



2000

TRICARE

2000

Stakeholders' Report

Volume II

Moving from
Promises to Proof



Letter to Stakeholders



Dr. Sue Bailey,
Assistant Secretary
of Defense
(Health Affairs)



Dr. H. James T. Sears,
Executive Director of
the TRICARE
Management Activity

Teamwork. Commitment. Innovation.

Those three words capture the new spirit of TRICARE. For as the new millennium dawns, we are seeing a dramatic change. A creative alliance—between the Chairman of the Joint Chiefs of Staff and the Military Health System leadership—has been forged. Its goal: to make TRICARE work better for everyone. This new and exciting **teamwork**, involving the highest levels of both Line and military medical leadership, promises swift and dramatic improvements in the TRICARE program.

The Chairman, the Assistant Secretary of Defense (Health Affairs), the Director of the TRICARE Management Activity, and the Surgeons General have made a **commitment** to improve TRICARE in 2000. That means guaranteeing that our military medical treatment facilities and contract support partners must meet all standards for *access to care*. It means we'll establish even tougher standards for processing medical claims—and then beat these standards. It means writing our TRICARE contracts in a new way—one that pays the contractors based on how satisfied the customers are.

TRICARE is a very good health care program. Overall customer satisfaction continues to increase steadily. We've certainly held the line on enrollment fees and deductibles over the years. But it is going to take **innovation** to turn TRICARE's promises into proof. Innovation in small things like using common-sense names for our clinics across our system—so a “family practice” visit in one TRICARE region means the same thing across the country. Innovation in information systems, to help us improve our productivity, and maximize the use of our military medical treatment facilities. Finally, we need innovation in our *philosophy*, as we shift away from a medical system that *treats* illness to a health system that prevents illness in the first place.

This, our second volume of the TRICARE Stakeholders' Report, will provide a snapshot of what we're doing to improve TRICARE now. We hope you'll enjoy the Report—and that you'll allow us to prove what we promise!

A handwritten signature of Dr. Sue Bailey.

Dr. Sue Bailey
Assistant Secretary of Defense
(Health Affairs)

A handwritten signature of Dr. H. James T. Sears.

H. James T. Sears, M.D.
Executive Director
TRICARE Management Activity

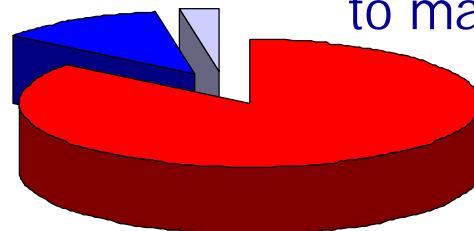
TRICARE Perspectives

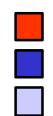
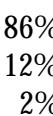
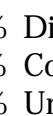
What is TRICARE?

A health care program...

- Using military health care as the main delivery system
- Augmented by a civilian network of providers and facilities
- Serving our active duty and their families, retired military and their families, and survivors world wide

86% of TRICARE Prime enrollees use military health care to manage their primary care.



 86% Direct Care in Military Facilities
 12% Contracted Care in Civilian Networks
 2% Uniformed Services Family Health Plan

We

We offer quality health care to 8.2 million people eligible for TRICARE

We fill 1.2 million prescriptions per week

We process 27 million claims a year

We answer 1.4 million telephone calls to our toll-free numbers each month

How Does TRICARE Compare?

