

2005 TRICARE Stakeholders' Report

**FIT FOR LIFE**  
Healthy Force,  
Healthy Families



# a LETTER to our STAKEHOLDERS

As we reflect on the past year we can be very proud of what we have accomplished. Today, more than ever, the Military Health System is a foundational block for America's security. Our medical professionals are keeping America's military fit, safe, healthy, and protected in order to fulfill their missions.

In this work, we fulfill a solemn and deeply rewarding duty, countering terrorism and despotism and fostering freedom so Iraqi and Afghani people can determine their own future through democratic societies. Force health protection for our Total Force and critical care for our warfighters remain top priorities.

We continue to meet our Nation's call across a broad front and have actively partnered with other federal agencies to deliver excellence in all our endeavors. We have advanced homeland and population defense through research, development, material stockpiling, and operational planning. We have accomplished more in the past three years than in the prior three decades!

We continued to deliver world-class health care to more than 9 million beneficiaries during our nation-wide transition to new TRICARE contracts. We consolidated 11 geographical regions and 7 regional contractors to 3, streamlined our management of TRICARE, and put performance improvements in place. We have new retail and mail order pharmacy programs, a new vehicle for dedicated dual-eligible TRICARE and Medicare beneficiary claims processing, and new TRICARE global remote health care for members and their families in Puerto Rico. These are just a few of the major achievements—the result of this work will be improved customer service, enhanced system performance, and



incentives for our contract partners to do their best as members of our team. As always, the goal is to make our strong program better.

We remain fully committed to fostering healthy lifestyles and continue to campaign for healthy choices by our beneficiaries. We must work together to reduce the substantial negative effects for individuals and communities from tobacco use, binge drinking, and obesity. Improving the health of our beneficiaries through appropriate choices for their lives will have valuable, durable, and long reaching impacts on both our beneficiaries and our resources. We have moved forward across a broad front to advance the President's Management Agenda and priorities for the federal government.

Our partnership with the Department of Veterans Affairs has been pushed forward in the areas of data collection and records sharing, as well as physical examination processing.

## The Way Ahead

2005 will certainly be another challenging and rewarding year.

Among our priorities for this year will be actions to further improve individual readiness and force protection. We will work to deliver new and enhanced benefits for our Reserve Component and attend to the needs of our battle injured forces as they return

home and endeavor to return to duty or transition to private life. We anticipate the changes to our forces and military facilities that will flow from the Base Realignment and Closure process; these changes will become more apparent later this year. We will work to ensure our medical force is sufficient for current and anticipated operations, and sustainable in challenging operations. We must press forward with new energy and

focus in support of healthy lifestyle choices among members and families in our military community. We will fulfill our vital and growing role in support of the President's National Policy for Biodefense and related actions essential to protecting our population.

We will engage productively in new, reframed, and growing relationships among individuals, departments, and agencies, within and beyond the Department of Defense. We must field useful business planning processes that enable us to identify and achieve greater business success and best

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practices. Efficiency and effectiveness are vital to ensuring our health benefits remain strong and durable, and new solutions must be found to address tremendous program

challenges—for instance, the annual cost of our pharmacy benefits program is approaching \$5 billion and we must corporately address that growth. We will continue to engage constructively and creatively with the private sector and other federal agencies. Further, we will contribute to the advancement of health care delivery for our nation by leveraging our experience and excellence—from care for populations to information and other advanced technologies.

Seldom have the challenges been so robust or the opportunities to advance our system so great! I look forward to celebrating our successes in 2005 with you this time next year.

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

# messages from the SURGEONS GENERAL

## Message from the Army Surgeon General

In ancient China patients paid doctors when they were well, not sick; they were buying health, not treatment. Likewise, Americans developed Health Maintenance Organizations (HMOs), reasoning that a fixed payment per member would encourage HMOs to promote wellness and prevent illness. The goal is sound; prevention saves money and reduces suffering, lost time, inconvenience, and death.

It seems like a no-brainer, yet persuading people to take on preventative measures is tough. However, our job as health care professionals is to help our patients change unhealthy lifestyles. We must encourage them to understand the value of vaccinations, eating wisely, avoiding tobacco, exercising, and other simple lifesaving measures. Understanding is the easy part; what is harder is getting them to change their behavior. In order to keep our soldiers and their families healthy and to continue to be good stewards of the public's funds, military medicine must facilitate healthy lifestyles for our patients.

## Message from the Navy Surgeon General

Navy Medicine's goal is to create and maintain a fit and healthy force, ready to respond to any mission. Since significant readiness and long-term health benefits can be achieved through increased fitness, this goal extends beyond the battlefield – to the home front. Encouraging healthy lifestyle choices is among the most important factors in achieving this goal.

Decreased fitness has become a national health issue that must be addressed. Since the majority of our Sailors, Marines, and their families will remain our health care customers for life, Navy Medicine is in a unique position to positively influence lifetime behaviors and to improve both quality of service and quality of life for all of our beneficiaries. Our business is being prepared to fight and win America's conflicts. We need all Sailors and Marines physically fit to support every mission.

## Message from the Air Force Surgeon General

The men and women of the Air Force Medical Service (AFMS) continue to prove their mettle, providing first class health care to TRICARE beneficiaries worldwide. Our commitment to warfighters is exemplified in our support of air and land operations from the Philippines to Kyrgyzstan to Iraq.

Operating from our four AFMS core competencies – ensuring a fit and healthy force, preventing casualties, restoring health, and enhancing human performance – the transformational activities of the AFMS have a firm foundation.

We work diligently, empowering commanders of our military treatment facilities to make decisions that will improve the health of each individual in their military population. By partnering with local health care systems we improve access, health care delivery, and satisfaction with the health plan.

Through these efforts we can ensure compassionate, world-class health care for those entrusted to our care, and we stand shoulder-to-shoulder with those who travel in harm's way.

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LTG (Dr.) Kevin C. Kiley  
Surgeon General of the Army



VADM (Dr.) Donald C. Arthur, Jr.  
Surgeon General of the Navy



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



## American Casualties from Combat Injuries Decreasing

The military continues to meet changing needs on the battlefield. Although firepower has increased since previous conflicts, the number of American deaths from combat injuries has decreased. Roughly 10 percent of American soldiers injured today in combat die; in Vietnam it was 24 percent.

