888) 363-5433

HIPAA
(888) 363-HIPA
or (888) 363-4472

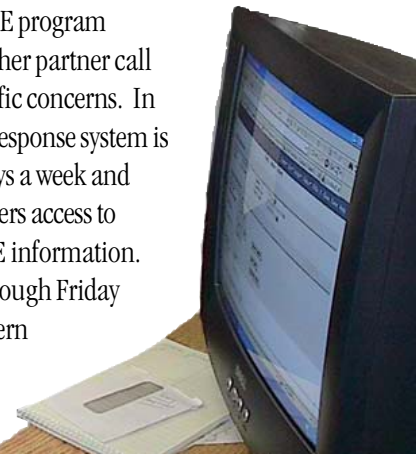
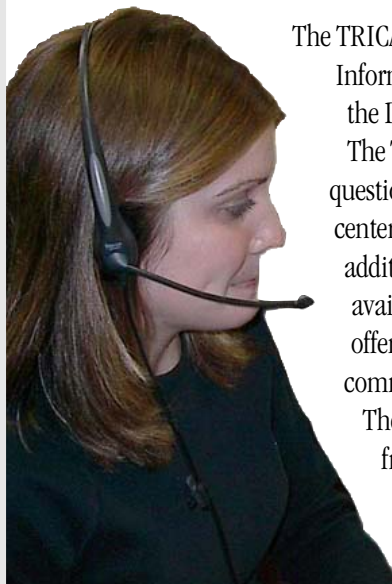
TRICARE Online
(866) 363-EWEB
or (866) 363-3932

Centralized Telephone Service Provides TRICARE Assistance

The TRICARE Management Activity established the TRICARE Information Service (TIS), a telephone-based service for the Department of Defense Military Health System.

The TIS answers basic TRICARE program questions and refers callers to other partner call centers for assistance with specific concerns. In addition, an interactive voice response system is available 24 hours a day, 7 days a week and offers beneficiaries and providers access to commonly requested TRICARE information.

The TIS operates Monday through Friday from 8 a.m. to 8 p.m. Eastern Time, except on Federal holidays.



obtaining maximum efficiency

Next Generation of TRICARE Contracts Makes a Strong Program Better

"The new contracts are part of the Secretary's transformation efforts and will make a strong program better. Our new contractors will be strategic partners in support of medical readiness and their added value includes optimizing care in our military medical facilities, ensuring access to the highest quality civilian providers and offering preventive and outreach strategies for our beneficiaries."

- Assistant Secretary of Defense
(Health Affairs),
William Winkenwerder, Jr., M.D.,
August 21, 2003

Improved access to health care, better customer service, and superior quality of care—these are promises to TRICARE's nearly 9 million beneficiaries from the next generation of TRICARE contracts. As existing contracts end, the TRICARE Management Activity (TMA), working closely with the Services and the TRICARE regions, incorporated lessons learned from past contracts and best business and commercial practices into the new contracts.

By November 2004, the next generation of TRICARE contracts will be in place, and the continental United States will be organized into three TRICARE regions. Another region comprises a consolidated global benefit for approximately 125 countries overseas. This decrease in the number of regions improves portability by eliminating the confusion associated with health care coverage following a state-to-state or overseas move. The Health Care Services and Support contract will dramatically improve customer service by awarding or penalizing contractors based on key performance indicators, such as telephone access, claims processing, and network adequacy. In addition, a pool of discretionary customer service dollars will be distributed quarterly to contractors based on survey results and recommendations from military treatment facility (MTF) commanders and the TRICARE regional offices.

