

PROJECT REPORT

HCSDB Annual Report 2003: Results from the Health Care Survey of DoD Beneficiaries

March 2004

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MATHEMATICA
Policy Research, Inc.



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Chapter 1: Introduction

The TRICARE Annual Report presents a summary of results from the Health Care survey of DoD Beneficiaries (HCSDB) for 2003. According to the 2003 HCSDB:

- Health plan ratings for all TRICARE enrollment groups, including active duty Prime enrollees, non-active duty enrollees and users of Standard or Extra have increased from their levels in 2001
- Since the implementation of TRICARE for Life, health plan ratings of Medicare users have improved sharply
- Active duty enrollees rate their health plan lowest and report more problems getting access to referrals or needed care than do other enrollment groups.
- Standard/Extra users are more likely than either Prime enrollees or users of civilian insurance to report problems with paperwork and problems getting information about their health plan
- Military treatment facility (MTF) users are no more likely than users of civilian or Veterans Administration (VA) facilities to report long waits in the doctor's office, but are more likely to report long waits for appointments and more likely to report their doctors' visits are too short
- Most active duty Prime enrollees do not have a personal doctor or nurse, nor do one-third of non-active duty enrollees
- Breast and cervical cancer screening rates of both active duty women and dependents of active duty exceed Healthy People 2010 goals, but rates of first trimester pregnancy care do not
- TRICARE users, both children and adults, encounter substantially greater problems getting access to therapy than do users of civilian plans
- Of beneficiaries who rely on TRICARE's civilian network for most of their care, 30 percent report problems getting the care they need from the network. Of beneficiaries who have tried the network but do not depend on it, 60 percent report problems
- Since 1999, the proportion of TRICARE users who report that claims handling is correct and timely has gone up every year
- Sixty percent of MHS beneficiaries who filled a prescription in the past 90 days filled at least one at a MTF pharmacy, including 38 percent of those who are covered by civilian commercial plans and 48 percent of those with Medicare coverage
- Since mobilization, 16 percent of reservists' family members report it is harder to find a personal doctor and 19 percent report it is harder to find a specialist

About the HCSDB

The HCSDB is a worldwide survey of military health system (MHS) beneficiaries conducted each year since 1995 by the Office of the Assistant Secretary of Defense/TRICARE Management Activity (TMA). Congress mandated the survey under the National Defense Authorization Act for fiscal year 1993 (P.L. 102-484) to ensure regular monitoring of MHS beneficiaries' satisfaction with their health care options.

The survey is administered each quarter to a stratified random sample of adult beneficiaries and once each year to the parents of a sample of child beneficiaries. Any beneficiary eligible to receive care from the military health system on the date the sample is drawn may be selected. Eligible beneficiaries include members of the Army, Air Force, Navy, Marines, Coast Guard, Public Health Service, National Oceanic and Atmospheric Administration, and mobilized members of the National Guard and Reserves. Though many of the beneficiaries use TRICARE Prime, TRICARE Standard or TRICARE Extra, others rely on Medicare or on civilian health insurance as their health plan.

The samples are drawn from the Defense Enrollment Eligibility Reporting System (DEERS) and are stratified by the location of the beneficiary's home, health plan, and reason for eligibility. In 2003, a total of 180,000 beneficiaries from both inside and outside the United States were sampled for the adult survey. A total of 35,000 beneficiaries from the United States were sampled for the child survey. Sampling methods are described in the *2003 HCSDB Adult Sample Report* and *2003 Child Sample Report*. The National Research Corporation administers the survey, allowing beneficiaries to respond by mail or on a secure web site. Unweighted response rates were 29 percent for adults and 31 percent for children. Weighted response rates were 44 percent for adults and 32 percent for children.

Responses to the survey are coded, cleaned and edited and assembled in a database. Duplicate and incomplete surveys are removed. A sampling weight is assigned to each observation, adjusted for non-response. The contents of the database are described in the *2003 HCSDB Codebook and Users Guide*.

Questions in the 2003 HCSDB have been developed by TMA or taken from other public domain health care surveys. Many questions were taken from the Consumer Assessment of Health Plans Survey (CAHPS), Version 2.0. CAHPS contains core and supplemental survey questions that are used by commercial health plans, the Center for Medicare and Medicaid Services (CMS) and state Medicaid programs to assess consumer satisfaction with their health plans.

Most survey questions change little from quarter to quarter so that responses can be followed over time. Supplementary questions are added each quarter to learn more about the latest health policy issues. In 2003, questions were added to address the adequacy of TRICARE's civilian network, beneficiaries' ratings of their pharmacy options, the experience of beneficiaries with chronic conditions, reservists' health coverage, and a number of other topics.

About this Report

This report presents results for all surveys administered in 2003, 2002 and 2001. It includes responses from all beneficiaries eligible for MHS benefits, including children, who reside in the US.

Beneficiaries are eligible for military health benefits if they are currently active duty or dependents of active duty. Groups eligible due to active duty status include National Guard and Reserves mobilized for more than 30 days and their dependents. Beneficiaries are also eligible if they have retired following a career in the uniformed services or are the dependents of a retiree. MHS beneficiaries may receive care from military facilities or MTFs that are financed and operated by the uniformed services or from civilian facilities that are reimbursed by the Department of Defense.

Eligible beneficiaries may choose from several health plan options. TRICARE Prime is a point of service HMO that centers on military facilities or civilian facilities that are members of TRICARE's civilian network. Active duty and their family members are automatically eligible for free enrollment in Prime. Retirees under age 65 may enroll if they pay a premium. TRICARE Standard offers cost sharing for care received from civilian doctors on a fee-for-service basis. TRICARE Extra offers enhanced cost sharing for fee-for-service care received from network doctors. Many retirees and some active duty dependents also have non-military coverage. For Medicare-eligible retirees, Medicare has primary responsibility. However, since the start of TRICARE for Life in October 2001, TRICARE Standard has been second payer to, and paid most costs left over after Medicare. Many retirees under 65 and some active duty dependents rely on civilian commercial insurance as their principal coverage. A smaller number rely on the Veterans Administration.

Graphs in this report compare responses of these different beneficiary groups. The results are presented as percentages calculated using adjusted sampling weights. Several graphs compare responses relating to health plan performance according to the health plan option that beneficiaries use most. Preventive care measures are broken down according to beneficiaries' reason for eligibility. Health care performance measures are presented according to the most used type of facility or the branch of service providing care. When results are compared between groups or between years or compared to an external benchmark, the difference is tested for statistical significance, accounting for the complex sample design. Results that differ significantly from an external benchmark ($p < .05$) are italicized and appear in red.

Results from CAHPS questions are compared to results from the National CAHPS Benchmarking Database (NCBD) for 2002, which assembles results from surveys administered to hundreds of civilian

health plans. Benchmarks are adjusted for age and health status to correspond to the characteristics of beneficiaries who use TRICARE Prime, Plus, or Standard/Extra. For preventive care measures, such as the proportion of women screened for cervical cancer, results are compared with *Healthy People 2010* goals. *Healthy People 2010* goals are set by the government to promote good health by healthy behavior, such as immunization, screening for illness, and avoiding unhealthy habits. Benchmarks are described in more detail in the *2003 HCSDB Technical Manual*.

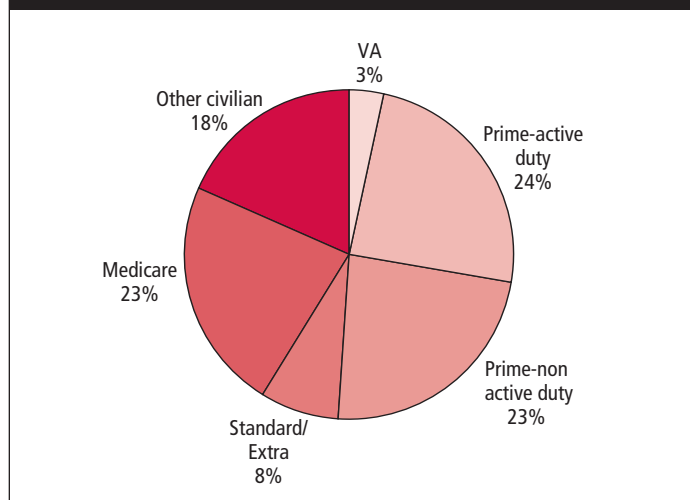
Other reports prepared from the HCSDB are the *TRICARE Beneficiary Reports* and *TRICARE Consumer Watch*. The *Beneficiary Reports* is an interactive web-based document that compares TRICARE Regions and MTFs using scores calculated from survey results. The *Consumer Watch* contains a brief summary of results from the *Beneficiary Reports* and an issue brief that uses survey questions to address health policy issues affecting the MHS. Both appear quarterly.

Often based on supplementary survey questions, the issue briefs investigate special topics of immediate interest to beneficiaries and MHS leadership. The issue briefs for 2003 concerned 1) beneficiaries' perceptions of the adequacy of TRICARE's civilian networks, 2) claims processing and customer service ratings under TRICARE, 3) beneficiaries' options for using their pharmacy benefits, and 4) the experience of recently mobilized reservists and their families. These issue briefs make up the last four chapters of this report.

Chapter 2: Health Plans

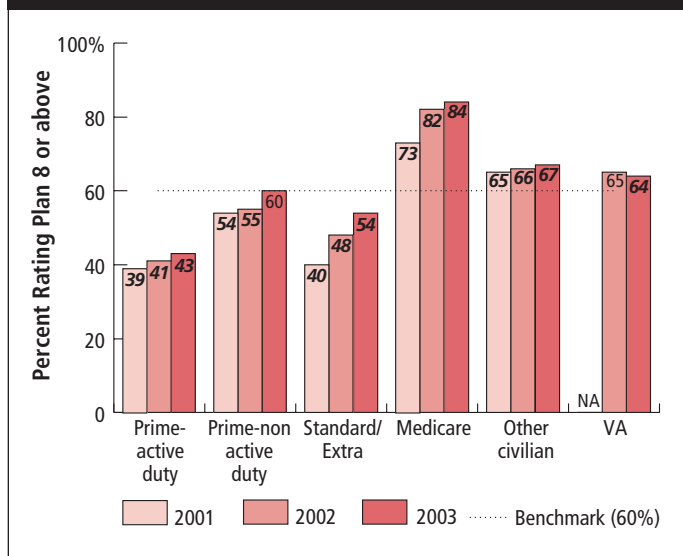
Slightly more than half (56 percent) of MHS beneficiaries surveyed rely on a TRICARE plan for most of their health care. However, as shown in Figure 1, beneficiaries use a variety of health care coverage options. Twenty-four percent are active duty, 24 percent are active duty dependents or retirees and their dependents enrolled in Prime and another 8 percent use Standard or Extra for most of their care. Medicare is most frequently used for those who do not rely on TRICARE, covering nearly a quarter (23 percent) of those surveyed. Eighteen percent rely on private civilian insurance and 3 percent rely on the Veterans' Administration (VA) for most of their coverage.

Figure 1: Health plan used for most care 2003



Beneficiaries who use TRICARE plans for most of their care rate their health plan lower than do beneficiaries of other health plans. Figure 2 shows that in 2003, when beneficiaries rated their health plans, 44 percent of active duty and 59 percent of non-active

Figure 2: Health plan ratings



duty Prime enrollees rated Prime 8 or higher on a 0 to 10 scale. Fifty-four percent of Standard/Extra users rated their plan 8 or higher. By contrast, 84 percent with Medicare and 66 percent with other private civilian insurance gave their plans high ratings.

TRICARE users' plan ratings have increased substantially. The proportion of active duty rating their plan 8 or higher increased from 39 in 2001 to its current level of 43, while the proportion of non-active duty rating Prime high went from 54 to 60 percent during the same time. The increase for Standard/Extra was still larger, from 40 to 54 percent. Medicare users' plan ratings have also risen sharply in conjunction with TRICARE for Life benefits extended to Medicare-eligible beneficiaries. By contrast, among beneficiaries covered by private civilian plans, high ratings changed little, increasing only 2 percent from 2001 to 2003.

Active duty Prime enrollees are the most likely of all enrollment groups to report problems getting referrals or getting needed care. Figures 3 and 4 indicate access to care as the percentage reporting respectively getting referrals without problems and getting care believed necessary by the beneficiary or a doctor. In 2003, 57 percent of active duty reported no problems getting referrals and 67 percent reported no problems getting needed care. By comparison, the percentage of beneficiaries in other enrollment groups reporting no referral problems ranged from 65 percent of non-active duty Prime enrollees to 91 percent with Medicare coverage and the percentage reporting no problems getting needed care ranged from 74 percent of non-active duty Prime enrollees and VA users to 91 percent of Medicare users.

Relative to other enrollment groups, TRICARE users were more likely to report referral problems than problems getting needed care. The proportion reporting referral problems exceeded the proportion reporting problems getting needed care by 10 percent among active duty, and 8 percent of non-active duty Prime enrollees and Standard/Extra users. By contrast, among users of civilian private insurance, referral problems exceeded problems getting needed care by only 2 percent. Among all groups, access as measured by both referral problems and problems getting needed care improved between 2001 and 2003.

Customer service problems among TRICARE users diminished between 2001 and 2003 as shown in Figures 5A-5C. Prime enrollees were less likely than were Standard/Extra users to encounter problems with paperwork or problems getting health plan information from written materials or customer service lines.