Forward Surgical Teams (FSTs) are one of the new ways the military medical system is providing treatment on the battlefield. FSTs comprise medical personnel that bring their supplies with them as they travel behind troops. Their humvees carry enough equipment to perform surgery on up to 30 soldiers, with the goal of operating for less than 2 hours.

Another element assisting soldiers is the use of Kevlar in body armor. Kevlar is used in helmets and vests—the vests also contain ceramic plates. These vests and helmets can withstand bullets and protect against shrapnel. With improved coverage of the head, chest, and abdomen, the injuries incurred on the battlefield have changed and led to a decrease in fatal combat injuries.

For injuries in the extremities, researchers have found ways to improve hemorrhage control. One hemostatic bandage, made from recycled shrimp shells (active ingredient, chitosan), is designed to stick to wounds and accelerate blood clotting through its unique chemical properties, thus quickly helping to stop blood loss. Another hemorrhage control product is QuikClot, a device consisting of a synthetically manufactured mineral, zeolite, which contains highly absorptive properties. When the powder is applied to a wound it causes rapid separation of liquid from blood, which in turn promotes clotting and coagulation.

Thanks to these improvements, deaths from injuries in battle are decreasing. Advances in military medicine are allowing soldiers to get treated quickly; improved body armor is protecting soldiers from head and chest injuries; and blood-flow-stopping products are successfully treating battlefield injuries.

## Corpsmen Continue Tradition of Battlefield Heroism

On the front lines of military medicine stand medics and corpsmen who dedicate themselves to the infantrymen they treat. Ground troops' unyielding confidence in their initial medical responders comes from seeing them perform near-miracles on the battlefield. Two recent incidents illustrate the outstanding heroism of military medics.



Hospital Corpsman Alan Demeter addresses audience after receiving the Bronze Star

Hospital Corpsman Alan Demeter, while serving with 2nd Battalion, 8th Marines, near Nassariyah demonstrated his remarkable courage. After taking shrapnel in the shoulder and leg, Demeter went over a wall, while under fire, to reach six wounded Marines. He rendered life saving emergency treatment, stabilized the wounded, and organized their removal to the battalion air station during a lull in incoming enemy fire. His actions enabled 31 injured Marines to be safely evacuated. In honor of Demeter's heroic efforts, he was awarded the Bronze Star Medal for valor.



Secretary of the Navy, Gordon R. England, presents the Navy Cross to Hospital Corpsman Luis Fonseca

Hospital Corpsman Luis Fonseca was serving with an Amphibious Assault Platoon of the 1st Battalion, 2nd Marines, when five Marines were badly wounded after their vehicle was hit by rocket propelled grenade (RPG) fire. Under small arms, machine gun, and RPG fire, Fonseca rescued the wounded Marines from their burning vehicle and established a casualty unit inside his own medical evacuation vehicle. When his vehicle was rendered immobile by intense fire, he organized litter teams to evacuate four of the Marines; the fifth he carried out over open ground and under fire. For his gallantry, he was awarded the Navy Cross.

Their heroics have become the stuff of legend, but most medics and corpsmen do not see their actions as out of the ordinary. Fonseca said of his exceptional service, "I was doing my job. I wish I could have done more."

## Nurses' Care Assists in Capture of Saddam Hussein

Seven members of the Air Force's 193rd Special Operations Wing who volunteered to serve in Iraq had no idea the impact their dedication to their profession would have.

As reported by Airman Jay Ostrich, 193rd Special Operations Wing public affairs specialist, in November 2003, two Iraqis arrived at the Kirkuk medical facility with multiple wounds; one sustained a life-threatening injury, including a crushing chest wound and artery tear. The nurses knew these locals would not receive proper medical care from local doctors for fear of reprisals should any injured parties be lost on the operating table. The group of nurses, along with several other members of Air Force National Guard units, provided top-notch care in tending to the injuries.

The nurses, Major LaDawn Straub, nurse; Major Julie Carpenter, nurse; Master Sergeant Crystale Matthews, medical technician; Master Sergeant Belinda Defoor, pharmacy technician; Staff Sergeant Terri Hall, medical technician; Staff Sergeant Beth Shapiro, laboratory technician; and Senior Airman Georgia Powell, medic, did their jobs so well that they were decorated and commended by their Expeditionary Medical Support Commander, Colonel Roger Goetz, and 250th Airborne Forward Surgical Team Commander, Colonel Harry K. Stinger. In a certificate issued and signed by Stinger, he acknowledged "gratitude for the exceptional care given to the local nationals."

Not only did Goetz and Stinger appreciate the exceptional care the nurses provided, the Iraqis they treated were so grateful for the care and compassion they received, their families provided coalition forces with information regarding Saddam Hussein's hiding places. This vital information combined with a confluence of other sources of intelligence and coalition efforts led to the capture of Hussein, also known as the Ace of Spades. As

Stinger's certificate states, "by treating these injured Iraqis with the highest standard of care, [the nurses] directly contributed to the capture and detainment of the Ace of Spades."



The Kirkuk Seven

"We never really knew what a drastic impact we had in their lives," said Matthews. "Just to know what we consider 'just doing our jobs' meant so much to them is all the thanks we needed."

For their efforts, the "Kirkuk Seven" were honored by Pennsylvania Governor Edward G. Rendell at the capitol and nominated for state commendation medals.

## Dedicated Staff Continue to Monitor Progress

The Military Health System (MHS) underwent a momentous transformation this past year with remarkable ease. TRICARE contracts moved from requirements-based to performance-based with an emphasis on customer satisfaction. Beneficiary and provider experience with previous contracts was carefully considered, as was the health care industry's best-business practices.

The new contracts consolidate 11 geographical regions to 3, simplifying management by reducing administrative duplication and overhead fees. The regional consolidation provides sensible geographic carve-out areas and makes the benefit easily portable for a highly mobile population of beneficiaries.