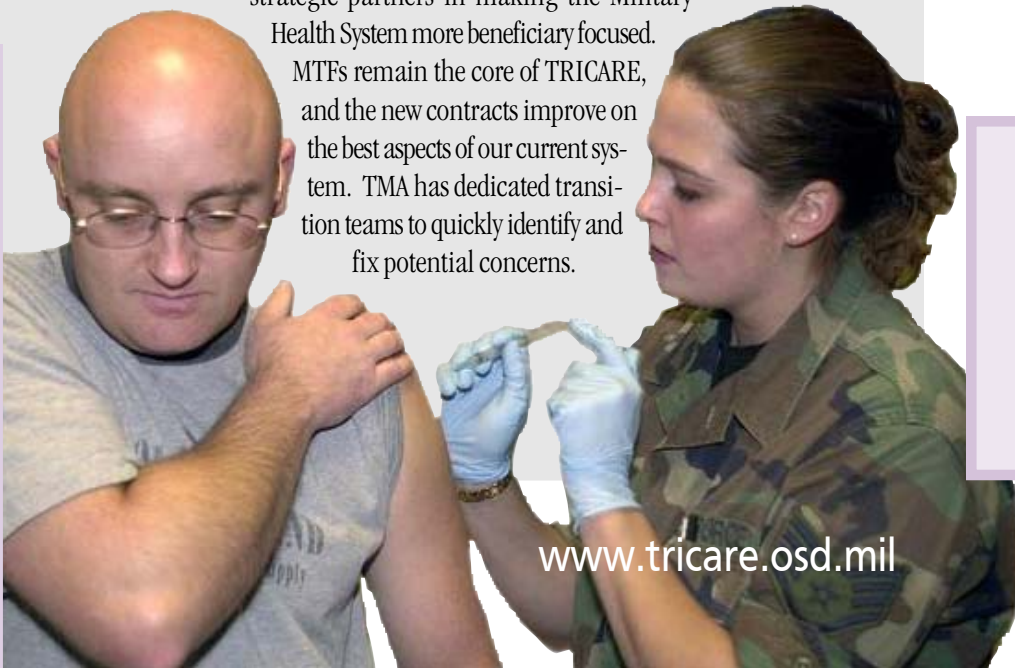
The TRICARE retail pharmacy contract improves access to care and quality by making it easier for beneficiaries to visit retail network pharmacies when traveling outside their home region. The capability for pharmacists to have complete access to all prescription data enhances the access to and quality of care for beneficiaries. A single contract will exist for claims for individuals who are eligible for both TRICARE and Medicare, resulting in improved claims processing. In addition, the TRICARE Global Remote Overseas contract standardizes the health care benefit across overseas regions and reduces administrative costs.

The TRICARE contracts will phase in through November 2004. The new contractors will be strategic partners in making the Military Health System more beneficiary focused.

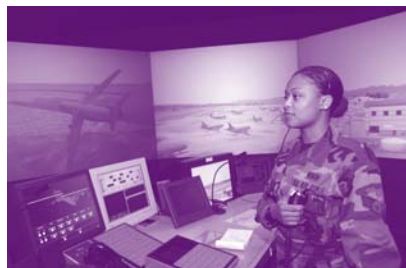
MTFs remain the core of TRICARE, and the new contracts improve on the best aspects of our current system. TMA has dedicated transition teams to quickly identify and fix potential concerns.

Uniform Formulary to Be Released

Publication of the Uniform Formulary Final Rule is anticipated in early 2004. The Uniform Formulary encourages cost-effective use of the pharmacy benefit and brings consistency and standardized formulary management to the pharmacy program. Beneficiaries will continue to have available the medications they need.



www.tricare.osd.mil



Creative Initiatives Bring Dramatic Results

Lajes Explores Host Nation Medical Care

In August 2003, the 65th Medical Group in Lajes Field, Azores, Portugal, began using host nation medical facilities in the islands of Terceira and Sao Miguel. Now, their airmen can remain on the job rather than go on temporary duty for medical care.

Fort Sill Makes Journey from Paper to Electronic Referrals

The Reynolds Army Community Hospital in Fort Sill, Oklahoma, dramatically increased (23 percent to 73 percent) the consult results from network specialists that are available in patient medical records by automating its referral tracking process.



Darnall Recaptures Workload

By hiring a Magnetic Resonance Imaging (MRI) technician and extending the military treatment facility (MTF) hours through Saturday and Sunday, Darnall Army Community Hospital in Fort Hood, Texas, reduced health care costs by recapturing money previously used to pay for diagnostic MRIs referred outside the MTF. The clinic can now perform about 20 MRIs each weekend.



TRICARE Claims Fast Facts

- 8.5 million claims processed a month.
- Return rate for TRICARE claims is low—less than 1.5 percent. The industry trend is 25 percent or higher.
- 97 percent filed by providers—3 percent filed by beneficiaries.
- 70 percent of claims filed electronically.
- 70 percent of claims are received within 30 days from the date services were provided (15 percent within 60 days, 15 percent between 61 and 365 days).
- Over 90 percent of clean claims processed within 15 days. Average turnaround time: 12 days for all claims, 5 days for electronic claims.
- Over 99 percent of clean claims processed within 30 days of receipt, and 100 percent within 60 days.