Users of Standard or Extra are the TRICARE users most likely to report customer service problems. In 2003, 44 percent of Standard/Extra users found the information they needed in written materials without problems compared to 51 percent of Prime users and 63 percent who used civilian insurance, while

Figure 3: Getting referrals

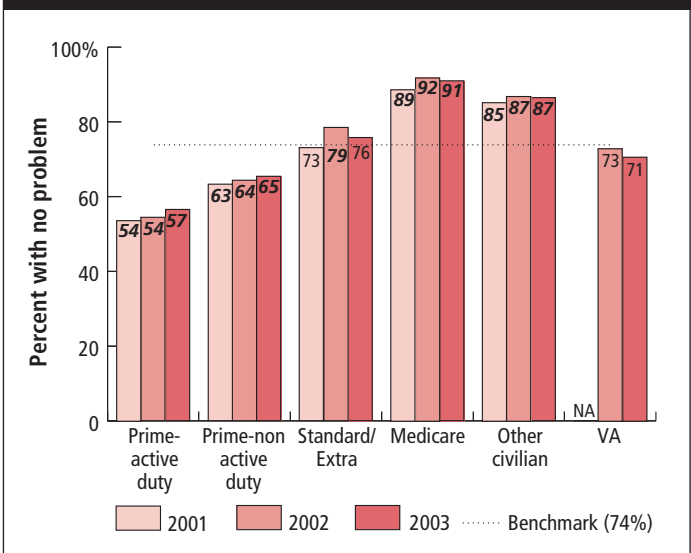


Figure 4: Access to needed care

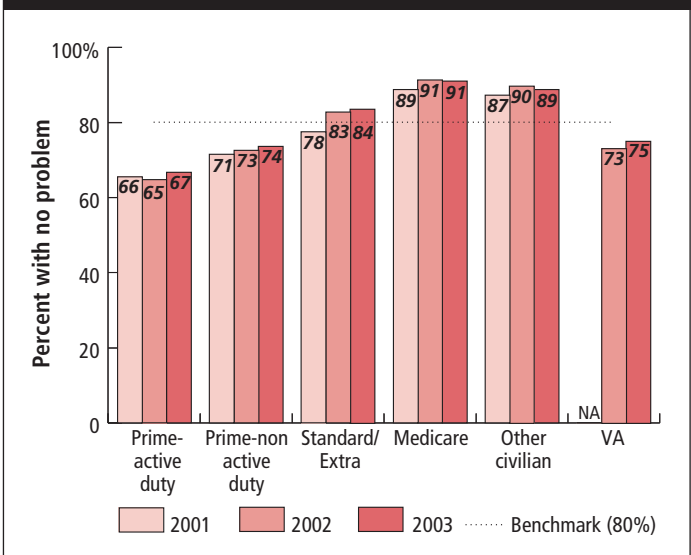


Figure 5A: Getting customer service: paperwork

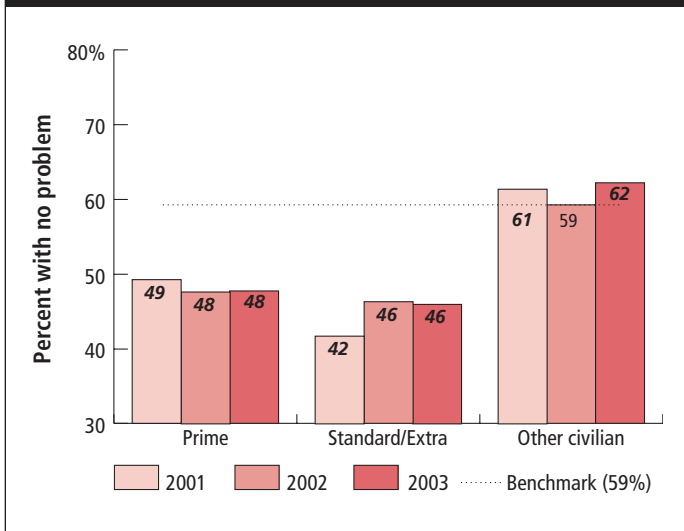


Figure 5B: Getting customer service: telephone line

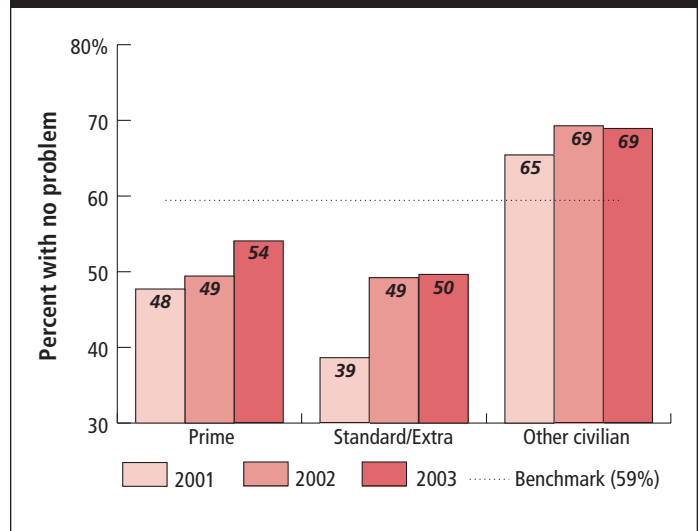
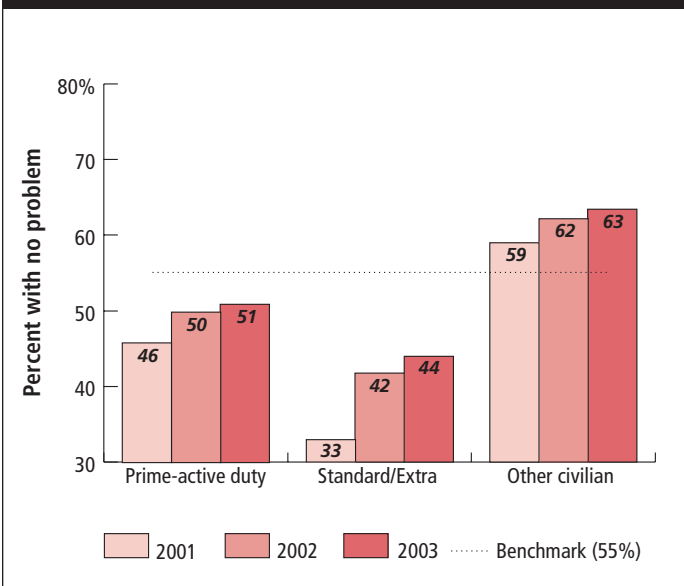


Figure 5C: Getting customer service: written materials



50 percent of Standard/Extra users made problem-free use of the customer service line compared to 54 percent of Prime enrollees and 69 percent who used civilian insurance. This pattern has persisted from 2001 to 2003, though it was most pronounced in 2001. From 2001 to 2003, the proportion of Standard/Extra users with no problem getting information from written materials and from the customer service line increased by 10 percent and 11 percent respectively.

The timeliness and correctness of TRICARE claims handling has improved since 2001, according to both Prime enrollees and users of Standard/Extra. Standard/Extra users report correct claims handling at rates exceeding the civilian benchmark. As shown in Figure 6A, in 2003, 87 percent of Standard/Extra users reported that their claims were usually or always handled correctly. As shown in Figure 6B, timeliness in claims handling according to Prime enrollees lies slightly below the benchmark, at 80 percent. The claims handling scores given by both Prime enrollees and Standard/Extra users, however, exhibit substantial improvement. The proportion of Standard/Extra users reporting timely claims handling rose from 70 percent to 80 percent, and the proportion reporting correct claims handling went from 81 to 87 percent; similarly,

Figure 6A: Correct claims processing

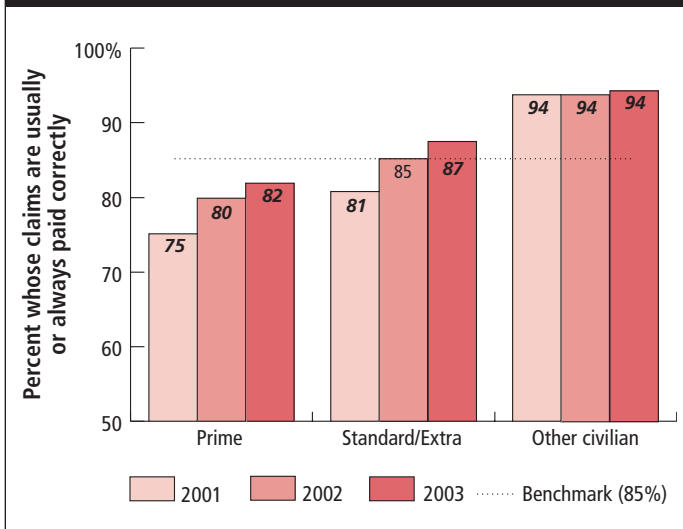
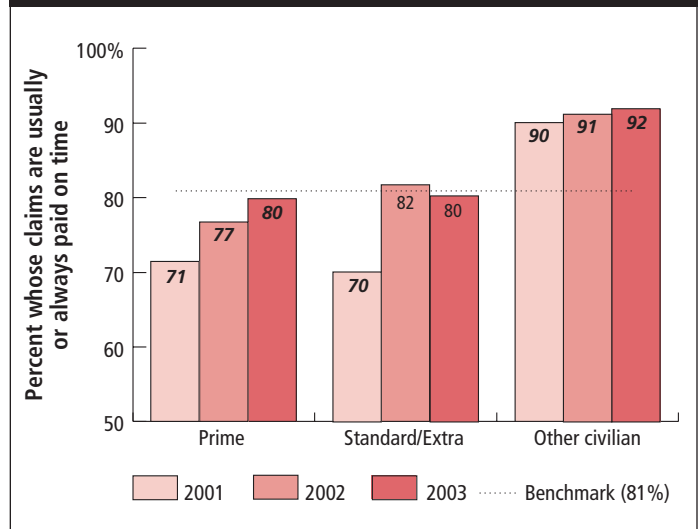


Figure 6B: Timely claims processing

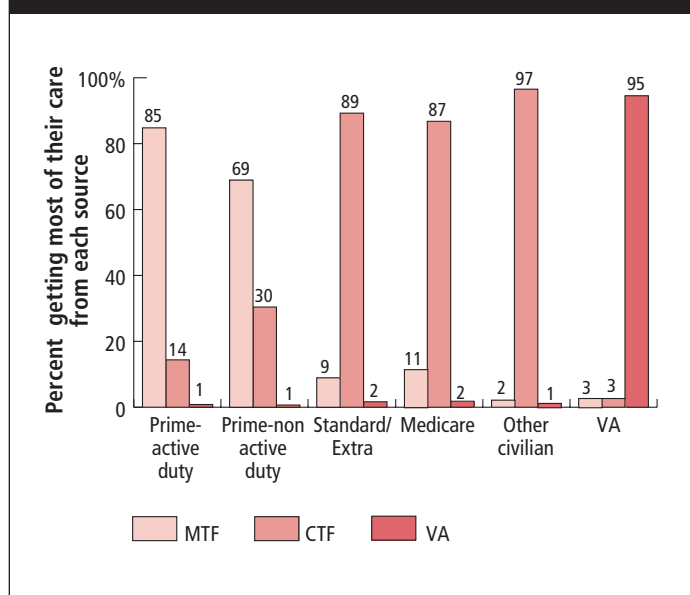


the share of Prime enrollees reporting timely claims handling increased from 71 percent to 80 percent, and the share reporting correct handling rose from 75 to 82 percent.

Chapter 3: Health Care

The majority of Prime enrollees, including 85 percent of active duty and 69 percent of non-active duty, use primarily MTFs, but substantial majorities of both groups use civilian facilities (CTFs). Some also have the option of using VA facilities. Figure 7 shows how the health plan used by beneficiaries is related to the type of facility that provides most of their health care. Fourteen percent of active duty and 30 percent of non-active duty enrollees rely on civilian facilities for most of their care. Among other enrollment groups, the majority of care is provided by civilian facilities. Ninety-six percent of those with private civilian insurance, 86 percent covered by Medicare and 90 percent of Standard/Extra users get most of their care from civilian facilities. However, 9 percent of Standard/Extra users and 12 percent of Medicare users say they get more of their care from MTFs than civilian facilities.

Figure 7: Source of care by health plan 2003



When taken together, 36 percent of all MHS beneficiaries reported using a military treatment facility (MTF), 50 percent used a civilian treatment facility (CTF), and 4 percent used a Veterans Affairs facility (VA). The remainder reported not using any of these sources of care.

Beneficiaries who get most of their care from MTFs are less likely to rate their health care highly than are users of other facility types. As shown by Figure 8, health care ratings vary by usual source of care. When asked to rate their health care from 0 to 10, where 10 is best, 56 percent of MTF users rated their care 8 or above, compared to 65 percent of VA users and 79 percent of CTF users. Moreover, ratings of health care at civilian and VA facilities improved relative to MTF ratings between 2001 and 2003.

Figure 8: Rating of health care

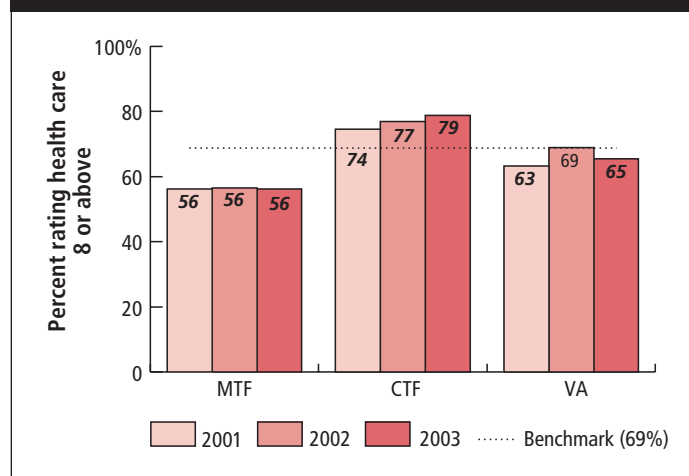
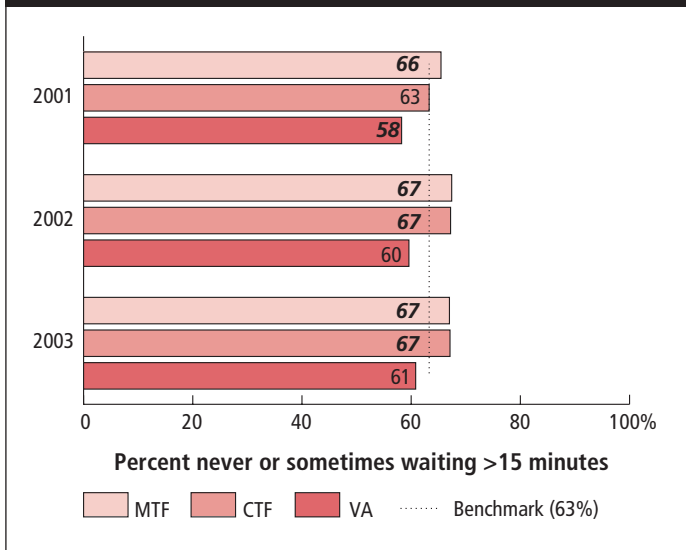


Figure 9: Waiting in the doctor's office

Beneficiaries are no more likely to experience long waits at MTFs than at civilian facilities and less likely than at VA facilities. Figures 9 and 10 describe beneficiaries' experiences with waiting for care. Sixty-seven percent of both MTF users and CTF users reported never or sometimes waiting more than 15 minutes at the doctor's office to be seen, compared to 61 percent of VA users.