The contracts feature metrics for performance and efficiencies, and offer incentives for meeting and exceeding established standards. One example of measurable performance is contractor success in growing the network of providers so that beneficiaries, particularly those in remote locations, have convenient access to quality care. Offering incentives to contractors based on key performance indicators, such as telephone access, claims processing, and network capability should dramatically improve customer satisfaction. Selection for these awards is based on input from those most affected by performance—beneficiaries and commanders of military treatment facilities.

Consolidating specific functions into one contract, so that the contractor can concentrate on its core competency, such as pharmacy, claims processing, or marketing, has also increased efficiency. The best example is the new, single, dedicated contract for claims processing for TRICARE-and-Medicare dual-eligible beneficiaries. Beneficiaries who are eligible for Medicare (due to age, disability, or end-stage renal disease), no matter where they live, now enjoy a single processor for claims, with one mailing address, Web site, telephone number, and group of customer service representatives.

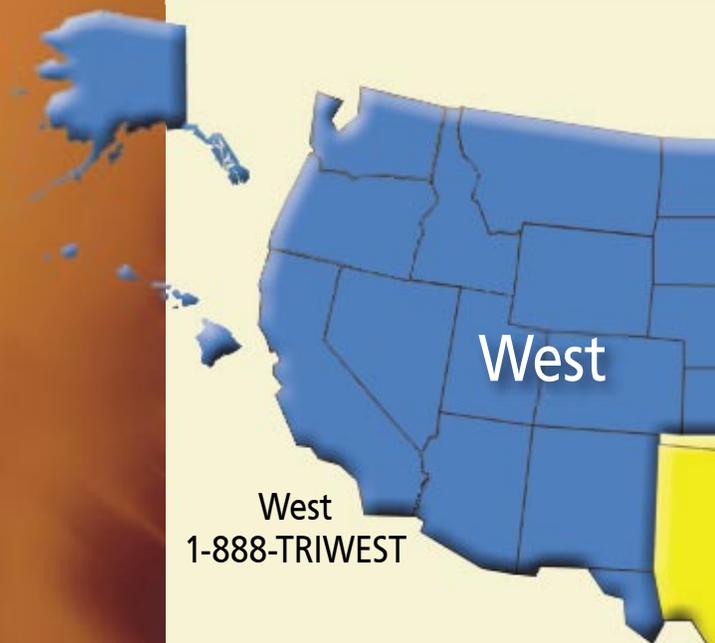
Administrative costs have been further reduced by the new retail pharmacy contract. The contract creates a nationwide network of retail pharmacies under one contract, thereby solving portability problems. Beneficiaries can fill prescriptions at more than 53,000 civilian pharmacies around the nation at clearly stated prices, with one computer database tracking the information and accessible by the claims processor. The same sort of efficiencies and convenience can be found in the new TRICARE Global Remote Overseas contract. Now, there is one contractor supervising local providers, processing claims, and providing customer service for uniformed service members and families living in remote areas outside of the continental United States.

While the transition to the new TRICARE contracts has made a strong program better and ultimately resulted in higher patient satisfaction, it was anticipated that some beneficiaries would experience transition problems. The TRICARE Management Activity dedicated transition teams that continue to trouble-shoot and monitor the progress of regional changes and contract implementation. The new TRICARE retail pharmacy contractor, for example, experienced software problems in the first hours of the contract, causing delays in processing claims and confusion for some beneficiaries. The problem was quickly identified and a remedy put in place. The changes in regional contractors caused some beneficiaries to be reassigned to new primary care managers, and there were some modifications to the processes for referrals



and authorizations. Again, effected beneficiaries were promptly identified and their issues continue to be addressed as each phase in the transition is completed. Customers calling the regional contractors toll-free lines initially experienced longer wait times due to high call volume during transition. Beneficiaries were encouraged to take advantage of new online services provided by each regional contractor and new call center staff were hired and trained in response to the increased call volume.

The dedicated staff of the MHS continue to iron out the remaining wrinkles of the transition so that beneficiaries may fully enjoy the benefits of the transformation with improved patient satisfaction and higher quality of care.



# successful TRANSITION to new CONTRACTS

## New Governance Structure in Place

Given the significant changes associated with the new contracts and their management, the Assistant Secretary of Defense (Health Affairs) and the Services' Surgeons General have developed a joint governance plan to monitor performance and resolve problems at the lowest possible level. The plan reflects a reasoned and balanced approach to managing the military health benefit with force readiness as the first priority.

In place of Lead Agent Offices the new plan includes three TRICARE Regional Offices (TROs), aligned with three TRICARE regional contracts in the United States, and an Overseas TRICARE Regional office, headquartered in the TRICARE Management Activity, with three overseas area offices. The TROs will serve as health plan managers and will have visibility on both the contract and direct care assets. They will also coordinate with the Services to develop an integrated health plan.



## Military Health System Promotes Healthy Lifestyles

**"Life is not merely to be alive,  
but to be well."**

~ Marcus Valerius Martial

The ideal illness is the one that is prevented before it begins. The incentive to proactively promote wellness is especially great given that the Department of Defense (DoD) simultaneously pays for health care, provides health care, and employs the beneficiary being cared for.

To maximize the health and wellness of service members, retirees, and their families, Dr. William Winkenwerder, assistant secretary of defense for health affairs, is taking aim at lifestyle choices in 2005. The Military Health System (MHS) is specifically targeting a recent rise in tobacco use, particularly among younger service members, alcohol abuse, and obesity.

The MHS has implemented a nationwide campaign supporting positive behavioral changes. This includes a Web site with information on healthy choices, smoking cessation, responsible alcohol use, and weight management, located at [www.tricare.osd.mil/healthychoices](http://www.tricare.osd.mil/healthychoices). In addition, increased access to education, support, and treatment in these areas, plus leveraging Internet and telephone counseling resources are now available through demonstration projects in several areas.