Comparing Costs		
	TRICARE Prime	Comparable Civilian HMO
Enlisted Family of Four	Enrollment Fee: \$0 Deductible: \$0 Co-Pays: Military Facilities -- \$0 Civilian Network -- \$6-12	Average Enrollment Fee: \$390/mo or \$4,680/yr Plus Deductible and Co-Pays
Military Retiree Age 40-65 Family of Four	Enrollment Fee: \$460/yr Deductible: \$0 Co-Pays: Military Facilities -- \$0 Civilian Network -- \$12	Average Enrollment Fee: \$4,680/year Plus Deductible and Co-Pays

Source: American Association of Health Plans/Health Care Advisory Board, 1996

TRICARE beats most civilian plans in premiums and co-pays

TRICARE holds the line on fees while most plans experience large annual increases

Premium Increases		
	Federal Employee Health Benefits Program (FEHBP)	TRICARE
1998	7.2%	0%
1999	9.5%	0%
(projected) 2000	9.3%	0%
TOTAL	26%	No Increase

Source: *The Washington Post*, 19 Sept 1999, page 1

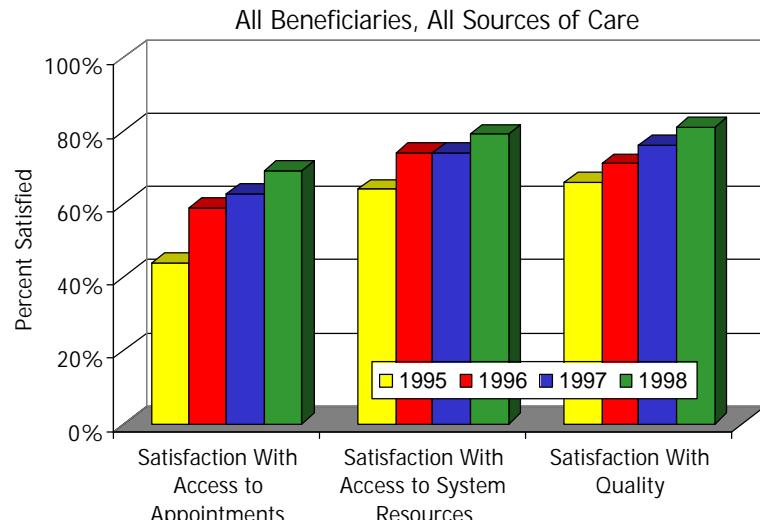
A Superb Health Benefit

- ✓ Prescription Drugs (including Mail Order Pharmacy)
- ✓ Preventive Services (such as mammography)
- ✓ Mental Health
- ✓ Cancer Clinical Trials (in partnership with the National Cancer Institute)
- ✓ Occupational Therapy

TRICARE is working...

As TRICARE's focus moves from implementation to operation, satisfaction continues to climb

Satisfaction: *Moving in the Right Direction*



...but we still have work to do

We're
Listening
and
We Know
the Issues

- Improve Access to Care
- Make Enrollment/Re-enrollment Easier
- Primary Care Managers by Name
- Enhance Access for Remote Locations
- Expand Access for Retirees Age 65 and Older
- Facilitate Management of Complex Cases
- Maintain a Strong Civilian Provider Network
- Improve Claims Processing
- Improve Phone Systems and Phone Support

IMPROVING ACCESS to CARE

What We're Hearing

"Treatment at the military treatment facility is great, once I can get in."

What We're Doing About It

- We're implementing uniform standards for telephone answering across the TRICARE system.
- We're simplifying the appointment system to improve accessibility
- We're improving access to TRICARE Service Centers

Access Standards for TRICARE Prime

Urgent Care:
1 Day or Less

Routine Care:
1 Week

Specialty/Wellness Care:
1 Month

Waiting Room Time during Provider's Office Visit:
30 Minutes or Less

Travel Time to Primary Care Provider's Office:
30 Minutes or Less



93% of all calls to our toll-free numbers are answered within 120 seconds

Access Is Improving

	Measure	Statistically Significant Change Under TRICARE
Access	Appointment within access standards	Increased
	Use of preventive care	Mostly Increased ^a
	Use of the emergency room	Decreased ^b
Availability	Getting care when needed	Increased
Obtaining Care	Satisfaction with ease of making appointment	Increased
	Wait time for an appointment	Decreased
^a Increases: blood pressure & cholesterol checks, physical exams, immunizations, wellness advice. Decreases: Pap tests, prenatal exams		
^b Indicates increased use of preventive and primary care		
Source: Center for Naval Analyses/Institute for Defense Analyses, Congressionally-directed evaluation of 7 TRICARE regions, Sep 1999.		