MTF users are less likely than CTF or VA users to report that they can get appointments when they want them. Sixty-seven percent of MTF users reported usually or always getting routine appointments when they wanted them compared to 89 percent of CTF and 79 percent of VA users.

Timeliness for MTF users improved less than timeliness for CTF or VA users. The proportion of MTF users rarely waiting long at the doctor's office increased only 1 percent from 2001 to 2003, while among CTF and VA users, the proportion rose by 4 percent and 3 percent respectively. Similarly, a 1 percent rise among MTF users in appointment timeliness compares with rises of 3 percent for CTF users and 4 percent for VA users.

MTF users were less likely than were CTF users to report that doctors spent enough time with them or explained things so that they could understand. In Figure 11, 80 percent of MTF users reported usually or always getting enough of their doctor's time at an office visit, compared to 89 percent of CTF users and 86 percent of VA users.

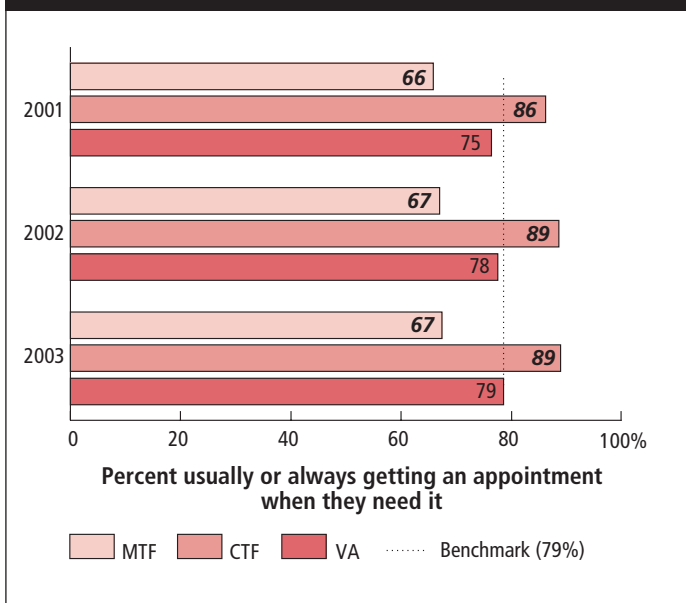
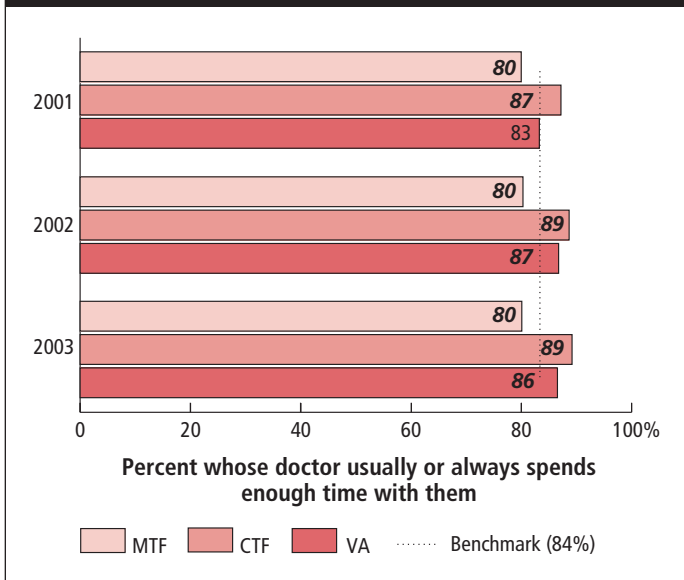
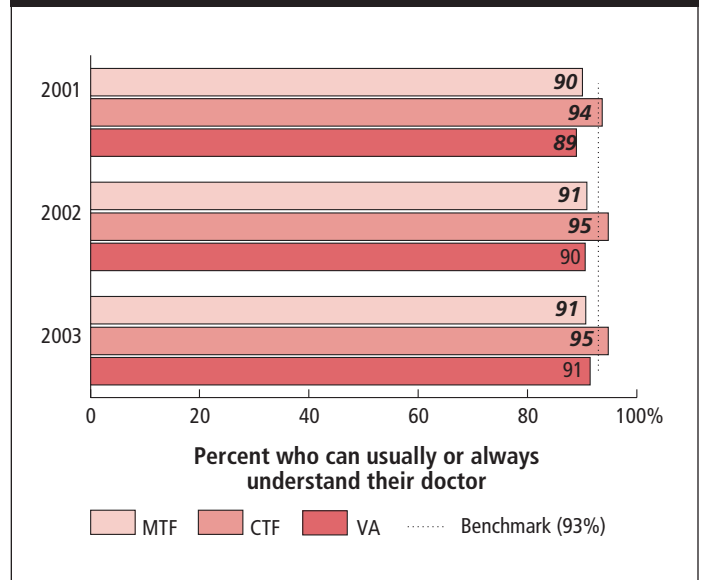
Figure 10: Waiting for appointments

Figure 11: Doctors spend enough time with you

Between 2001 and 2003, doctors' time with patients at MTFs did not change, while at CTFs and VA facilities, the proportion usually or always getting enough time increased by 2 percent and 3 percent respectively.

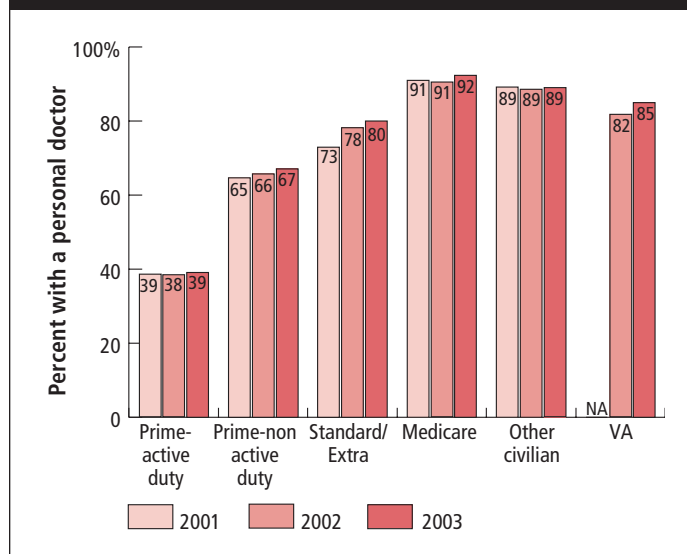
Figure 12: Doctors explain things so you can understand

In Figure 12, 91 percent of MTF users reported that doctors usually or always explained things so that they could understand compared with 95 percent of CTF and 91 percent of VA users.

Chapter 4: Personal Doctor or Nurse

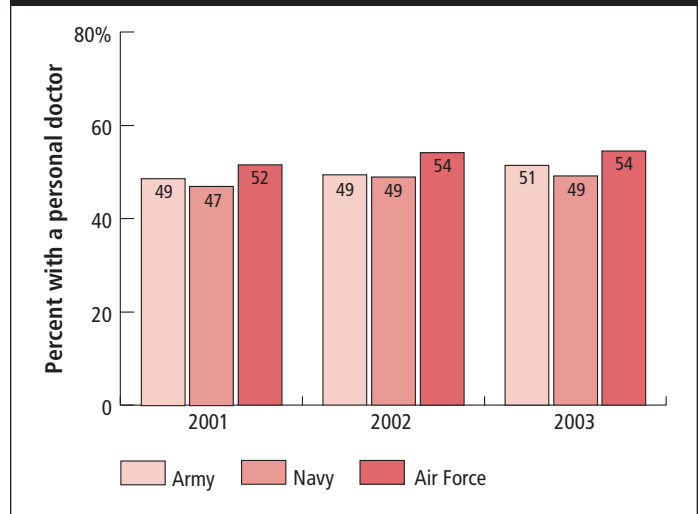
TRICARE users are less likely than are beneficiaries of other plans to have a single doctor or nurse they regard as their personal provider. Thirty-nine percent of active duty and 67 percent of non-active duty Prime enrollees report that they have a personal doctor or nurse, as do 80 percent of Standard/Extra users. These proportions are much lower than the proportions of Medicare users (92 percent), users of civilian insurance (89 percent), or the VA (85 percent). As shown by Figure 13, in most enrollment groups, the proportion who say they have personal doctors has increased since 2001, though changes have been small.

Figure 13: Has a personal doctor by health plan



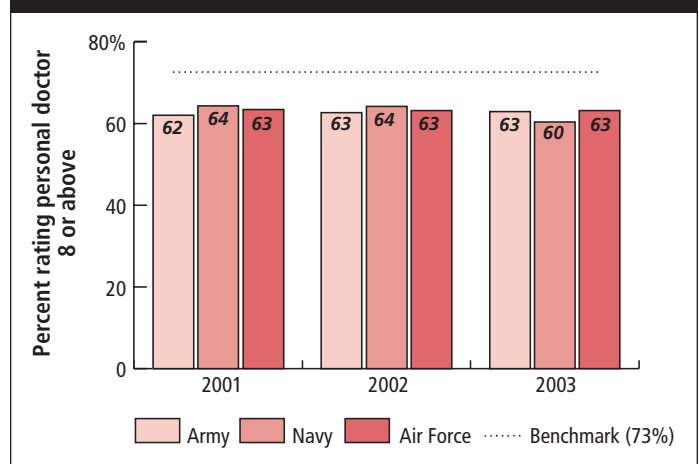
Prime enrollees who are enrolled to an Air Force MTF are slightly more likely to have personal doctors and slightly less likely to rate their doctors highly than those enrolled to other service types. Fifty-four percent of those with an Air Force sponsor, 51 percent with an Army sponsor and 49 percent with a Navy sponsor have a personal doctor or nurse, as shown by Figure 14. In each service, the proportion

Figure 14: Has a personal doctor: prime enrollee with military PCM



reporting that they have a personal doctor or nurse has increased by 2 percent since 2001. Ratings of these personal doctors, presented in Figure 15, vary little by service. The proportion rating their doctors 8 or better on a 10-point scale ranges from 63 in the Army and Air Force to 60 percent in the Navy. High personal doctor ratings in the Navy have declined from 64 percent to 60 percent since 2001.

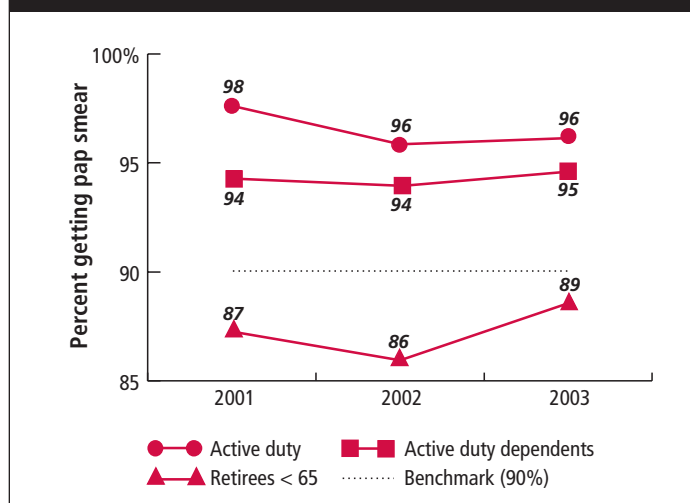
Figure 15: Rating of personal doctor: prime enrollee with military PCM



Chapter 5: Preventive Care

The low proportion of TRICARE users with personal doctors does not appear to reduce access to preventive care. *Healthy People 2010*, a government initiative to improve population health through healthy behaviors includes goals for preventive care in the US in the form of a set of benchmark rates for different types of preventive care. Figures 16 through 18 compare preventive service rates for women, pap smears, mammograms and prenatal care, with *Healthy People 2010* targets.

Figure 16: Cervical cancer screening within 3 years



For active duty women and dependents of active duty, Pap smear rates and mammography rates exceeded the *Healthy People 2010* goal. The *Healthy People 2010* goal is a Pap smear every three years for 90 percent of women over 18. As shown in Figure 16, active duty rates from 2001 to 2003 exceeded the goal by 6 to 8 percent, while retirees and their dependents under age 65 received Pap smears at a rate slightly below the target.