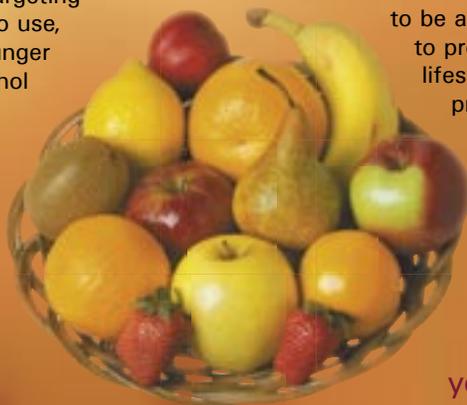
**"My neighbor stopped smoking yesterday. He is survived by a wife and child."**

~ Harry C. Bauer

The 2002 Health Related Behaviors Survey found tobacco use to be up for the first time in many years. Tobacco use is particularly high among young service members. Many service members enter basic training as non-smokers only to adopt the habit shortly

after leaving the basic training environment. For active duty service members, tobacco use has important operational implications including decreased physical stamina and reduced night vision. Efforts will be aimed at making tobacco less culturally acceptable and less available, while making tobacco cessation support easier and more accessible. Similar efforts by the California Tobacco Control Program reduced tobacco use by 22 percent with a rate of decline in new cases of lung cancer 6 times greater than the national rate. A smoking cessation program offered through the U.S. Family

Health Plan was found to be an effective way to promote healthy lifestyles through prevention and education and is a model for other prevention programs.



**"As I see it every day you do one of two things: build health or produce disease in yourself."**

~ Adelle Davis

According to the 2002 Health Related Behaviors Survey, excessive alcohol use, including binge drinking, also increased. This was particularly prevalent among younger service members. Alcohol is significantly involved in active duty service member motor vehicle fatalities, sexual assaults, and suicides. Alcohol misuse results in approximately 700 involuntary separations each year. The DoD is interested in energizing cultural messages for responsible alcohol use and pushing education to young enlisted members. Web-based programs, such as those being used with high-risk age groups on college campuses, are under consideration for use by the DoD.



**"A man's health can be judged by which he takes two at a time - pills or stairs."**

~ Joan Welsh

People in uniform have always stood as models of fitness, but the DoD harbors no illusions that the military is exempt from the American weight problem. One study on the prevalence of obesity among family members reports that military children are classified as obese at a higher rate, 18.9 percent, than children in the general American population at 15 percent.

Local facilities have already started programs aimed at healthy lifestyles. In Wuerzburg, Germany they have begun "Walk to Iraq—and back," a wellness program that targets family members of soldiers deployed to Operation Iraqi Freedom. Participants are given pedometers and challenged to walk 4,000 miles—the distance from Wuerzburg to Baghdad and back—in a year's time. Pilot efforts to improve consumer health awareness regarding food and fitness will be implemented in selected commissaries and other settings where TRICARE beneficiaries work, shop, and play.

By focusing on healthy lifestyle choices, TRICARE is demonstrating its commitment to the long-term health of its beneficiaries. Providing information and services on how to make healthy choices assists in long-term health benefits and force readiness.

**"He who has health, has hope; and he who has hope, has everything."**

~ Arab Proverb

## Tips to Encourage Healthy Choices

Taking extra time with a patient to assess high-risk health behaviors can have a large pay-off and may even save a life. Brief clinic interventions are more cost effective for each year of life saved than mammography or cholesterol screening. Recommendations, below, for tobacco cessation provide an example. Similar interventions can address obesity or alcohol misuse.

### The Five A's

**Ask:** Ask and document tobacco use for EVERY patient at EVERY visit.

**Advise:** In a clear, strong, personalized manner advise every smoker to quit.

**Assess:** Ask every smoker if he or she is willing to make a quit attempt in the next 30 days.

**Assist:** Help the patient develop a quit plan, provide brief practical counseling, offer clinical support, identify strategies for support outside of treatment, recommend pharmacotherapy if needed, and/or refer to available tobacco cessation programs or resources.

**Arrange:** Schedule follow-up contact.

For patients who are not ready to quit, interventions can help them become ready to change based on their priorities and values:

### The Four R's

**Relevance:** Encourage patients to indicate why quitting is personally relevant.

**Risks:** Ask patients to identify potential negative consequences of tobacco use.

**Rewards:** Ask patients to identify potential benefits of ending tobacco use.

**Repetition:** Repeat the intervention every time an unmotivated patient enters the clinic.

These efforts can be condensed into a few minutes and non-provider members of the health care team can be involved. Early intervention can add years to a patient's life.

