



The Future of TRICARE Regional Contracts: T-4 Kickoff Meeting

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TRICARE - Who We Are



- 9.6 million beneficiaries
 - 3.7 million TRICARE Prime enrollees (*direct care system*)
 - 1.6 million TRICARE Prime enrollees (*contractor networks*)
 - 1.9 million TRICARE for Life
 - Others are TRICARE Standard/Extra and TRICARE Reserve Select
 - Purchased care managed through regional contracts (North, South, West)
 - Retail and mail order pharmacy managed separately via Express Scripts
- Over 380,000 participating providers
- Over 60,000 retail pharmacies

The Military Health System



- “Direct Care System”
 - Army, Navy and Air Force Military Treatment Facilities: 59 hospitals & medical centers, and 364 health clinics
- “Purchased Care System”
 - Networks of civilian providers administered by Regional Health Care Support Contractors in CONUS and overseas
 - Overseen by TRICARE Management Activity
 - Supports direct care system

Designing the Way Ahead

1995-2003

TRICARE Management Activity;
TRICARE Prime;
TRICARE For Life;
Dental Program

TNEX: 2003-2011

TRICARE Retail & Mail Order Pharmacy;
TRICARE Global Remote Overseas;
TRICARE Reserve Select

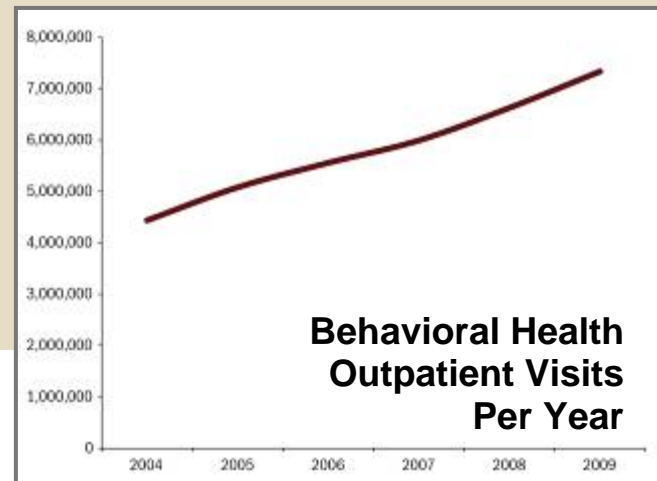
T-3: 2011-2015

Wounded Warrior Programs;
Behavioral Health;
TRICARE Retired Reserve;
TRICARE & ACA

T-4

A Week in the Life of TRICARE

- **21,800 inpatient admissions**
 - 5,000 direct care
 - 16,800 purchased care
- **1.6 million outpatient visits**
 - 737,000 direct care
 - 876,400 purchased care
- **2,300 births**
 - 1,000 direct care
 - 1,300 purchased care
- **3.5 million claims processed**
- **12.6 million electronic health record messages**
- **2.5 million prescriptions**
 - 910,000 direct care
 - 1.41 million retail pharmacies
 - 223,000 home delivery
- **179,300 behavioral health outpatient services**
 - 46,100 direct care
 - 133,200 purchased care



Creating Alignment: MHS Quadruple Aim

- **Readiness**
 - Pre- and Post-deployment
 - Family Health
 - Behavioral Health
 - Professional Competency/Currency
- **Population Health**
 - Healthy service members, families, and retirees
 - Quality health care outcomes
- **A Positive Patient Experience**
 - Patient and Family centered Care, Access, Satisfaction
- **Cost**
 - Responsibly Managed
 - Focused on value

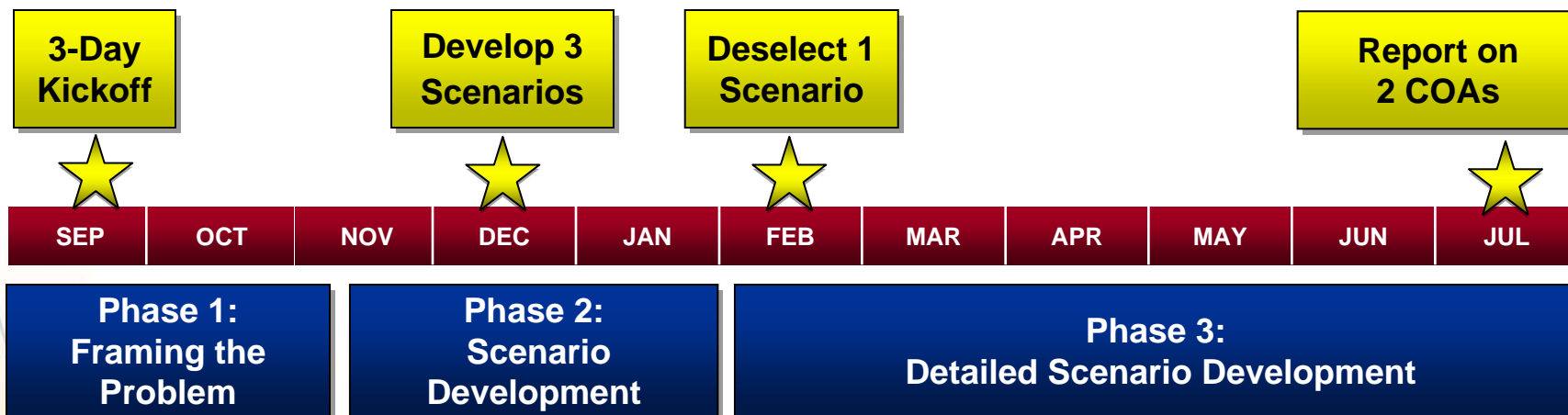


The Fourth Generation of TRICARE (T-4)

Designing the Way Ahead

- Posing strategic questions:
 - Alternate delivery and finance models
 - Opportunity for federal partnerships, leveraging national health reform
 - Individual choice and financial responsibility
 - Need for global coverage and products for diverse populations
 - Rapid adoption of best practices, knowledge management
 - Advances in science and technology, individualized medicine
 - Scope of benefit, ease of use
 - Health information technology and meaningful use
- Ensuring we maintain:
 - Focus on Quadruple Aim
 - Patient and family centered care, medical home concept
 - Robust direct care system for force projection
 - Coordination of care for individual and family readiness

T4 Study Group Timeline



Months 1-2:

Structured Study and Team Building

- Environmental scan
- Intense study of historical documents
- Legal, financial, acquisition framework

Months 3-5:

Develop 3 Scenarios

- Seminars & excursions (i.e. visits to health systems, other gov't agencies, professional organizations and businesses)
- Leadership will deselect one scenario

Months 6-10:

Detailed Development of 2 Courses of Action

- Additional excursions, tabletop or war game
- Prepare final report on two scenarios
- Brief leadership who will choose one scenario that will be used to develop the MHS acquisition strategy for T4

This Week: Getting Started

Today's Session

- Forecasting trends which will influence health plan design
 - Global security, economics
 - Health reform
 - Science and technology
 - Workforce demographics
 - Patient activation
 - Health IT and meaningful use

Day 2: Past MHS Efforts

- Local Authorities Workgroup summary
- MHS 2020
- Task force on the future of the MHS
- MHS transformation plan

Day 3: Current TRICARE Landscape

- Benefits and program components
- Legal; Legislative framework
- Acquisition
- Finance
 - Current program performance