TRICARE's "Safety Net" Against Fraud and Abuse

TRICARE is committed to preventing, identifying, and assisting in the prosecution of health care fraud. It recovered nearly \$6.5 million in 2003, and over 3,000 providers were sanctioned. The TRICARE Management Activity's Program Integrity Office (PIO) works with the Defense Criminal Investigative Service, Federal Bureau of Investigation, state investigative agencies, and numerous health care fraud task forces to uncover fraud and abuse. When fraudulent billing schemes are discovered, they are shared with other private and public health care plans.

	<i>Providers Sanctioned</i>	<i>TRICARE dollars identified for recovery (fiscal year)</i>
1999	2,976	\$2.9 million
2000	2,709	\$1.12 million
2001	3,756	\$11.2 million
2002	3,582	\$2.3 million
2003(est.)	3,020	\$6.5 million

If providers attempt to collect monies in excess of what they are entitled to collect, beneficiaries are instructed to notify their managed care support contractor. The contractors successfully resolve a majority of the billing disputes. However, if unsuccessful, the case is forwarded to PIO, "the safety net." For the first 11 months of 2003, PIO successfully resolved all 48 cases it received.

going the **extra** mile



Ms. Effie Watson

Patient Liaison Makes House Call

When an 85-year-old widow, who lived by herself, called to inquire about hospice care, Ms. Effie Watson, patient liaison at the Rhein/Main Air Force Base in Frankfurt, Germany, went the extra mile. Knowing the widow's condition, Ms. Watson arranged for her to be seen in the clinic. Ms. Watson and the president of the retiree association drove to her house, picked her up, brought her to the clinic for a check-up, waited while she was examined, and then took her home. As they were helping her up the stairs to her home, she leaned over and whispered, "You know, today, was the best day of my life. I feel like people really care about me and that makes me very happy. I am not scared anymore. Thank you." Watson said, "With all the stress that comes with my job, it's cases like this that make it all worthwhile."

Case Manager Rallies Support for Soldier in Need

When an active duty soldier suffered from a brain injury that forced him into early retirement from the military, a Health Net Federal Services Region 6 case manager helped him enroll in TRICARE Prime and return home, outside of Region 6. The case manager facilitated a team conference with the military treatment facility case manager, contacted local skilled nursing facilities, and arranged no-cost air ambulance services.

24-Hour Access to Registered Nurse Eases Mind

Mr. John A. Beard, CTCS, USN, Ret., was not expecting his daughter to come down with a sudden serious illness—but he did expect 24-hour access to a Uniformed Services Family Health Plan (USFHP) registered nurse who would help. And that is just what he received. Late one Friday evening, after the Johns Hopkins Community Physicians Clinic at Odenton, Maryland closed for the day, Mr. Beard found his daughter in need of emergency health care. He immediately called the USFHP 24-hour nurse, who told him to take his daughter directly to the nearest emergency room. Upon arrival, and to John's relief, the nurse had called ahead to make all of the arrangements so that John and the emergency staff could focus on his daughter's treatment. "The quality care and experiences my family receives as members of the Uniformed Services Family Health Plan here have kept us from moving away over the years," said Beard.



Mr. John Beard and Family

Nights and Weekends Sacrificed to Brief Deploying Troops and Their Families

As troops (including activated members of the Reserve component) prepared to deploy to Iraq over the past year, tremendous efforts were made throughout the Military Health System to ensure they and their families understood their TRICARE benefit. Staff donated evenings and weekends, with very little notice, to give "around-the-clock" briefings. With less than 72-hour notice, Region 5 established an office at Fort McCoy in Wisconsin, to participate in the deployment of 2,000 troops headed overseas. In Region 6, more than 450 briefings were given to nearly 43,000 beneficiaries. The staff at Fort Stewart in Georgia provided briefings and assistance to over 10,000 soldiers returning from Iraq—3,000 in September alone. Region 9 developed a video to assist units and families of deploying members of the Reserve component.



Extraordinary Care for Uniformed Services Family Health Plan Member

Mr. Rod Walz, USAF, Ret., has been a member of the Uniformed Services Family Health Plan at Brighton Marine in Massachusetts since its inception. While on vacation, the Walzes were involved in an auto accident in Montana, 20 miles from the nearest town. It took two ambulances and two aircraft to air-evac the couple to Billings, and Mrs. Walz required intensive care for a week.