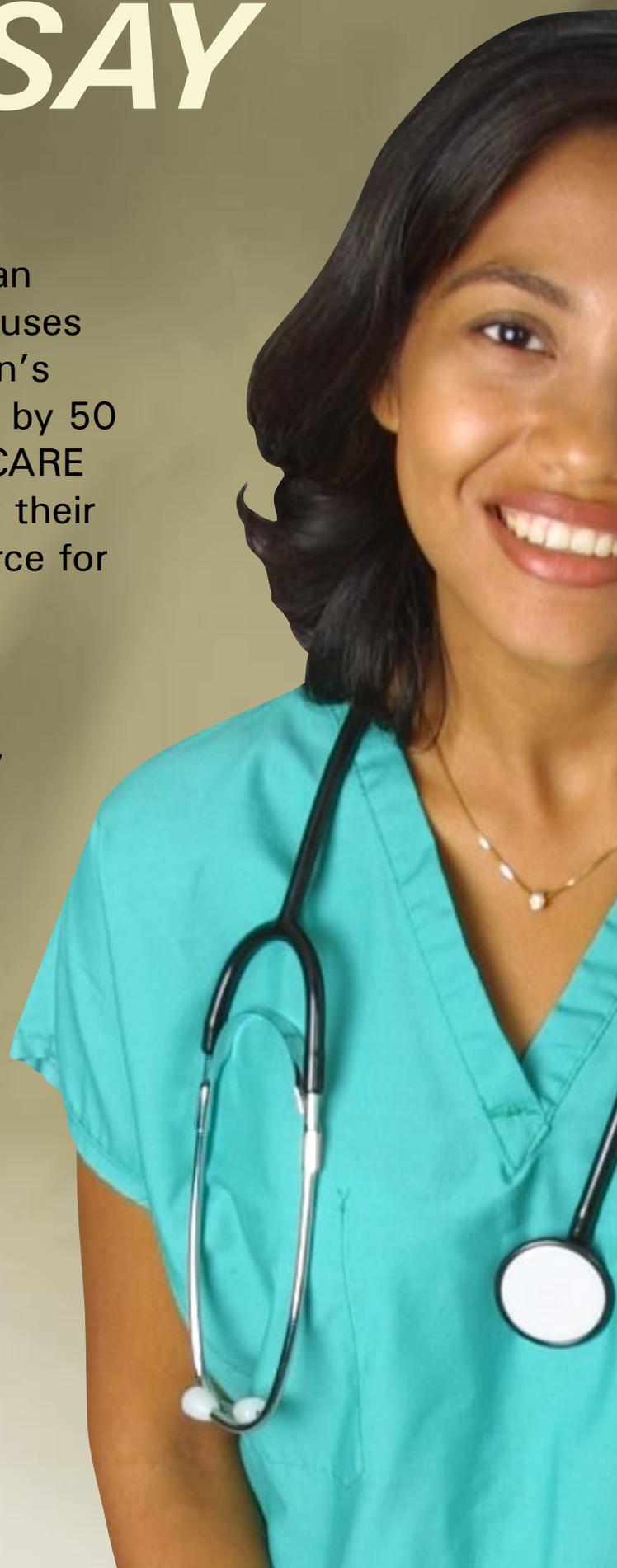


# what you **SAY**

As little as 3 minutes of physician intervention with a patient who uses tobacco can increase that person's chances of quitting successfully by 50 percent. In a recent survey, TRICARE beneficiaries said that they trust their provider as the number one source for health promotion information.

## *Encourage your patients to:*

- **Quit Smoking**
- **Limit Alcohol Consumption**
- **Maintain a Healthy Weight**



# can **SAVE** a life

## Smoking

- 30 percent of service members start smoking after entering military service.
- In 2002, for the first time in 20 years, smoking increased among service members, particularly among 18-25 year olds.

## Alcohol Abuse

- The incidence of young adult (18-25 year olds) binge drinking among service members is more than 50 percent, compared to 40 percent among civilian young adults.
- Alcohol abuse accounts for approximately 700 separations from active duty a year.

## Obesity

- More than 13 percent of active duty service members receiving care in a military treatment facility are considered obese by the Centers for Disease Control's criteria.
  - 34 percent of non-active duty beneficiaries are obese.
  - 18.9 percent of the Department of Defense adolescent dependents are overweight or obese.
  - More than 3,000 active duty service members are discharged each year for failure to comply with Service weight/fitness standards.





## 2004 Summary of Benefit Changes

- As of January 1, 2005 a newborn or newly adopted child's "deemed" status of being enrolled in TRICARE Prime will be for 60 days. Parents must enroll the child in Prime in a timely manner to avoid a loss of Prime status.
- TRICARE Prime retirees can now pay enrollment fees by allotment from their retirement pay, or by an electronic funds transfer.
- TRICARE Standard active duty family member civilian inpatient cost-shares slightly increased from \$13.32 to \$13.92 per day, or \$25.00, whichever is greater. TRICARE Standard retiree civilian inpatient cost-shares increased from \$459 to \$512 per day.
- The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2004 extends transitional benefits from 60 or 120 days to 180 days for some active duty and Reserve Component members separating from active duty service. This benefit provision began November 6, 2003 and was scheduled to end December 31, 2004. However, the NDAA for FY05 makes this provision permanent.
- Some activated reservists and guardsmen receive TRICARE benefits prior to their activation date under section 703 of the NDAA for FY04; the NDAA for FY05 makes this permanent.
- Beneficiaries can now calculate their catastrophic cap with ease due to fiscal year alignment and central processing.

TRICARE Accomplishments

## Accomplishments in 2004

- Eliminated requirement for TRICARE Standard beneficiaries to obtain a nonavailability statement to receive inpatient care (except for mental health services) at civilian hospitals without obtaining prior approval from their military treatment facility.
- Started automatically issuing a Certificate of Creditable Coverage to uniformed services sponsor or family member who loses eligibility for TRICARE benefits. The certificate serves as proof of previous health care coverage and limits the time another health care plan may exclude them from participating due to a preexisting medical condition.
- Awarded contract to provide ongoing health care services and support in Puerto Rico through TRICARE Overseas Prime for active duty service members and their families stationed in the Commonwealth of Puerto Rico; health care delivery began in May 2004.
- Extended the Transitional Assistance Management Program (TAMP), from 60 or 120 days to 180 days for some active duty and Reserve Component members separating from active duty service. In 2005, the extension of the TAMP benefit permanently becomes 180 days.
- Implemented centralized TRICARE For Life claims processor, providing a single source for claims processing, customer service, and administrative claims services for all TRICARE beneficiaries entitled to Medicare Parts A & B.
- Established a process for determining the formulary status for prescription drugs. Based upon relative clinical and cost effectiveness, drugs are placed into one of three cost-share tiers—generic, formulary (brand-name) or non-formulary.
- Established a single processor for the TRICARE Retail Pharmacy program, providing nationwide prescription services for TRICARE beneficiaries in the United States and its territories through an expanded network of more than 53,000 retail pharmacies.
- Established new health services and support contracts, consolidating 11 geographical regions into 3 and moving from 7 regional contracts to 3, resulting in improved customer service and higher quality of care.
- Implemented a new program to provide “early” access to TRICARE medical and dental benefits for Reserve Component members and their families when the member is activated in support of a contingency operation for more than 30 days. The program was temporary through December 2004, but in FY05 the “early” benefit becomes permanent. TRICARE benefits are available for members with delayed-effective orders and their family members for up to 90 days prior to the member’s activation.
- Extended the TRICARE Reserve Family Demonstration through November 1, 2005, ensuring continuity of care and reduced out of pocket expenses for family members of the 163,000 National Guard and Reserve personnel called to active duty for more than 30 days in support of federal contingency operations. In FY05, legislation gave the Department of Defense authority for the demonstration project’s waiver of certain deductibles to become permanent.
- Implemented online appointments for Prime, Plus and some specialty care in 95 percent of all military treatment facilities through TRICAREOnline.com.



## Did You Know?

TRICARE processes **8.5 million** health care claims per month.

**Over 98 percent** of claims are processed within 30 days; and **99.99 percent** of claims are processed within 60 days.