IMPROVING ACCESS for REMOTE LOCATIONS

What We're Hearing

"I'm 2 hours away from the nearest military treatment facility, how do I get healthcare for my family and me?"

What We're Doing About It

- In October 1999 we implemented a new program called TRICARE Prime Remote for Active Duty members
- It provides a common benefit for ALL military personnel living in remote areas of the United States
- It makes accessing civilian health care easier
- It offers a 24-hour, 7-day a week hotline for Active Duty members 1-888-647-6676
- It simplifies claims processing
- We are now exploring ways to extend this program to family members of Active Duty



MAKING ENROLLMENT and RE-ENROLLMENT EASIER

Nearly 80%
of eligible
Active Duty
family
members
are enrolled
in TRICARE
Prime

What We're Hearing

"Why do I have to re-enroll every year?"

"Why do I need to re-enroll every time I move?"

What We're Doing About It

- Beneficiaries don't need to re-enroll anymore! We implemented automatic re-enrollment in June 1999. Beneficiaries will now receive a notice that they have been automatically re-enrolled each year. If they wish to dis-enroll, they just reply to the notice
- We will implement a common "Universal Enrollment Card" across the system
- In 2000, we are planning to simplify the *transfer* of enrollment (usually due to PCS) by eliminating administrative delays

KEEPING PROVIDERS in the NETWORK & IMPROVING CLAIMS PROCESSING

What We're Hearing

**"My doctor still hasn't been paid
and I received the bill!"**

**"My doctor says:
'TRICARE = slow pay + low pay'"**

What We're Doing About It

- In February 1999, we matched provider payment rates to the Medicare standard
- We centralized Active Duty claims payment and implemented stricter processing standards in October 1999
- Special units have been, or soon will be, dedicated at Lead Agents and Managed Care Support Contractors to help solve claims problems
- Incentives for future managed care support contracts will be based on satisfaction of beneficiaries, providers, and medical commanders
- We are committed to an ongoing process to improve claims processing



Claims Processing Standards

**have
been
raised**

How long does TRICARE have to process a claim?

Before 1 Sept 1999	After 1 Sep 1999
75% of all claims processed in 21 days	95% of retained claims processed in 30 days 100% of retained claims processed in 60 days

Did You Know?

We process over 27 million claims annually

Over 91% of ALL claims are processed within 30 days

Last year, physicians accepted the TRICARE payment rate as full payment 94% of the time

PRIMARY CARE MANAGER by NAME

What We're Hearing

"Exactly who is my 'doctor'?"

What We're Doing About It

- On December 3, 1999, the Assistant Secretary of Defense for Health Affairs signed policy requiring that all enrollees have the benefit of a Primary Care Manager (PCM) by name/supported by a team by September 2000
- Beneficiaries will enjoy a professional relationship with one provider for most of their preventive and chronic care needs
- PCMs, with the help of new information systems, will be able to better track prevention and chronic conditions for their patients



MANAGING COMPLEX MEDICAL CASES

What We're Hearing

**"My child has complex medical needs
and nobody can help me
navigate through the system(s)"**



What We're Doing About It

**The Case Management Program is designed to
provide a continuum of care that coordinates patient
care and follow-up through all stages of the complex
medical condition**

- The development of an integrated and enhanced case management program is one of TRICARE's priorities for 2000
- We're working hard to improve the assignment of personal case managers to help coordinate support services for complex cases

IMPROVING ACCESS to HEALTH CARE for RETIREES AGE 65 and OVER

What We're Hearing

"I'm over 65 --
the military promised me
free healthcare for life."