“After a few more weeks, just when I thought I would be spending the rest of my life in Billings, Montana, the Uniformed Services Family Health Plan at Brighton Marine sent a Lear jet from Denver. It landed at 8 a.m. and we were on our way at 9 a.m.—the pilot, copilot, ambulance attendant, flight nurse and the two of us. Four hours later, we landed in Hyannis, where an ambulance was waiting to take my wife to the rehab hospital in East Sandwich. I thought that was rather extraordinary,” said Walz.



Mr. and Mrs. Rod Walz



Ms. Fulton and Chief Galang

Activated Reservist's Family Avoids Medical Bills in the Thousands

In February 2003, an Army reservist deployed to Iraq. Like most active duty members, he had TRICARE Prime coverage. However, due to an oversight, his wife and children remained in TRICARE Standard. In July, his wife became a candidate for major heart surgery, but the family was at risk for a large part of the bill.

Region 10 Lead Agent Beneficiary Counseling and Assistance Coordinator, Navy Chief Joseph Galang; Health Net Federal Services Enrollment Manager, Elaine Fulton; and several hospital case managers quickly got involved in the management of this case and facilitated the family's enrollment in TRICARE Prime, thus covering the wife's treatment and eliminating unrealistic medical expenses. Due to the rapid response and TRICARE's flexibility, the family avoided thousands of dollars in medical costs. The Army member stated how genuinely thankful he was for the superb assistance his wife and family received from TRICARE.

Patient Liaison Works Hard to Help Cancer Patient

According to Stars and Stripes (August 27, 2003), Ms. Gudron Williams, a patient liaison in Illesheim, Germany, has eased the pain of countless patients, including one patient undergoing surgery for cancer. The patient said, “I would not have survived this treatment if not for these people. Gudron went out of her way to help. She went the extra mile.” Indeed she did. Ms. Williams helped the patient make payment arrangements, accompanied



Ms. Gudron Williams

her to all of her appointments, gave her a medical phrase book, and even helped her pay for a wig and several hats.

Helicopter Delivers Needed Antibiotic Just in Time

When a critically ill patient on an aircraft carrier in Operation Iraqi Freedom found himself in desperate need of an antibiotic not available in the local supply system, the United States Army Medical Materiel Center Europe came quickly to his rescue. The needed medication was in stock at its depot in Germany. It was flown to the Middle East and delivered by helicopter to the patient, all within 26 hours—just in time to save his life.

touched by TRICARE

Ms. X X X X X
Orlando TRICARE Service Center
Humana Military Healthcare Services
925-S Semoran Blvd. Ste.100
Winter Park, FL 32792

Re: Judy Lott
Beneficiary Service Representative

Dear X X X X X

I am writing to you concerning the services provided to me by Judy Lott. I have been a customer of Tricare (Champus) since I married my husband in 1971. I have not always been an extremely satisfied customer until last year. In July, 2001, my husband was diagnosed with pancreatic cancer. Since we had been traveling, we decided to stay in Orlando near our daughter for the necessary treatments. It was August when I met Judy. She listened to the questions I had about insurance and what treatments would be covered, and believe me, there were many. Some days it seems like Judy and I were in constant contact. She was always patient with me and extremely helpful. In October, 2001, it became obvious that my husband would not survive the cancer. Judy became my link to the other world, the world that prepares you for the inevitable and the options for dealing with it. Judy helped us with doctors, hospitals, and when it became necessary, hospice. In November, 2001, my husband passed away after four months of dealing with cancer. Judy was there for me.

In the year since I have lost my husband, Judy has taken a large chunk of the weight off my shoulders. Since I'd never experienced the death of a spouse before, I had numerous questions again. Her kindness went beyond the bounds of professional duty. She was saddened by my circumstances and I believe that she took a genuine interest in helping me to understand and decipher the medical bills that started to pile up. In January, 2002, she told me to give her everything I had and that she would take care of it. And she did. She never forgot about me or needed me to make follow up phone calls to find out the status of those bills. She called me. She kept me informed and advised me of the status. While I was grieving and visiting family and friends out of state, Judy took care of the business end of things.

Now, one year later, I am still in contact with Judy and she has been such a significant part of my life that I have tried to convey the gratitude I feel for her. While I am getting on with my life, Judy is still helping me with the medical bills and still advising me on the status of my claims. You have an amazing resource in Judy Lott. I will be forever grateful to her for her services and her friendship. Judy reminds me of the close-knit friendships my husband and I made while he served in the U.S. Navy. She deserves recognition and praise for a job well done and I hope this will serve to do that.

Sincerely,

Linda C. Gasser

Linda C. Gasser

cc: Judy Lott



Judy Lott