The *Healthy People 2010* mammography goal is mammography every other year for 70 percent of women over 40. In each year, rates were highest for

Figure 17: Women 40 and over with biannual mammography

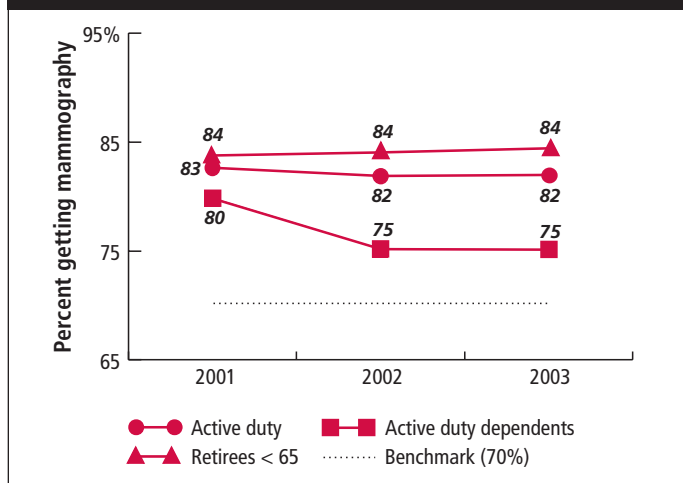
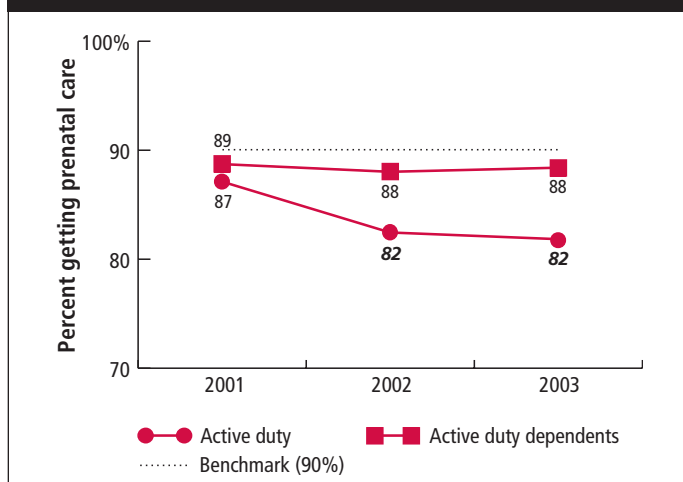


Figure 18: Pregnant women getting first trimester care

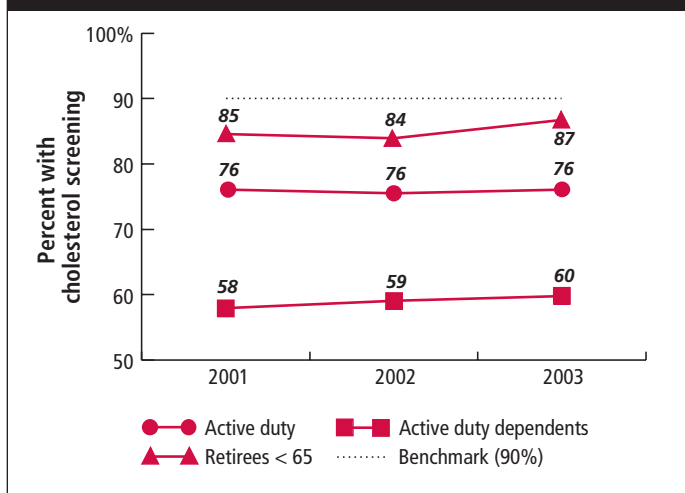


retirees over 65. Though both active duty women and women who are the dependents of active duty have rates well above the target, the mammography rate in both groups has declined 5 percent since 2001, while it has held steady among the retired. The current rate among retirees (84 percent) now substantially exceeds the rates for active duty dependents (75 percent).

Prenatal care for both active duty and active duty dependents has fallen short of the target. The *Healthy People 2010* goal is care in the first trimester of pregnancy for 90 percent of pregnant women. As shown in Figure 18, prenatal care of both active duty and their dependents lie slightly below this goal for 2001 through 2003.

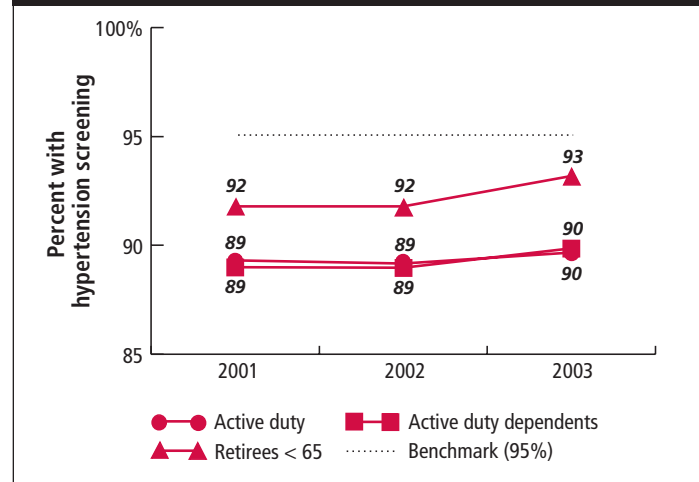
Other preventive services fall somewhat short of *Healthy People 2010* goals. Figure 19 indicates that cholesterol screening rates among active duty are substantially higher than rates among their dependents. In 2003, 76 percent of active duty reported that they had been tested for high cholesterol in the past 5 years compared to 60 percent of active duty dependents. Among retirees and their dependents, an older population more likely to be screened, 87 percent reported cholesterol tests in the past 5 years. All rates are below the *Healthy People 2010* goal of 90 percent.

Figure 19: Cholesterol screening within 5 years



Ninety percent of active duty, 89 percent of their dependents and 93 percent of retirees and their dependents have been screened for hypertension (Figure 20). These rates are slightly below the *Healthy People 2010* target of 95 percent and there has been little change in the screening rate since 2001. Hypertension screening is measured as the proportion of beneficiaries who report that their blood pressure has

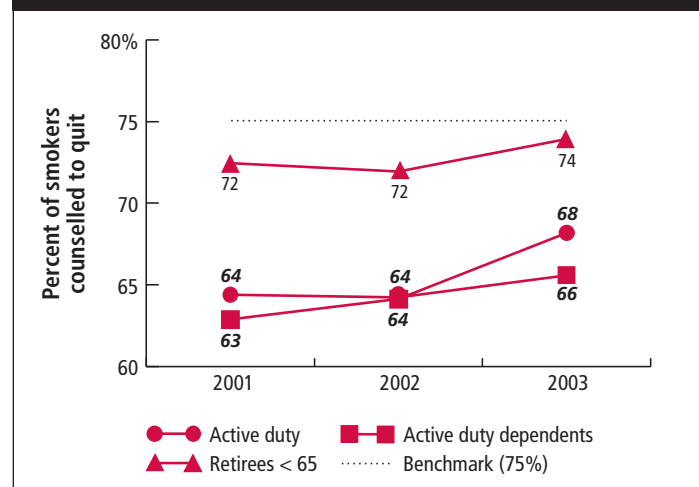
Figure 20: Blood pressure tested within 2 years and know results



been measured in the past 2 years and who know whether their blood pressure is too high or not.

The results in Figure 21 indicate an upward trend in smoking cessation counseling among active duty and their dependents. Figure 21 shows the proportion of smokers with office visits who have been counseled to quit. Among active duty, the proportion that has been counseled to quit increased from 64 percent to 66 percent between 2001 and 2003, while dependent counseling rates increased from 63 percent to 68 percent. Both active duty and dependent counseling rates are lower than the retiree rate, which was 72 percent in 2001 and 2002 and 74 percent in 2003.

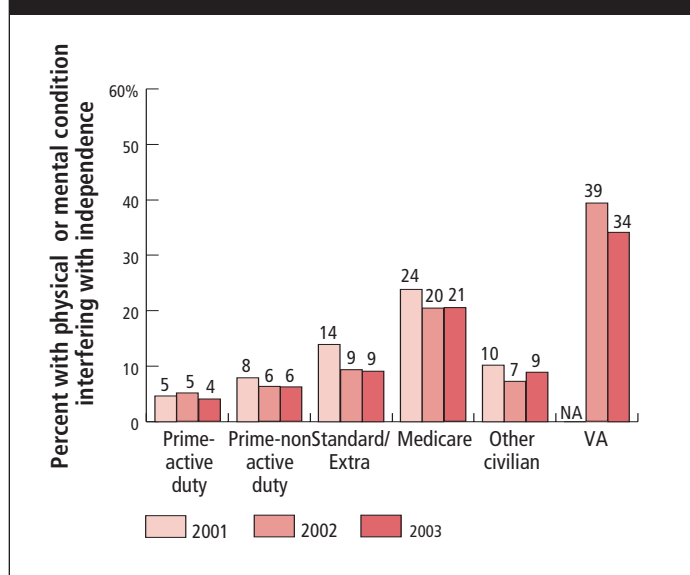
Figure 21: Smokers with office visits counselled to quit



Chapter 6: Chronic Health Problems

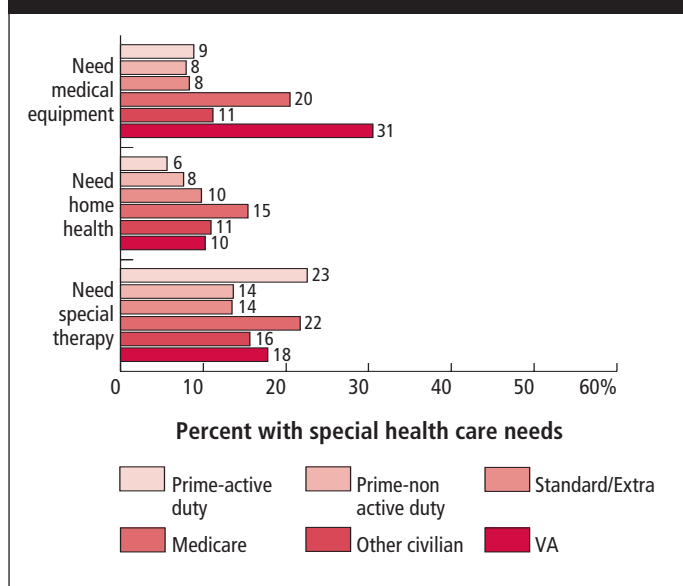
Though most TRICARE beneficiaries are healthy, a substantial minority is affected by health problems that require long-term management. As shown in Figure 22, in the past 12 months, a proportion ranging from 4 percent of active duty to 34 percent of VA users has experienced health problems serious enough to limit their independence. Because conditions of this severity become more prevalent with age, 21 percent of beneficiaries covered by Medicare also report independence-limiting conditions.

Figure 22: Condition interfering with independence



Chronic conditions require special health care services of different types, including therapy, medical equipment and assistance with personal needs. As shown by Figure 23, the service most needed by most beneficiary types is special therapy (such as physical, occupational or speech therapy). Surprisingly, the proportion of active-duty Prime enrollees with health problems requiring special therapy was similar in size to that of Medicare enrollees. In 2003, 23 percent of

Figure 23: Needs for equipment or services 2003

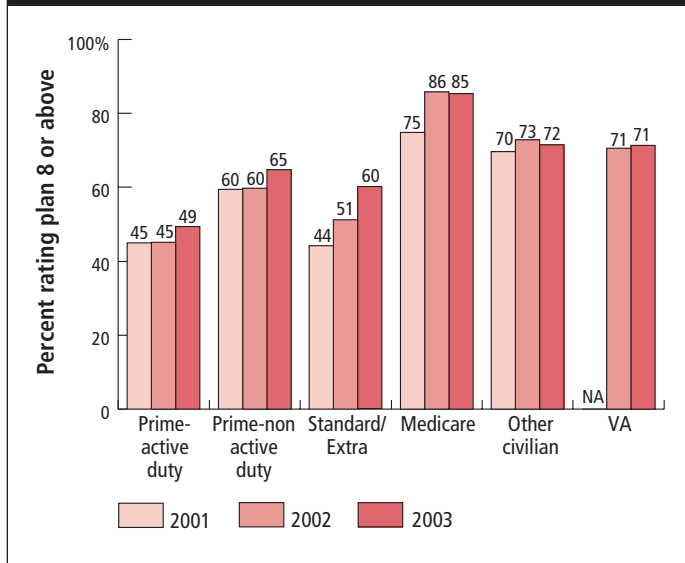


active-duty Prime enrollees had such conditions, compared to 22 percent of Medicare users. The high prevalence among active duty may reflect physical therapy for work-related injuries. Among other enrollment groups, need for therapy was somewhat less, ranging from 14 percent of non-active duty Prime enrollees to 18 percent of VA users.

TRICARE users were substantially less likely to report having health problems requiring home health care compared to Medicare users. In 2003, 6 percent of active duty and 8 percent of non-active duty Prime enrollees reported needing assistance with their personal needs. Ten percent of Standard/Extra users reported needing help. Need for home health care was greatest among Medicare enrollees (15 percent). By contrast VA users were the enrollment group most likely to report they needed special medical equipment (31 percent).

Similar to the overall health plan ratings in Figure 2, beneficiaries who use TRICARE plans for most of their care rate their plans lower in providing access to equipment, therapy and home health care than do beneficiaries of other plans. Figure 24 shows that in 2003, 49 percent of active duty and 65 percent of non-active duty Prime enrollees rated Prime 8 or higher for providing special health services. Sixty percent of Standard/Extra users rated their plan 8 or higher. In contrast, 85 percent of Medicare and 72 percent with commercial insurance gave their plans high ratings.