On average, electronic claims are paid in **5 days**.

- Improved retiree payment options for TRICARE Prime enrollment fees. Payments can be made by monthly allotment from the following retirement-account pay agencies: Defense Financial Accounting System, Coast Guard, and Public Health Service.
- Implemented the new Defense Enrollment Eligibility Reporting System (DEERS) in conjunction with the roll out of the new contracts. The new DEERS aligns enrollment year with the fiscal year, facilitates Primary Care Manager assignment, centralizes other health insurance information, consolidates catastrophic cap information, and much more.
- Established three TRICARE Regional Offices to support the three new regional contracts, reducing the duplication of efforts and improving communications.

# responding to CHALLENGES

## TRICARE Standard

TRICARE Standard, the basic TRICARE health plan for people not enrolled in TRICARE Prime, offers the greatest flexibility in choosing a doctor, but requires greater out-of-pocket expenses than TRICARE Prime. TRICARE Management Activity (TMA) is implementing the National Defense Authorization Act for Fiscal Year 2004, which specifically targets improvements for TRICARE Standard. The improvements include increased educational initiatives for health care providers on TRICARE Standard and encouraging additional providers to accept Standard patients.

In order to execute the legislation, TMA is providing beneficiaries with the information necessary to locate TRICARE Standard providers in their area. TMA is assisting TRICARE Standard beneficiaries in resolving difficulties with issues such as billing, payments, eligibility, and collection actions. TMA is also communicating with Standard beneficiaries through newly revamped Web pages concerning the Standard benefit and through newsletters scheduled to begin mailings this year. These ongoing initiatives are expected to improve customer satisfaction.



## Referrals and Authorizations

TRICARE beneficiaries are experiencing delays in getting referrals and authorizations for specialty care and services. TRICARE Management Activity is working closely with the Services' medical departments and managed care contractors to streamline the referral and authorization process. Short, medium, and long-term goals are being developed as the Military Health System (MHS) strives to reach the ultimate objective of creating a fully automated, and beneficiary satisfying, referral and authorization process. For fiscal year 2005, the improved process will ensure beneficiaries leave their primary care manager with any required follow-up appointments or the ability to make one. Also, Referral Coordination Centers will be established across the MHS to provide management of all referrals.

## Telephone Wait Times

As the 11 regions consolidated to 3 and phased into the new contracts, the contractor call centers experienced an unexpected increase in call volumes, which meant longer hold times for beneficiaries. Each regional transition brought a rise in calls, but the upsurge was not always predictable and has yet to stabilize in every location. Part of the call volume increase, however, was accounted for by an unexpected increase in questions about referrals and authorizations.

Contractors have responded to the problem by hiring and training new staff and installing additional lines, all of which increase the contractor's capacity to answer phone calls.

Although delays continue to occur, they are being monitored by troubleshooting teams. To help alleviate call wait times, each regional contractor has also made conducting business online fast and easy. Beneficiaries may enroll or change enrollment information online, search for providers in their local area, and find a wealth of information on the health plan as well as links to other key sites for information on claims processing and online appointments.



## Portal Provides Tools for Preventative Services and Disease Management

A tri-service site was developed to meet the Services' need for information on population health and medical management. This Web-based tool, known as the Military Health System Population Health Portal, provides a centralized management system that transforms administrative data from encounter, claims, pharmacy, laboratory, radiology, immunizations, and enrollment databases into actionable information

for health care teams. By putting the information into this system, the Services' medical professionals are able to improve the delivery of preventative services, chronic disease management, and the overall health for TRICARE Prime enrollees.

The system creates action lists based on monthly enrollments from the Defense Enrollment Eligibility Reporting System for each military treatment facility. For example, women age 52-69 need mammography screening; the site contains the date of the last known mammogram for each woman and creates an "action" for those requiring a mammogram.

An account is needed to obtain access to the portal. For more information, visit <https://pophealth.afms.mil>.

## Facilities Benefit from Online Appointing

TRICARE Online (TOL), the Department of Defense secure Internet portal for TRICARE beneficiaries, providers, and managers around the world, not only offers access to 18 million pages of health and wellness information, it also makes scheduling appointments at military treatment facilities (MTFs) easier than ever.

TOL gives patients the ability to go online and schedule appointments that are most convenient for them, including scheduling military required appointments, such as preventative health assessments. Every week, approximately 1,200 appointments are booked online.

MTF administrators have seen a marked decrease in no-show rates and the need to reschedule among patients who book appointments via TOL. This decrease in no-shows reduces administrative and staffing costs for the MTF; on average TOL saves \$7 per appointment.

The family practice clinic at Sheppard Air Force Base has seen the value of using TOL. With the most appointments available for booking

on TOL, Sheppard has demonstrated that the more appointments offered on the site, the more effective it is. The extensive use of TOL at Sheppard has permitted the reallocation of administrative staff to other critical areas in the MTF.

TOL is an all-inclusive Web portal that provides convenient access to numerous Military Health System (MHS) Web-based resources. Future plans for new functionality include patient to provider secure messaging with the ability to send prescription renewal requests, beneficiary secure access to patient health records, and Web-based pharmacy refills. As TOL

continues to grow, the MHS is striving to have 85 percent of primary care appointments available for booking on TOL in fiscal year 2005.

TOL serves as a tool for all MHS stakeholders, most of all beneficiaries. TOL not only gives beneficiaries greater

convenience in accessing quality health care services, it also allows MTFs to increase their efficacy by spending less time scheduling appointments and more time focusing on their care for patients. Visit [www.tricareonline.com](http://www.tricareonline.com).



## National Defense Authorization Act Extends Coverage

The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2005 authorizes several new, permanent provisions to enhance access to TRICARE for active duty service members, members of the Selected Reserve and National Guard, and their families. The Department of Defense (DoD) and TRICARE Management Activity are collaborating with the Services and Reserve Affairs to implement the new health care provisions as quickly as possible.

Section 701 of the NDAA for FY05 expands health coverage for certain eligible service members by authorizing TRICARE Standard coverage for members in the Selected Reserve who commit to continued service upon release from active duty and their

family members.