What We're Doing About It

We are conducting several demonstrations to determine how we can improve access to healthcare for our retirees throughout their lifetime:

- In 1998 we launched the **TRICARE Senior Prime Demonstration** in six locations to provide accessible, quality care for up to 28,000 Medicare-eligible military retirees and their family members through military treatment facilities
- The **Federal Employee Health Benefits Program (FEHBP) Demonstration** (January 2000 - December 2002) will provide medical care for up to 66,000 retired Service members and their dependents in eight test sites
- The **TRICARE Senior Supplement Demonstration** (April 2000 - December 2002) will offer TRICARE as supplemental coverage for up to 11,000 Medicare beneficiaries in two locations
- The **Pharmacy Redesign Pilot Program** (March 2000) will make network retail and mail order pharmacy benefits available in two locations for approximately 6,000 Medicare-eligible beneficiaries, age 65 and older and who have Medicare Part B



What's Available to Retirees Age 65 and Over?

- Retirees may utilize space available care in the military treatment facilities
- Over 400,000 retirees living in areas affected by Base Realignment and Closure (BRAC) are covered by the **BRAC Pharmacy Benefit**
- 30,000 seniors receive comprehensive coverage by participating in the **Uniformed Services Family Health Plan**
- Retirees and their families may participate in the **Retiree TRICARE Dental Plan**
- Retirees may participate in several demonstrations currently running in select locations throughout the country
- Toll-free health information resources

TRICARE's a Winner!

TRICARE Program Evaluation Significant Findings, 1997

In First Seven Regions, TRICARE:

- Improved Access to Care
- Maintained Quality of Care
- Reduced Government Costs
- Held line on costs for Active Duty Families

Source: Center for Naval Analyses/Institute for Defense Analyses, Congressionally-directed evaluation of seven TRICARE regions, Sept 1999

Annual Survey 1998:

TRICARE is Improving, Both in Results and in Visibility

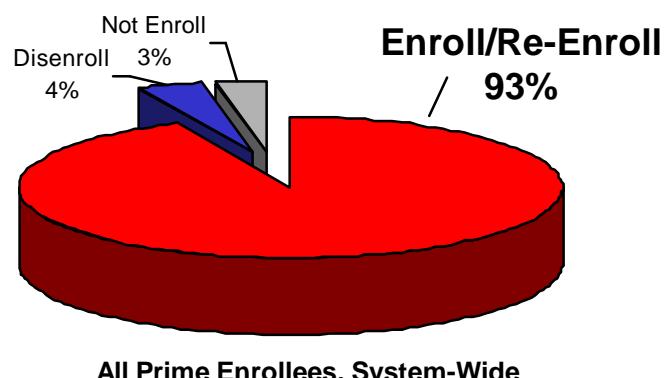
- Customer satisfaction with both military and civilian sources of care is growing
- Satisfaction with access and quality of care indicate steady improvement
- Beneficiary understanding of TRICARE improving in all regions

Source: 1998 Annual Health Care Survey of DoD Beneficiaries

The Bottom Line:

People are Staying with TRICARE

We asked Prime enrollees,
"If you were given the option, would you...?"



Source: June - August 1999 Customer Satisfaction Survey



Winning.

TRICARE is winning.

We've come a long way together.

We've built a program like none other on earth.

We've stumbled, been discouraged, and made mistakes.

We never quit.

We made adjustments, improvements, and good changes.

We listened to our customers; we were accountable to our leaders.

We always talked about our worst problems in the bright light of day.

We were honest about our successes, our failures, and our goals.

We changed the oil with the motor running,

never closing up shop in wartime, peacetime, regional start-up time, or any other time.

We've experimented with change, boldly tested innovations,

demonstrated new ideas and approaches,

and built the most successful ideas into our program.

We've brought the medical services together in ways that no one even imagined 10 years ago.

We continue to touch people, and reach people, and serve people,

in the most sensitive areas of human life, in the most vital circumstances,

when the healing art means life itself.

We are setting the standard for American health care.

We serve the best people in the world.

We are improving every day.

TRICARE is winning.



To comment on the 2000 Stakeholders' Report e-mail comments@tma.osd.mil or write to:

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