Figure 24: Health plan rating for providing needed equipment, services and assistance



These rates represent substantial improvement in TRICARE beneficiaries' plan ratings since 2001. The greatest improvement was exhibited by Standard/Extra users, among whom high plan ratings increased from 44 percent to 60 percent. A comparable improvement occurred among beneficiaries enrolled in Medicare. The proportion giving their plan a high rating increased from 75 to 85 percent. The increase in ratings for serving special needs mirrors the increase in general plan ratings and probably reflects the impact

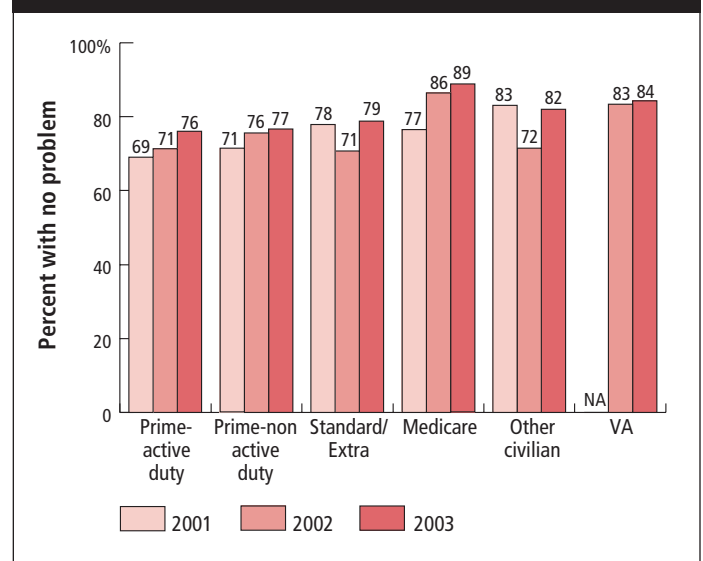
of TRICARE for Life in reducing the cost of care for TRICARE's Medicare eligibles.

Plan ratings also increased among Prime enrollees, from 45 percent and 60 percent in 2001 to 49 percent and 65 percent in 2003 for active duty and non-active duty Prime enrollees, respectively. On the other hand, plan ratings for private civilian plans changed little from 2001 to 2003.

TRICARE users were more likely to report problems getting special care than were Medicare or commercial insurance users in 2003. The extent of these problems varies depending on the care needed. TRICARE users were more likely to report easy access to medical equipment than to therapy or home health care.

Among TRICARE users, the proportion describing their access to medical equipment as problem-free, shown by Figure 25, ranged from 76 percent of active duty to 79 percent of Standard/Extra users in 2003. By contrast 82 percent of commercially insured and 84 percent of VA users reported easy access, as did 89 percent of Medicare enrollees. Since 2001, access has improved most for Medicare enrollees, from 79 to 89 percent, followed by active duty Prime enrollees, from 69 to 76 percent.

Figure 25: Access to needed medical equipment



As shown by Figure 26, TRICARE users lagged farthest behind users of civilian health plans in access to therapy. In 2003, the proportion of TRICARE users with no problems getting access to therapy ranged from 58 percent of Standard/Extra users to 69 percent of non-active duty Prime enrollees. By contrast, 81 percent of VA users, 84 percent who used commercial insurance and 91 percent of Medicare users described their access to therapy as free from problems. These values represented improvement over levels in 2001 for all groups but Standard/Extra.

Access to home health care is easiest for Medicare users and users of commercial insurance according to Figure 27. In 2003, 93 percent of Medicare enrollees reported that they could get special help without problems as did 87 percent who use commercial insurance. Among other enrollment groups, the proportion reporting no problems ranged from 65 percent of VA users to 76 percent of non-active duty Prime enrollees.

Figure 26: Access to needed therapy

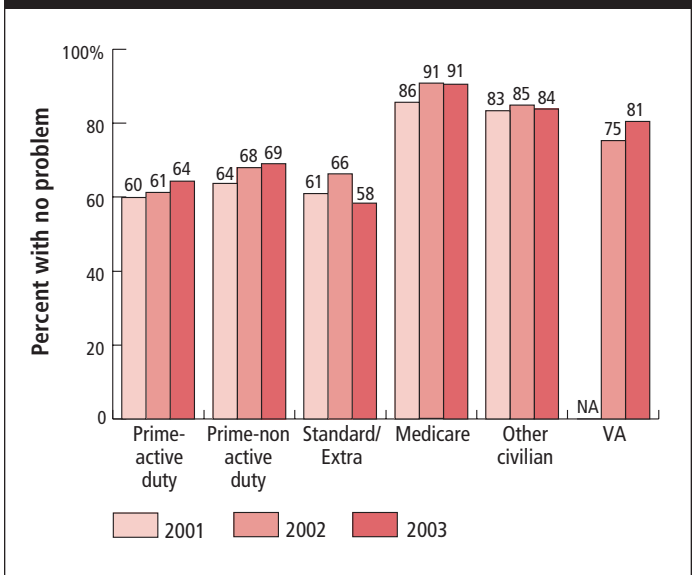
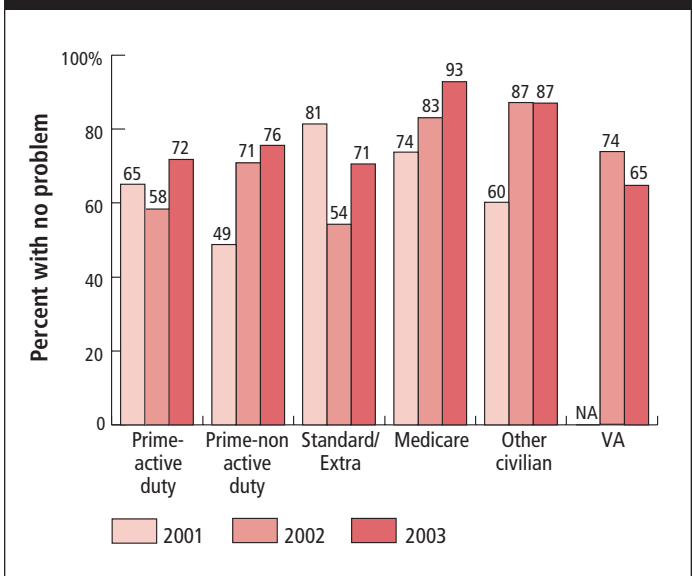


Figure 27: Access to needed personal assistance



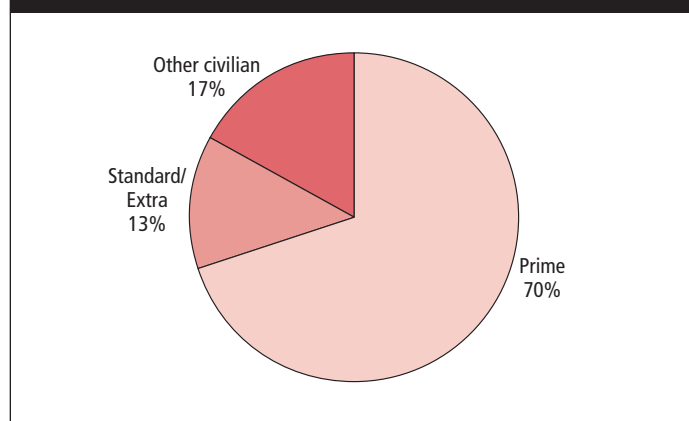
Chapter 7: Children in TRICARE

Approximately 1.8 million CONUS children are eligible for health benefits through TRICARE.

Figure 28 shows that 83 percent use one of TRICARE's three options as their health plan.

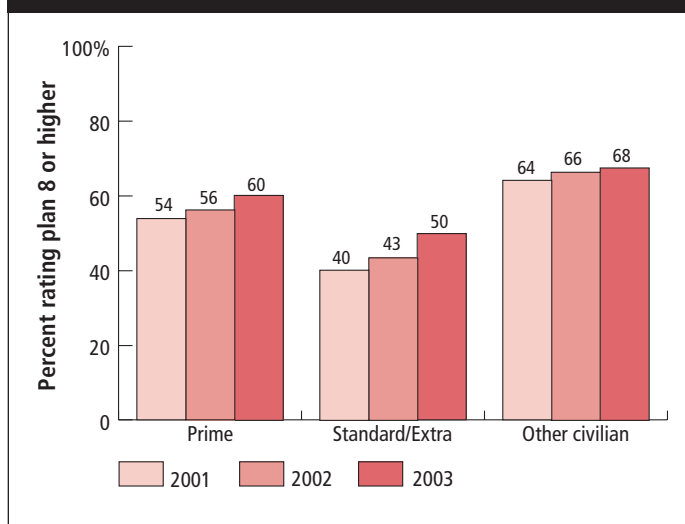
The vast majority is covered by Prime.

Figure 28: Children's health coverage 2003



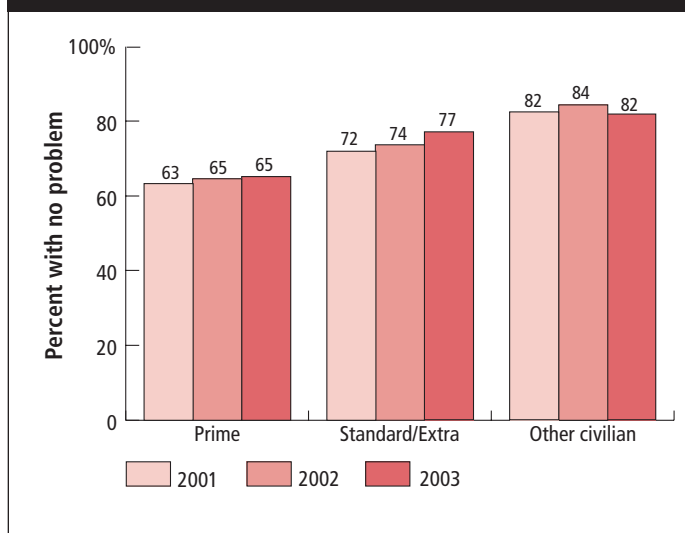
As shown in Figure 29, parents who rely on civilian insurance to provide coverage for their children rate their health plan higher than do TRICARE users. In 2003, 68 percent of parents who relied on civilian insurance rated their health plan 8 or above compared to 60 percent of Prime users and 50 percent of Standard/Extra users. The difference in health plan ratings has narrowed since 2001. Ratings for all health plan types have increased since 2001, but Prime ratings and Standard/Extra ratings have risen more than ratings of civilian plans.

Figure 29: Health plan ratings



Beneficiaries whose children use civilian health plans report fewer problems getting their children referrals than do parents of children covered by Prime or Standard/Extra. As shown in Figure 30, parents relying on Prime reported that they could get their

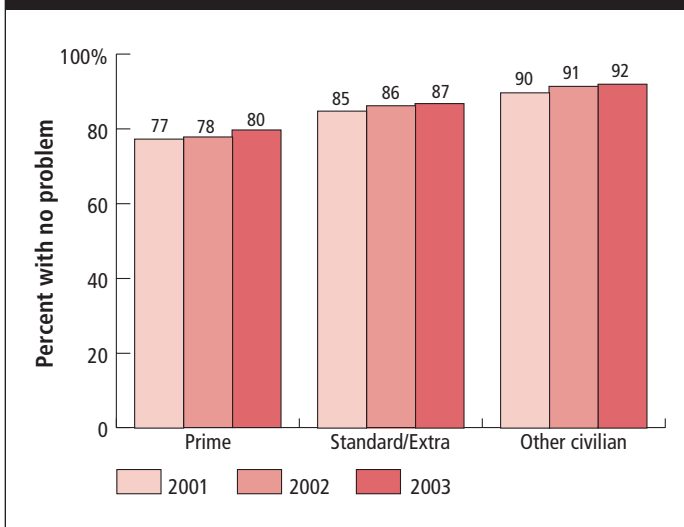
Figure 30: Getting referrals



children problem-free access to referrals at a rate 17 percent below the civilian rate of 82 percent in 2003. Among children covered by Standard or Extra, the difference was less, as 77 percent of their parents reported no problems getting referrals. Children covered by both Prime and Standard/Extra obtained referrals more easily in 2003 than in 2001, by 2 percent for Prime and 5 percent for Standard/Extra.

Figure 31, shows that parents who rely on civilian insurance report accessing needed health care with fewer problems than do parents who rely on Prime or Standard/Extra. Ninety-two percent of parents whose children relied on civilian coverage reported no problems getting needed care in 2003, compared to 80 percent who relied on Prime and 87 percent who relied on Standard/Extra. Reported access improved slightly in all three groups since 2001.

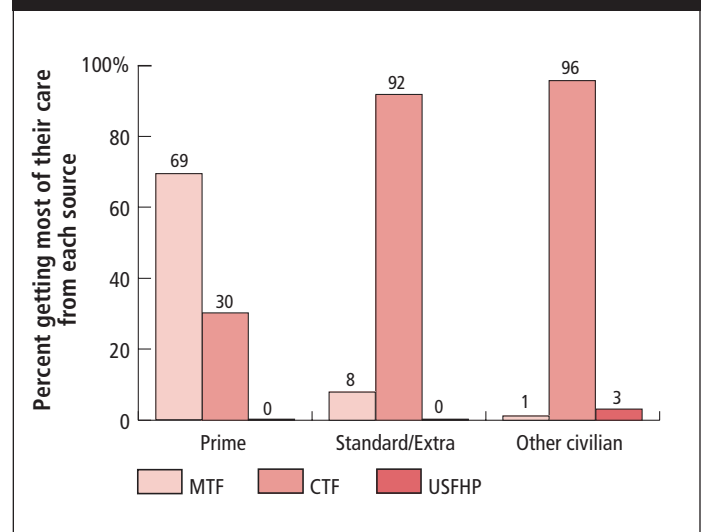
Figure 31: Getting needed care



Use of TRICARE Prime means use of military facilities for about two out of three children who rely on Prime. However, a sizable minority of Prime users, 30 percent, gets most of their care from civilians. By

contrast, almost all who relied on Standard/Extra or civilian coverage also relied on civilian providers. This result, shown in Figure 32, means that about half of the parents surveyed rely on MTFs and half on civilian facilities to care for their children and that more than half of those who use civilian facilities receive care through a TRICARE plan. A small proportion of those covered by civilian insurance get care from Uniformed Services Family Health Plan (USFHP) clinics.