Under this program, the Selected Reserve members will pay a premium for self, or self and family member enrollment, equal to 28 percent of the amount determined by the Department of Defense as reasonable for TRICARE Standard

coverage; the DoD will implement this new program by April 26, 2005.

Also included in this Act are provisions that make permanent two temporary provisions of the NDAA for FY04 – early eligibility for TRICARE (pre-activation up to 90 days), and the extension to 180 days of transitional health care benefits for some members leaving active service; these provisions became effective on October 28, 2004. In addition, the NDAA for FY05 provides authorization to waive TRICARE deductibles for families of activated reservists, and for TRICARE to pay non-participating providers up to 115 percent of the TRICARE maximum allowable charge when they treat family members of activated reservists.

The DoD intends to continue its efforts to improve the health benefits provided to Service members and their families in order to better support those serving our country.

### Did You Know?

TRICARE Online (TOL) also serves as a healthy lifestyles tool. TOL contains advice about starting an exercise program with explanations of activities such as circuit training and tips on fixing healthy lunches for kids, including strategies for nutritious grocery shopping. The portal provides access to self-assessment tools on subjects such as ideal body weight, calorie needs, and target heart rate. Information is available on numerous medical problems ranging from exercise-induced asthma to treating a sprained ankle. TOL is a single, comprehensive first aid and specialty health and wellness tool that provides access to trusted, up-to-date health content and resources to enable TRICARE beneficiaries to make healthy choices for their lives.

## TRICARE Service Center Staff Saves the Day

In June, an active duty service member contacted the TRICARE Service Center (TSC) for the 78th Medical Support Squadron at Robbins Air Force Base (AFB) in Georgia because he was experiencing difficulties filling his son's prescription. Karla Sellers, the TSC manager, learned the father had contacted the medication supplier, but was unable to obtain the medication.

On June 1, 2004, the new contract for the Retail Pharmacy Program was launched.

The program experienced start-up difficulties with the new computer system forcing many beneficiaries to pay for medications up front or wait to fill the prescription until the problem was resolved.

In this particular situation, the life sustaining medication was too expensive for the family to pay up front.

Upon hearing the father's plea for help, Sellers worked tirelessly to secure enough of the child's medication until the issues could be resolved. Sellers' efforts paid off and the medication was delivered without causing financial hardship to the family. Janine Jackson, contract liaison at the military treatment facility (MTF), credits Sellers' persistence and determination in getting the medication and said medical complications were a real possibility if not for Sellers effort.

For her extraordinary customer service Karla was awarded Contractor of the Quarter. The MTF at Robbins AFB gives the award to a civilian contractor who has a strong impact on the health care needs of the Robbins AFB community.



Karla Sellers, Humana, receives award for Contractor of the Quarter

## Camp Lester Provides Patients Peace of Mind

The military health care professionals and TRICARE representatives at the U.S. Naval Hospital (USNH), Camp Lester, Okinawa, Japan, know that living over 6,000 miles from the continental United States can be stressful for active duty service members and their families. Thus, they focus on the needs of their patients by improving care with creative uses of their limited resources.

Last year the hospital opened a waiting room just for kids. Sponsored by the Armed Services YMCA, and with donated space from USNH, Camp Lester, the Children's Waiting Room provides free childcare for parents or siblings with appointments at the hospital. Two full-time employees run the program, but the waiting room is also attracting volunteers from grateful parents and active duty service members. "Squadrons, as a group, are donating entire days to volunteer at the waiting room," said Lori Goto, a YMCA employee, and many others "have donated office supplies, crayons, and craft projects for the children, and that really helps."

The hospital also launched Okinawa Clinical Answering Service, which operates when the Naval and Air Force medical clinics are closed. The service responds to questions that may require urgent advice, but may not warrant a trip to the emergency room. A doctor or nurse practitioner is on-call to provide assistance. The service offers the peace of mind that comes with one-on-one human contact. "We wanted to provide Okinawa with a higher level of care—the sort that's needed for patients stationed overseas," says Amanda Woodhead, hospital public affairs officer.

This spring, the hospital hosted the first annual Pregnancy and Beyond Fun Fair. The all day event provided information on health issues and medical concerns to patients from all the Services stationed in Okinawa. LCDR Amy Branstetter, chairperson of the committee that organized the event and department head of the USNH, Okinawa Labor and Delivery department said, "the

committee really wanted to present a forum in which the military community of Okinawa had an opportunity to learn and become familiar with childbearing concerns and preventative health issues regarding starting a family, pregnancy, newborn and early childhood care."

The TRICARE representatives at the Camp Lester hospital try to ease the burden of relocating to remote overseas locations by providing a briefing, as part of the "Smooth Move" workshop. The briefings are designed to educate beneficiaries on their health care options once they are "off island." "People don't understand what their health care plan covers, or where they can receive medical care," said Arlita McClintock, the TRICARE marketing representative for all U.S. military installations in Okinawa. "Many service members believe that they are covered only at military medical facilities." McClintock's most important piece of advice is to make sure all family members' military ID cards will not expire while the family is traveling between duty stations.

**We wanted to provide Okinawa with a higher level of care—the sort that's needed for patients stationed overseas.**

In order to further assist the needs of their patients, the hospital has launched a Web site that gathers information about the availability of specialty clinics and services at each of the 14 military treatment facilities throughout the Pacific region; this allows medical staff to better coordinate care for their patients.



LCDR Mark Goto and daughter Hannah enjoy the Children's Waiting Room Open House

Thanks to the efforts made by the staff at the U.S. Naval Hospital, Camp Lester, Okinawa the difficulty of being stationed far from home has been made as easy as possible.

## going the EXTRA MILE

**“I saw there was a need,”**

Parish said. “We have soldiers working in extreme conditions who need a physical therapist.”

### Army Reservist Volunteers Time

Army Captain Brett Parish did not deploy to Iraq as a TRICARE provider, but nevertheless brought relief and comfort to hundreds of his fellow soldiers.

Parish, a physical therapist in his civilian life and Army reservist, served in a psychological operations unit attached to the 10th Mountain Division of Fort Drum, New York. While stationed in Iraq, he volunteered his time and skills as a physical therapist for the 210th Forward Support Battalion.