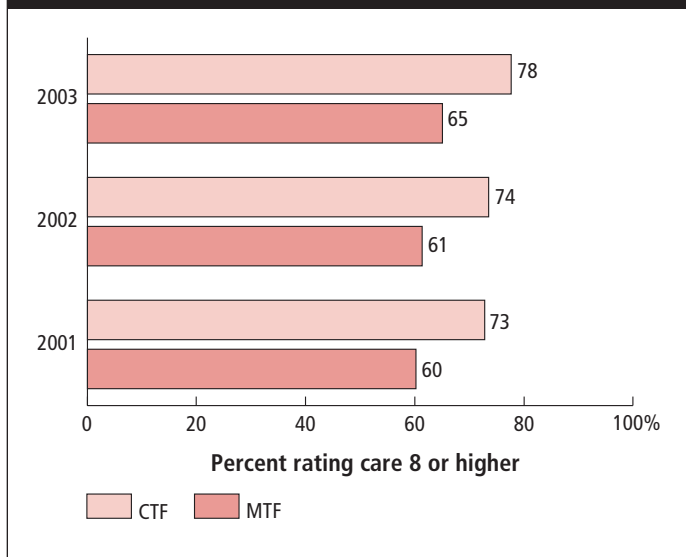
Figure 32: Source of care by health plan 2003



Parents who relied on civilian facilities for health care were more likely to give their children's care a rating of 8 or above than were parents who relied on MTFs, as shown in Figure 33. The difference was 13 percent in 2001, 2002 and 2003. The difference remained constant over these three years as the proportion rating their care highly increased at MTFs from 60 to 65 percent and at civilian facilities from 73 to 78 percent during that time.

Among children with needs for special care, parents who used TRICARE were less likely to report prob-

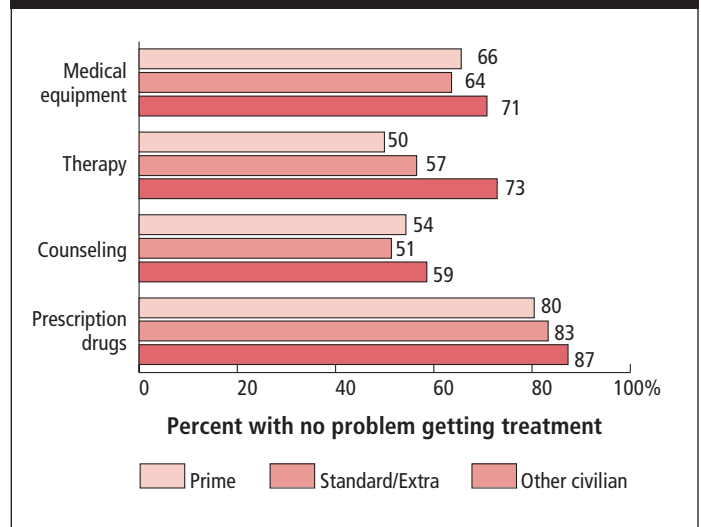
Figure 33: Health care ratings



lem free access than were parents of children with civilian coverage. As shown by Figure 34, access for TRICARE children lagged farthest behind access in civilian plans when children needed therapy. Only 50 percent of Prime children had problem-free access to therapy compared to 57 percent of Standard/Extra children and 73 percent of children with civilian coverage.

Among other types of special needs, access for TRICARE children was comparable to access for

Figure 34: Getting treatment 2003



children with civilian coverage. Sixty-six percent of parents relying on Prime reported no problem getting medical equipment compared to 71 percent with civilian coverage, while 54 percent covered by Prime reported no problem getting counseling for their children compared to 59 percent relying on civilian coverage. Prescription drugs were easiest to access for all three enrollment groups, with problem-free access rates ranging from 80 percent for Prime users up to 87 percent for users of civilian coverage.

Issue Briefs

These issue briefs first appeared in TRICARE Consumer Watch:

- *Network Adequacy* appeared in May 2003
- *Claims Processing and Customer Service in TRICARE* appeared in August 2003
- *Prescription Drug Benefits* appeared in November 2003
- *Reservists and TRICARE* appeared in February 2004

Issue Brief: Network Adequacy

Like other health plans, TRICARE provides care through networks of physicians and other health care providers who contract to treat its beneficiaries. TRICARE's contracts with civilian health plans require the plans to establish "adequate" networks. Plans must include primary physicians and specialists proportional to the number of Prime enrollees living nearby who use civilian doctors. They also must meet contractual standards for timely access to appointments. In recent years, beneficiary groups have complained of access problems and physicians have cited low reimbursement and administrative burdens as reasons for avoiding TRICARE patients (G.A.O., 2003). This issue brief describes how TRICARE beneficiaries view the adequacy of their civilian networks.

Background

In the civilian health care market, increasing numbers of consumers and providers have pushed back against the most restrictive forms of managed care and their cost-containment strategies. Health plans have responded by expanding networks and loosening restrictions. Rather than traditional HMOs, health plans now offer looser managed care products such as open HMOs, PPOs and point-of-service plans, which feature broader provider networks and more affordable use of out-of-network providers. Health plans have increased the stability of their networks by reducing doctors' exposure to financial risk.

Movement away from restrictive managed care reflects the importance consumers attach to access and freedom of choice. Surveys of adult health plan enrollees in the general population also point to

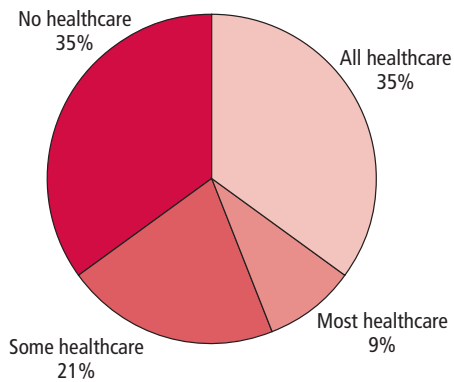
networks as a critical element in consumer's satisfaction with their health plans. For example, when choosing between two competing health plans, access to specialists and participation of one's own physician in the network are among the most important factors weighed by consumers (Harris, 2002).

Other trends have weakened networks, however. Contract disputes and insolvencies of large provider organizations have made networks less stable (Short et al, 2001). In 2001, about 13 percent of the insured in a national sample said they either delayed care or left medical needs unmet due to access problems. Of those reporting problems, about half cited the high cost of care, even though cost was reduced by health insurance. A third reported they could not make a timely appointment and 12 percent could not find a conveniently located doctor. A survey of civilian health plans found that 9 percent of those that visited a doctor in the past year had to spend more than 30 minutes traveling to the doctor's office (Reschovsky, 2000).

Findings

The TRICARE civilian network currently provides much, if not most of the care for retired beneficiaries and their dependents and for active duty dependents who choose TRICARE. Of non-active duty beneficiaries who received care from a TRICARE plan in the past year, 35 percent say they use only the civilian network, while another 30 percent use the civilian network for some or most of their healthcare.

Beneficiaries who try to use the civilian network report a variety of access problems. The frequency of access problems appears to exceed the frequency of

Figure 1: Proportion of care from the civilian network**Table 1. Problems getting care**

	All beneficiaries	Beneficiaries with no care from network
Big problem	9%	43%
Small problem	21%	17%
No problem	70%	40%

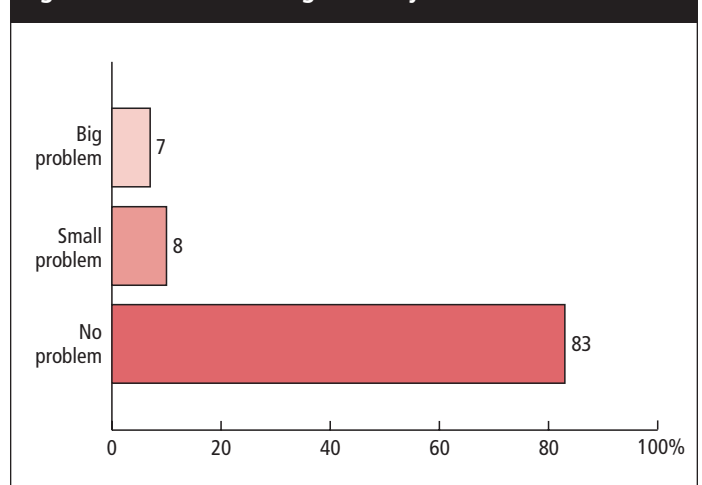
problems encountered in civilian plans, and may be preventing beneficiaries who would otherwise prefer it, from using the network. Among the non-active duty beneficiaries who wanted care, a total of 30 percent reported problems and 9 percent reported big problems in getting the care they wanted from the civilian network. Among those who did not use the civilian network but have tried to use it, 43 percent reported big problems getting the care they wanted, suggesting that problems getting care from the network had kept them from using it.

Many beneficiaries who use the civilian network report problems finding care that is convenient. Of those who tried to find a doctor in the civilian network, 30 percent encountered problems and 12 percent encountered big problems in finding a doctor who was convenient to visit. One-fifth of the beneficiaries who had big problems finding a convenient doctor elected not to use the civilian network.

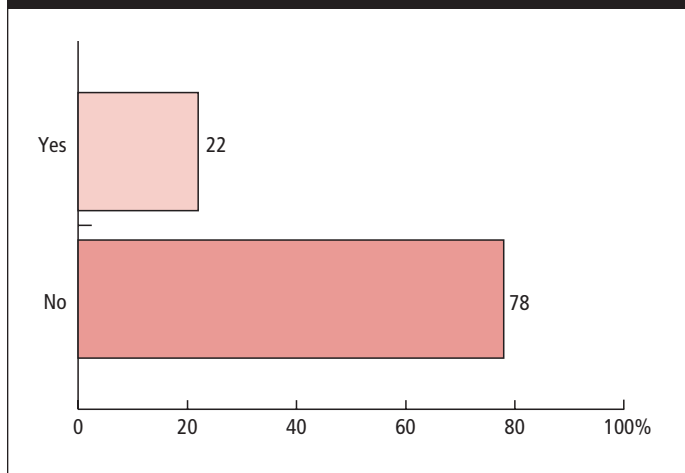
Table 2: Problems finding convenient doctor

	All beneficiaries	Of whom: beneficiaries with no care from network
Big problem	12%	21%
Small problem	18%	5%
No problem	70%	2%

Access to other health care services appears to be a lesser problem in TRICARE: of non-active duty beneficiaries who tried to use labs or x-ray facilities in the network, 17 percent had problems and 7 percent had big problems in finding convenient locations.

Figure 2: Problems finding lab/x-ray

For many, the ability to continue seeing doctors with whom they have established relationships is a crucial component of health care quality. For that reason, the stability of physician networks is at least as important as its range of specialists and geographic coverage. In recent surveys, only 1 percent of all privately insured persons in a national sample reported they had been forced to change their primary doctors because that doctor left their network (Reed, 2000). By contrast, results from the HCSDB show that 22 percent of beneficiaries who tried to use doctors from the civilian network found that a doctor they wanted to see was no longer a network member. This suggests

Figure 3: Wanted to see doctor who left network

TRICARE's problems are greater than those of civilian plans, though the HCSDB finding includes not only primary doctors, but also specialists, who are often harder for beneficiaries to access.

Conclusions

Access limitations, inconveniently located doctors, and doctors who leave the network all appear to affect TRICARE's civilian network to a greater degree than they affect networks serving privately insured populations. The effects of network instability may worsen when new contracts are negotiated in the coming year. Like our HCSDB findings, evidence collected by G.A.O. also indicates TRICARE network problems. G.A.O. attributes problems to low reimbursement for physicians, and a staffing formula that underestimates the needs of network users for care, particularly from specialists (G.A.O., 2003).

Besides increasing reimbursement and the number of network specialists required per beneficiary, TRICARE can take measures to reduce the effects of instability. Regulators are fighting network instability in civilian markets by closely monitoring providers' financial health, and employers by including performance guarantees in their contracts to reduce physician turnover (Short et al, 2001). Regulations and contracts that increase burdens on providers may increase

upward pressure on health costs. Like those in the civilian world, TRICARE's decision makers have to weigh the benefits in access, convenience and continuity of care against the added costs.

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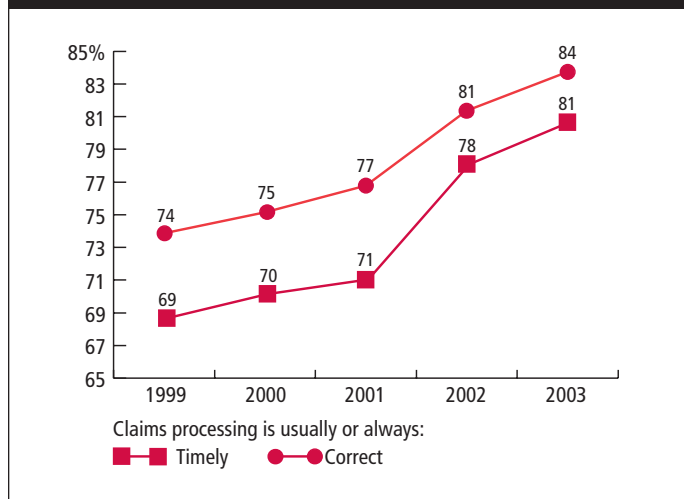
Issue Brief: Claims Processing and Customer Service in TRICARE

In TRICARE, claims processing and customer service have long been the source of dissatisfaction and complaints among both beneficiaries and providers¹ and a cause of network instability among providers.² In response to beneficiary complaints and congressional mandates, TRICARE adopted claims processing standards similar to those in Medicare and the commercial market. Claims administrators must pay 95 percent of routine claims within 30 days of receipt, and 100 percent of routine claims within 60 days of receipt.³ More recently, congress mandated that 50 percent of claims, and all claims from high-volume providers, be electronically submitted.⁴

TRICARE beneficiary ratings of claims handling timeliness and correctness have risen steadily in recent years, and are now similar to the commercial norm. As shown in Figure 1, since 1999, the percentage of TRICARE users who think TRICARE's claims handling is usually or always timely has increased from 69 to 81. The percentage who think claims are usually or always processed correctly has improved from 74 to 84. Despite this improvement, providers and TRICARE administrators continue to express frustration with the speed and accuracy of claims processing.⁵ Electronic processing lags: Wisconsin Physicians Service (WPS) notes that 53 percent of its TRICARE claims are submitted electronically, compared with 62 percent in the commercial market and 88 percent for Medicare.⁶ Continued improvement in TRICARE's claims handling performance will require increasing the proportion of claims filed electronically and adjudicated automatically.

Beneficiaries or their providers file TRICARE claims for care from civilian providers through one of TRICARE's Managed Care Support Contractors. The claims are administered by one of two subcontractors:

Figure 1: TRICARE claims processing



Palmetto Government Benefits Administrators (PGBA), which processes 85 percent of TRICARE claims, and WPS.

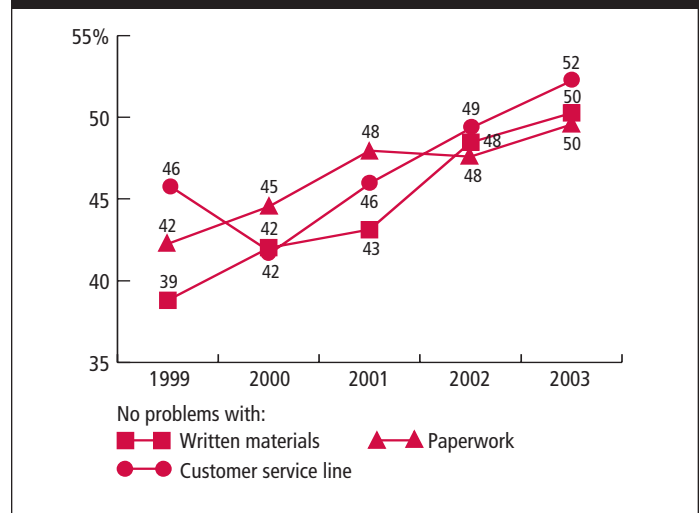
Once received by the claims administrator, the speed with which claims are processed depends on whether they are adjudicated automatically or by a claims adjudicator. In 2000, 47 percent of TRICARE claims were automatically adjudicated, compared with current rates of 66 to 75 percent for industry leaders such as Humana and Anthem.^{7,8} One reason TRICARE claims are less often adjudicated automatically is TRICARE's complexity. TRICARE's three plan options each have different benefits, co-payments, and adjudication procedures; provider reimbursement rules are complicated and frequently change, and since TRICARE is often a second payer, TRICARE payments often depend on members' other health insurance policies.⁹

Technological and regulatory changes should increase electronic submission and speed adjudication of claims. These new developments include:

- **HIPAA's universal standards for electronic claims.** Many physicians submit paper claims for TRICARE patients because of the cost of modifying their computer systems to file electronic TRICARE claims, which differ from other electronic claims.⁹ However, starting October 16, 2003, universal claims standards will remove this barrier and increase rates of electronic submission.¹⁰
- **Financial incentives.** Following current practice in Medicare, as of 2000, TRICARE contractors are allowed to provide financial incentives to their providers for electronic claims filing. DoD also allows providers to demand that interest be paid on claims unprocessed after 30 days.¹¹
- **Reduced utilization management requirements.** Requirements such as preauthorization and certification complicate claims processing and are frequent sources of error.¹² As TRICARE and the rest of the health care industry drop these requirements, they will reduce error and delay.⁴
- **The T-Nex program.** By collapsing TRICARE's 11 CONUS regions and 7 managed care support contracts into three regions, with one managed care organization in charge of each region, T-Nex will simplify adjudication and increase electronic filing and claims processing.⁵
- **Web-based claims filing.** Since July 2002, PGBA has operated a web-based TRICARE claims processing system, XpressClaim, that permits real-time claims adjudication. The system permits claims to be submitted, edited, and, in many cases, adjudicated while the patient is in the doctor's office.

As shown by Figure 2, ratings of TRICARE customer service and paperwork have also improved, but more slowly than have claims handling ratings. Forty-six percent of TRICARE users in 1999 reported no problem getting help from the customer service phone

Figure 2: TRICARE customer service



line, compared to 52 percent in 2003, while the proportion reporting no problems with TRICARE paperwork has increased from 42 percent to 50 percent in the same period. The proportion able to find the information they need in TRICARE's written materials has increased most, from 39 percent to 50 percent.

Much of the information and assistance that beneficiaries need can be found on the new interactive TRICAREonline website, as well as the TRICARE, WPS, or PGBA websites. The websites contain tools to perform many services for enrollees and providers besides claims submission. Beneficiaries can enroll in TRICARE Prime, set up appointments with a primary care manager, check the status of their claims, check out of pocket expenses, send secure mail to the claims administrator, and access plan information on such things as benefits and lists of network providers.¹³ Beginning next year, beneficiaries will be able to fill prescriptions on the web.

Increased website use may produce claims handling and customer service improvements. Beneficiaries who use these services and on-line plan information will have fewer problems with paperwork or written materials and less need for other forms of customer service. They will make fewer mistakes about their

benefits and, as a result, have fewer problems with their claims. Simultaneously, use of the website for other purposes will spur electronic claims filing.

TRICARE can encourage website use by incorporating features useful to enrollees and providers and by arranging these features so that they are easily found and used. The design, accessibility and usability of TRICARE's website could greatly influence beneficiaries' claims handling and customer service experiences and, ultimately, their satisfaction with TRICARE.

Notes

¹ "TRICARE Provider Network Connects Military, Local Communities", http://www.tricare.osd.mil/plaintalk/plain_talk_2001_06.html

² Defense Health Care: Claims Processing Improvements Are Underway but Further Enhancements Are Needed (Letter Report, 08/23/1999, GAO/HEHS-99-128): Washington, DC: General Accounting Office, August 1999.

³ The Managed Care Support Contractors Operations Manual, March 2001.

⁴ FY2001 Defense Authorization Act (Public Law 106-398, 10/30/00).

⁵ Tieman, J. "Marching Orders" in Modern Healthcare, May 19, 2003.

⁶ http://www.wpsic.com/edi/edi_home.shtml

⁷ Defense Health Care: Observations on Proposed Benefit Expansion and Overcoming TRICARE Obstacles (Testimony, 03/15/2000, GAO/T-HEHS/NSIAD-00-129): Washington, DC: General Accounting Office, March 2000.

⁸ "Insurers Boost Electronic Transactions In Bid to Cut Administrative Costs", Managed Care Week 13 (6). Washington, DC: Atlantic Information Services, February 10, 2003.

⁹ Defense Health Care: Opportunities to Reduce TRICARE Claims Processing and Other Costs (Testimony, 06/2//2000, GAO/T-HEHS-00-138): Washington, DC: General Accounting Office, June 2000.

¹⁰ "Marry Internet, HIPAA Strategies to Pull Ahead in E-Commerce", Managed Care Week, Washington, DC: Atlantic Information Services, May 1, 2000.

¹¹ FY2000 Defense Authorization Act (Public Law 106-65, 10/5/99).

¹² McElfatrick R.L., and Eichler, R.S., "Chapter 21: Claims and Benefits Administration", p.504, in Kongstvedt, P.R., *Essentials of Managed Health Care 4th ed.*, Gaithersburg, MD: Aspen, 2001.

¹³ www.tricareonline.com, various webpages

Issue Brief: Prescription Drug Benefits

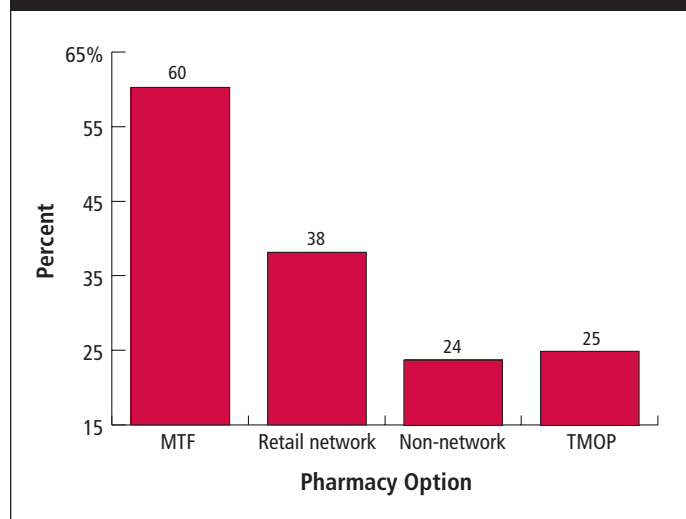
Spending on prescription drugs makes up the fastest growing share of health care costs. The share of prescription drugs has grown from 5 percent of US health spending in 1980 to 10 percent in 2001. Rapid drug spending growth is projected to continue for the foreseeable future¹. To hold down premiums, civilian health plans increasingly offer three (or more) tiers of pharmacy copayments, charging beneficiaries least for generic drugs, more for preferred brand drugs, and most for non-preferred brand drugs. Sixty-three percent of beneficiaries with employer-sponsored coverage now have three-tier plans². Mail-order pharmacies also reduce the cost of drug benefits. In a recently surveyed national sample, 22 percent with coverage had filled at least one prescription through the mail in the previous 6 months³.

The military health system (MHS) offers its beneficiaries several options that completely or partly cover the cost of drugs. Beneficiaries may fill prescriptions from the MHS formulary at military treatment facility (MTF) pharmacies for no charge. They may pay \$3 for generic drugs and \$9 for non-generics at TRI-CARE retail network pharmacies, or the same copayments for 90-day supplies of drugs from the TRI-CARE Mail-Order Pharmacy (TMOP). If not Prime enrollees, beneficiaries may pay the greater of \$9 or 20 percent coinsurance at non-network pharmacies. Prime enrollees must pay 50 percent of the retail cost to use non-network pharmacies.

The MHS prescription drug benefits are richer than the benefits available to most civilians. Though 99 percent of US beneficiaries with employer-sponsored health coverage have drug benefits, they pay an average coinsurance of 20 percent for generic drugs and 29 percent for drugs that are not on the formulary list². Medicare beneficiaries generally have more limited coverage, if they have coverage at all.

As shown in Figure 1, MHS beneficiaries use MTF pharmacies more than any other of their choices. Sixty percent of beneficiaries that filled prescriptions in the past 3 months filled one or more of them at a MTF pharmacy. The next most frequently used option was the network pharmacy, where 38 percent filled prescriptions. Twenty-four percent used non-network pharmacies and 25 percent used the mail order pharmacy.

Figure 1: Percent of MHS beneficiaries filling prescriptions by pharmacy option



Of all beneficiary types, Active Duty and Prime enrollees were most likely to use MTF pharmacies. Table 1 shows where MHS beneficiaries with different coverage types fill their prescriptions. Eighty-three percent of active duty and 78 percent of non-active duty enrollees who filled prescriptions in the past 90 days used an MTF pharmacy at least once. Beneficiaries who got their care from the VA or were enrolled in TRICARE Plus also used MTF pharmacies frequently – 70 percent and 69 percent, respectively. The retail network was the most used option of

Table 1: Pharmacy options by enrollment group

Coverage type	Percent using pharmacy option			
	MTF ¹	TRN ²	NNC ³	TMOP ⁴
Active duty	83.4	24.1	9.5	12.1
Non-active duty Prime	77.7	37.0	8.3	16.9
Standard/Extra	34.7	62.8	20.3	28.3
Medicare	47.6	55.9	23.9	42.0
Other civilian insurance	37.5	22.4	61.4	21.5
VA	70.1	21.8	22.2	35.3
TRICARE Plus	68.8	33.1	25.3	30.1

¹MTF = Military treatment facility

²TRN = TRICARE network pharmacy

³NNC = Non-network pharmacy

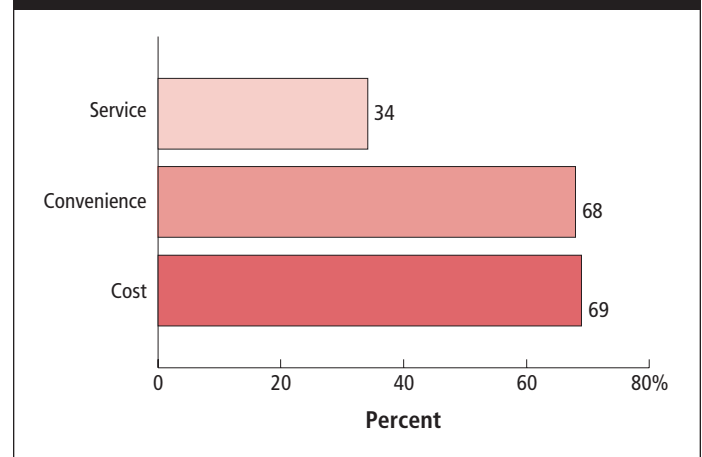
⁴TMOP = TRICARE mail-order pharmacy

beneficiaries who rely on Standard/Extra (63 percent) or Medicare (56 percent), while non-network pharmacies were the usual choice of beneficiaries covered by other civilian health insurance (61 percent).

MTF pharmacies were the first or second choice of beneficiaries with all coverage types, including 38 percent of beneficiaries with other civilian insurance and nearly half of Medicare beneficiaries. Though non-network pharmacies were the least-used option of most enrollment groups, in all groups except Active Duty and Prime enrollees, at least 20 percent had filled prescriptions out-of-network. In spite of the high cost of non-network pharmacies to Prime enrollees, nearly 10 percent of these enrollees filled at least one prescription in a non-network pharmacy. Forty-five percent of Prime enrollees who used non-network pharmacies said they did so because they were unaware that the pharmacy was outside the network (not shown).

Beneficiaries of all types used the mail order pharmacy but use was greatest among those with Medicare. Forty-two percent of Medicare enrollees used the mail order pharmacy at least once. For most enrollment groups, TMOP was the third choice, behind MTF and network pharmacies.