“I saw there was a need,” Parish said. “We have soldiers working in extreme conditions who need a physical therapist. It also gives me a way to keep my skills up. I offered to volunteer my time on Sunday mornings. I see four to six patients any given hour.”

Deployed units rarely have a physical therapist, so soldiers are treated with painkillers to numb their pain, but

physical therapy is necessary to stop recurring symptoms. To treat the problems, patients must practice strength and muscle-memory training.

“The longer soldiers are on patrol, the more aches and pains they get,” he said. “Most people come in with back pain. The knees, ankles and shoulders are a close tie for second. I give them stretches and exercises.”

Parish said he was glad to be of service and is happy he had the chance to help fellow soldiers, as well as the Iraqi community.

“It’s been fun, I enjoyed it,” he said. “When I go back home I can say that I helped people.”

Army Captain Brett Parish checks a patient’s foot in Iraq

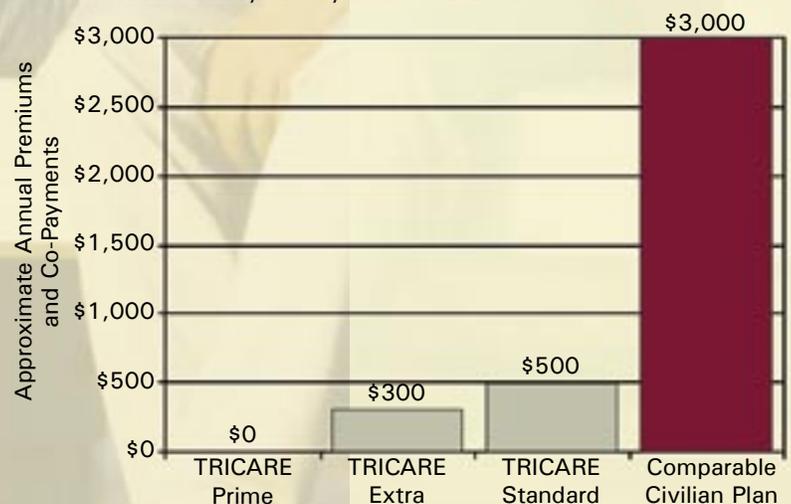
# BASIC facts of TRICARE

## The Value of TRICARE

TRICARE is a high quality, low or no cost health program. Compare TRICARE with civilian health plans and see the value:

- When active duty families use TRICARE instead of civilian health insurance, they save out-of-pocket costs. With TRICARE Prime, a young, active duty family with one child pays \$0 per year in premiums and co-payments. With TRICARE Extra, the family pays about \$300 annually. With TRICARE Standard, the family pays about \$500 annually. A comparable civilian plan could cost as much as \$3,000 annually.
- Civilian employers often shift health care premiums and cost-shares to their employees, and their health care costs have been increasing every year, sometimes as high as 15 percent per year. TRICARE has remained premium free and low or no cost since the program began approximately 10 years ago.
- TRICARE's unique health care delivery system uses military treatment facilities and civilian networks. This integrated system supports readiness and ensures that whenever and wherever families need health care, it is the highest quality available and the best out-of-pocket value to them.

Compare the annual premium and co-payment costs for an active duty family with one child





## 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



## 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

## Vision

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



## TRICARE Facts and Figures

TRICARE Beneficiaries: 9.1 million

TRICARE Prime Enrollees: 5.2 million

Direct Care Facilities:

- 70 Military Hospitals/ Medical Centers
- 411 Medical Clinics
- 417 Dental Clinics

Military Health System Personnel:  
130,800

- 40,700 Civilian
- 90,100 Military

FY06 Budget

Unified Medical Program: \$37.4 billion

- \$26.4 billion  
Defense Health Program
- \$10.9 billion  
Medicare Eligible Retiree Accrual Fund

## A Week in the Life

Inpatient Admissions: 19,200

- 5,500 Direct Care
- 13,700 Purchased Care

Professional Encounters (Outpatient): 1.7 million

- 640,000 Direct Care
- 1.1 million Purchased Care

Prescriptions: 1.9 million  
(Includes retail, direct care and mail order)

Births: 2,000

- 1,000 Direct Care
- 1,000 Purchased Care

Dental Procedures (Direct care only): 400,000

Claims processed: 1.95 million

Weekly Bill: \$717 million



To comment on the  
2005 TRICARE Stakeholders' Report,  
e-mail: [comments@tma.osd.mil](mailto: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](http://www.tricare.osd.mil/stakeholders).

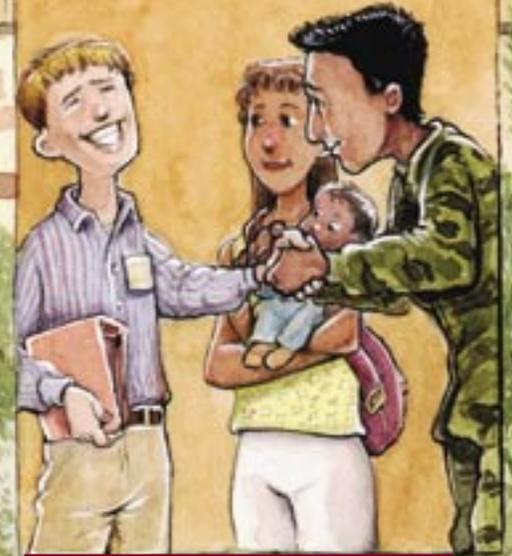
## What We Value, Why It Matters



When employees are valued



they find satisfaction in their jobs



and deliver better customer service



...resulting in happy  
TRICARE beneficiaries!

Appreciated employees have a positive impact on the success of an organization. Within the Military Health System, we place a high value on our personnel. This value has a direct impact on how we deliver the TRICARE benefit.

Holding ourselves to a high standard of ethics, compassion and accountability produces an environment where customer service is a top

priority. Our customer service commitment to both internal and external stakeholders produces amazing results.

We recognize the importance of duty and mission and know that neither is possible without trust in our organization and concern for the people we serve coming first. Value is not only about cost, it is also about the profound effect our behavior has on customer and employee satisfaction.