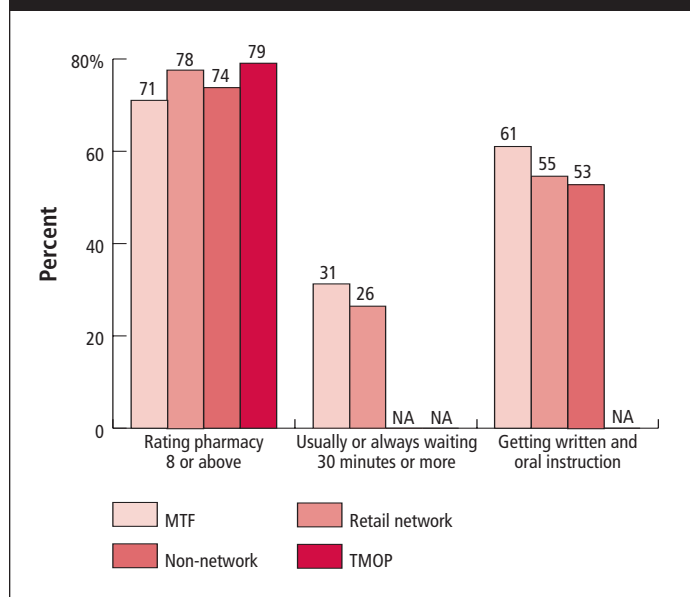
Figure 2 shows that beneficiaries choose MTFs for both cost and convenience. Sixty-nine percent of MTF pharmacy users said that they chose their pharmacy because of its low cost, and a similar number, 68 percent, because of its convenience. Thirty-four percent said that the quality of service was a factor.

Figure 2: Reasons for using MTFs

MTF users were more likely than users of other pharmacy options to have experienced long waits for prescription drugs. As shown by Figure 3, 31 percent of those who used MTFs reported they usually or always waited 30 minutes or more at the pharmacy for prescriptions to be filled compared to 26 percent of those who used the retail network. However, MTF pharmacy users were most likely to report they received both oral and written instruction about their drugs. Sixty-one percent of MTF users got information in both forms, compared to 55 percent of retail network and 53 percent of non-network pharmacy users.

The highest rated pharmacy option was the mail order pharmacy, rated at least 8 out of 10 by 79 percent of those who used it. By contrast, the proportion giving other pharmacy options ratings of 8 or above ranged from 71 percent of MTF pharmacy users to 78 percent of retail network pharmacy users.

Figure 3: Pharmacy ratings



Prescriptions filled by mail cost the MHS less than prescriptions filled at civilian pharmacies and beneficiaries are encouraged to use the TMOP⁴. Most who use mail-order are satisfied, but many who might use it use network pharmacies instead. Figure 4 shows the reasons given by beneficiaries filling long-term prescriptions at network pharmacies instead of TMOP. Forty percent chose the network pharmacy for convenience, while 28 percent chose it for its service quality. In all, 24 percent listed problems with the

mail order pharmacy as a reason for their choice: not trusting mail-order pharmacies, not understanding the mail-order benefit, or being unable to get a drug through the mail because it is not on the formulary.

Most beneficiaries rate their pharmacies highly, more than 70 percent rating each pharmacy option 8 or more. Some who use network or non-network pharmacies, particularly Standard/Extra users or non-active duty Prime enrollees, might switch to MTF pharmacies or the TMOP if encouraged. Changes in policy or procedure that shorten waits at MTF pharmacies might encourage more beneficiaries to fill prescriptions there. More beneficiaries might use the mail-order option if they are better informed on how to use it and, by using it, gain favorable experience.

Notes

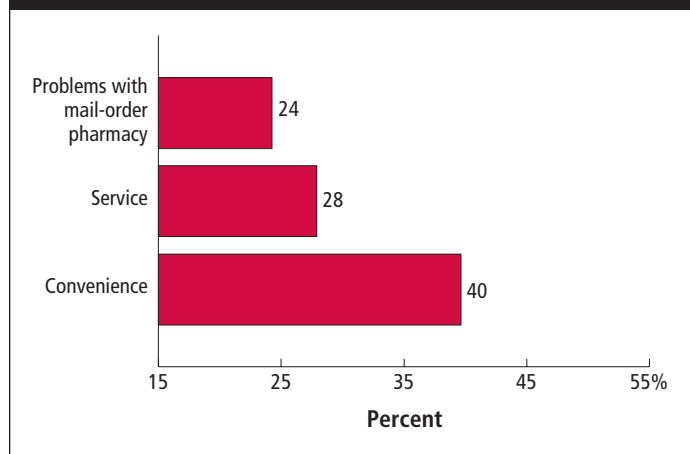
¹ Centers for Medicare and Medicaid Services, National Health Expenditures Tables <http://www.cms.gov/statistics/nhe/>

² Kaiser Family Foundation and Health Research and Educational Trust. Employer Health Benefits, 2003 Annual Survey. 2003. Menlo Park, CA and Chicago, IL.

³ Stergachis A, Maine LL, Brown L. The 2001 National Pharmacy Consumer Survey. *J Am Pharm Assoc.* 2002 Jul-Aug; 42(4):568-76.

⁴ "New TRICARE Mail-Order Pharmacy to Open March 1, 2003", http://www.defenselink.mil/news/Dec2002/n12132002_200212134.html

Figure 4: Reasons for using network pharmacies instead of TMOP



Issue Brief: Reservists and TRICARE

Since September 11, 2001, over 300,000 National Guard and Reserve personnel (“reservists”) have been called to active duty, and the reserve forces are expected to see heavy duty over the foreseeable future. In this context, compensation programs for reservists, including health benefits, have come under increased scrutiny and Congress recently passed legislation to expand reservists’ coverage.¹ The Health Care Survey of DoD Beneficiaries (HCSDB) for October, 2003 included supplementary questions to learn more about reservists’ experiences with TRICARE.

Under the new laws, reservists placed on active duty orders for 31 days or more are automatically enrolled in TRICARE Prime, and their family members also become eligible for TRICARE.² Reservists and their families face several complicated choices, as they compare TRICARE benefits with their civilian options. First, coverage options available to reservists’ families differ depending on their circumstances. Families who live near military treatment facilities (MTFs) are eligible for TRICARE Prime, as well as TRICARE Standard/Extra. Families who live more than 50 miles from MTFs are eligible for TRICARE Prime Remote for Active Duty Family Members, with free access to civilian network and TRICARE certified providers. In addition, families of reservists mobilized for Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom can participate in the TRICARE Reserve Family Demonstration Project, which offers TRICARE Standard/Extra benefits without deductibles or other barriers to civilian care access. The change in benefits is intended to make it easier for families to maintain their existing relationships with physicians.

As well, the generosity of health insurance benefits offered by employers to reservists and family members may vary. Under the Uniformed Services Employment

and Reemployment Rights Act (USERRA) of 1994, employers must allow reservist employees to keep insurance for up to 18 months after call-up, but employers may charge up to 102% of the full premium, including the employee share, employer share, and a 2% administrative fee.³ Many employers, however, continue or even increase their contributions to their employees’ premiums following mobilization.⁴

Transition to TRICARE

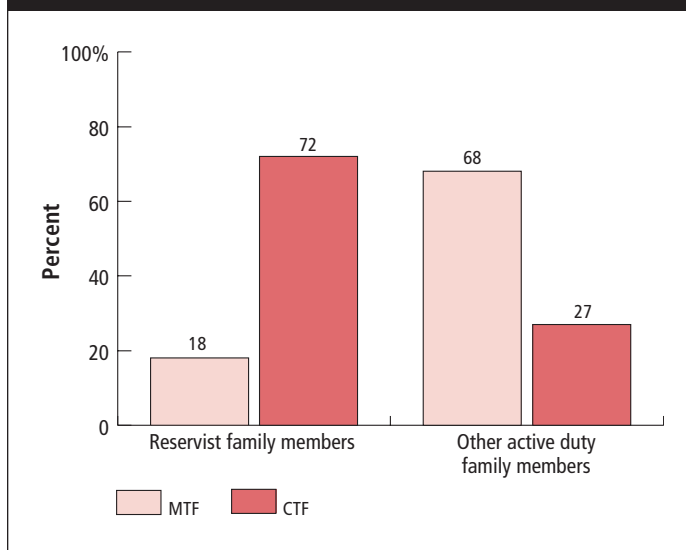
As shown in Table 1, according to the HCSDB, 85 percent of reservists and 86 percent of their family members had health insurance coverage prior to mobilization, higher than reported levels for the general population (83 percent).^{5,6} Of reservist family members with employer-based coverage, 56 percent maintained that coverage following mobilization, with 33 percent using only civilian coverage and 23 percent using a mix of TRICARE and civilian coverage.⁷ Forty-five percent of reservists and 34 percent of their family members state that their employers continue to cover all or part of their insurance premiums.

Table 1: Sources of coverage

	Civilian coverage before mobilization	Kept civilian coverage	Use civilian only
Reservists	85%	44%	NA
Reservist family	86%	56%	33%

Reservist families are far more likely to live in remote areas (areas more than 50 miles from an MTF) than are other active duty families. Seventy percent of reservists live more than 50 miles from an MTF, compared with only 5 percent of other active duty families.⁸ As a result, reservist family members are much less likely to use MTFs than are other active duty family members. As shown in Figure 1,

Figure 1: Usual source of health care

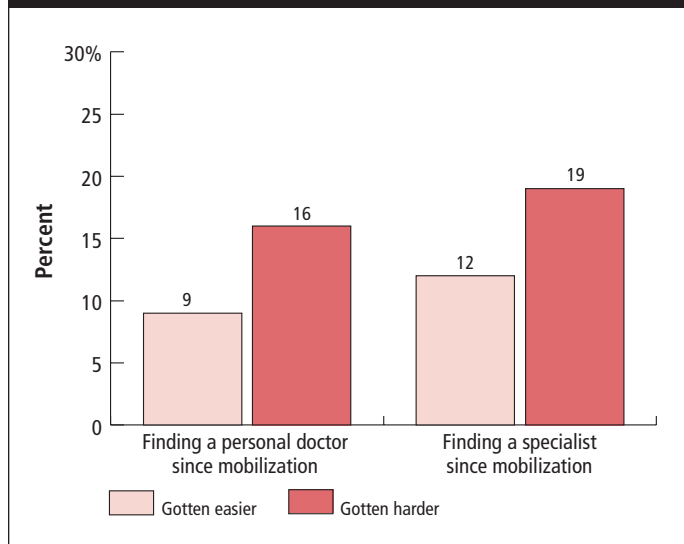


only 18 percent of reservist family members get most of their care from MTFs compared to 68 percent of other active duty family members. To reservist families, maintaining a relationship with the civilian doctors they enjoyed before mobilization is often key to a successful transition.

Access to physicians

TRICARE coverage offers reservist family members access to any civilian provider, with reduced deductibles and coinsurance. However, in some areas, TRICARE's reimbursement rates and additional administrative requirements may discourage physicians from participating and may result in access problems. Some beneficiaries may find that the need to get referrals from a PCM under TRICARE Prime makes access to specialists more difficult. Figure 2 shows that, while mobilization has improved access to personal doctors and specialists for some reservist family members, a greater number report worsened access. Sixteen percent of TRICARE users among reservist family members report that it has become more difficult to see the personal doctor they want to see, compared to 9 percent who say it is easier. Nineteen percent report that it is now more difficult

Figure 2: Access to physicians for reservist family members in TRICARE



to see a desired specialist, compared to 12 percent who say it is easier.

Getting Information

Because of the complex choices they face, access to health benefits information is crucial to reservists and their families.⁹ As shown in Table 2, reservists and their family members are much more likely than other active duty members to have looked for information in TRICARE's written materials (36 percent compared with 24 percent), to have called on the TRICARE customer service line (46 percent compared with 33 percent), or to have experiences with TRICARE paperwork (40 percent compared with 26 percent). As shown, about half of all who have these experiences, both reservists and other active duty, encounter problems. As a result, simply because their needs for assistance and information are greater, a reservist or reservist family member is much more likely overall to report problems getting information or problems dealing with their paperwork. In response to these problems and to the recent changes in reservist benefits, TRICARE has added information for reservists to the TRICARE web site, and has begun implementing various communications programs aimed at educating

Table 2: Experience and problems with TRICARE: reservists/non-reservists

	With info in written materials	With customer service	With paperwork
Has experience	36%/24%	46%/33%	40%/26%
Of those with experience, has had problems	55%/54%	49%/49%	45%/52%
Of all respondents, has had problems	20%/13%	22%/16%	18%/14%

reservists and their family members about their health care benefits.¹⁰

Notes

¹ Many of the provisions are set to expire on December 31, 2004. (FY 2004 Defense Authorization Act (Public Law 108-136, 11/24/03)).

² FY 2004 Defense Authorization Act

³ Reservists performing military service for 30 days or fewer can maintain coverage at the same cost as before their short service.

⁴ The federal government, for example, waives the employee share of the premium for up to 18 months when reservist federal employees are called up.

⁵ Fronstin, P. "Sources of Health Insurance and Characteristics of the Uninsured : Analysis of the March 2003 Current Population Survey" (EBRI Issue Brief #264). Washington, DC: Employee Benefit Research Institute, December 2003.

⁶ The 2004 NDAA allows reservists without access to employer-based coverage to purchase TRICARE coverage at subsidized rates, and may well increase coverage for reservists even higher.

⁷ In an earlier survey, it was found that 72 percent of reservists maintained commercial coverage during mobilization. (Most Reservists Have Civilian Coverage but More Assistance is Needed When TRICARE Is Used. (GAO-02-829). Washington, DC: General Accounting Office, September 2002.)

⁸ DOD Needs More Data to Address Financial and Health Care Issues Affecting Reservists. (GAO-03-1004). Washington, DC: General Accounting Office, September 2003.

⁹ In the past, roughly 40 percent of the problems reservists have reported involve understanding TRICARE's benefits and obtaining assistance when problems arise. (GAO-03-1004).

¹⁰ GAO-03-1004.

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