

Capstone The Healthcare Plan

CAPT Edward Simmer
Deputy Chief, TRICARE Health Plan
May 16, 2019



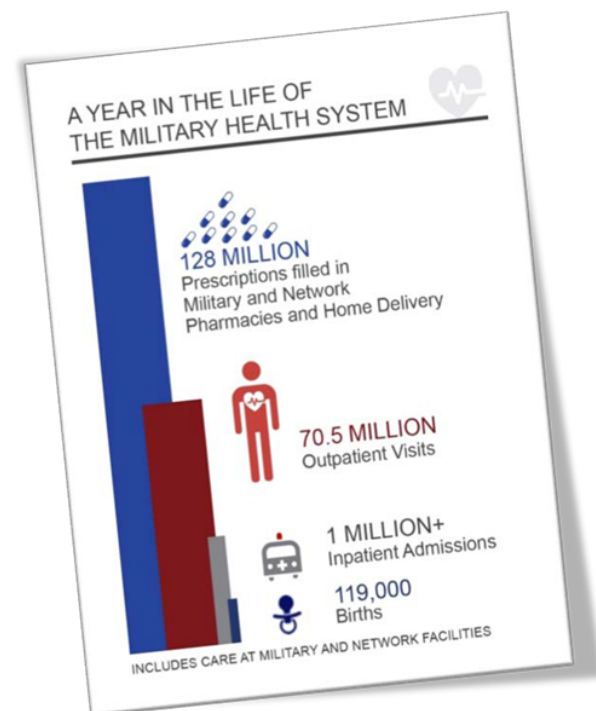
Agenda

- TRICARE Overview
- Looking Ahead
- TRICARE Programs and Plans 2019

The Military Health System

A comprehensive, integrated healthcare delivery system

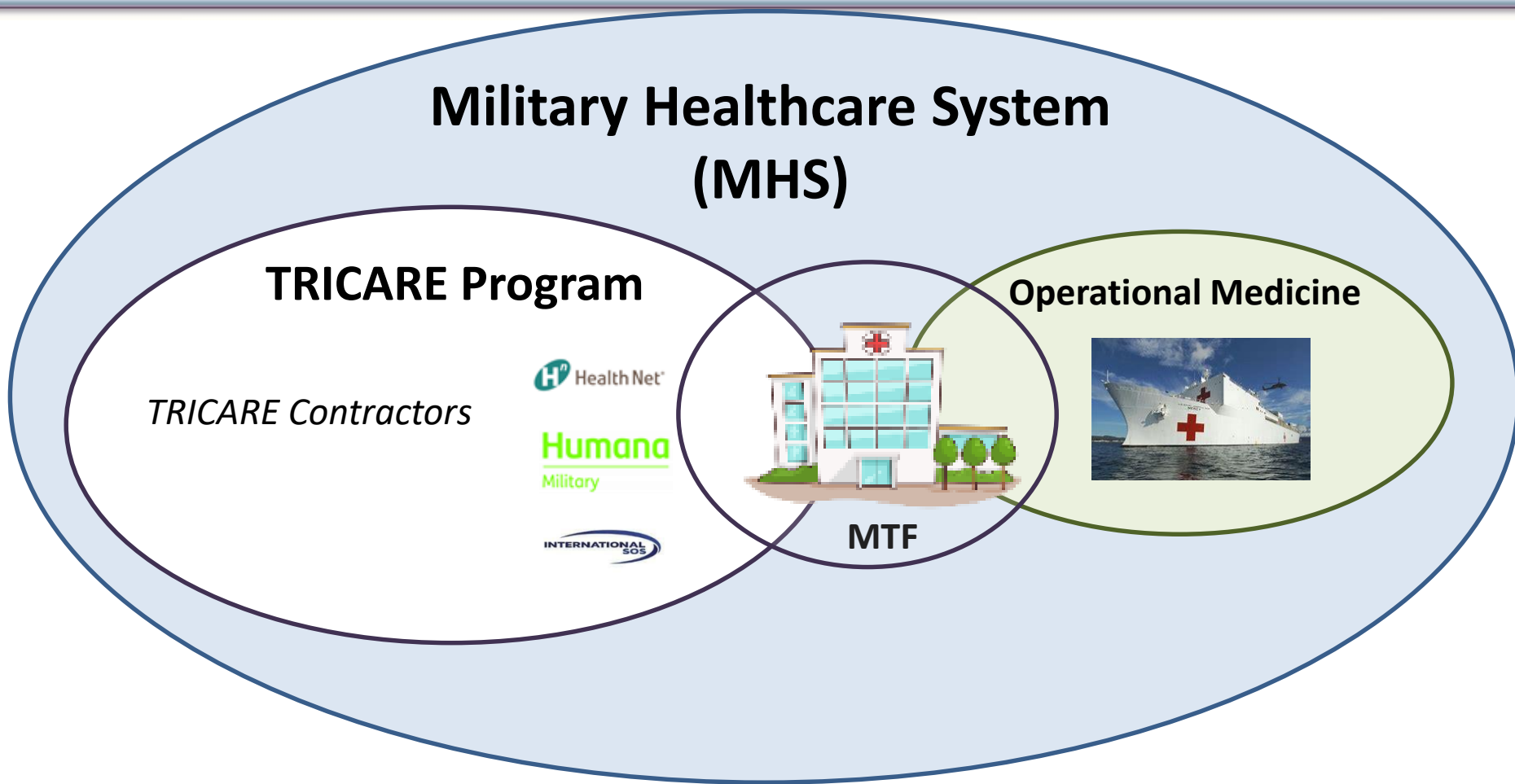
- *A hospital system:* **49** hospitals world-wide
- *An integrated outpatient care system:* **320** medical clinics, **247** dental clinics
- *A health benefits program:* **9.5 million** covered lives, including **1.4 million** Active Duty, **0.2 million*** Reserve Component Service members and **380,000** participating providers...over 60% of our care is purchased from civilian sources
- *A global public health system:* providing community health, global health and environmental surveillance
- *An education and training system:* including a University with an accredited medical school and graduate programs, a graduate medical education program, enlisted and medical officer training platforms
- *Medical research and development (R&D) system:* ~ \$1 billion program
- A unique, indispensable, **\$50+ billion** per year *military medical enterprise*



The MHS is measured against each of the roles for which it is responsible – warfighter support, employer, provider, insurer, educator, and researcher

TRICARE

A Simplistic Definition



TRICARE is DoD's Healthcare Program

- Serving 9.4 million beneficiaries worldwide
- Augments the Uniformed Services military treatment facilities (MTFs; often referred to as “direct care”) with increased capacity and capability through network and non-network TRICARE-authorized civilian health care professionals, institutions, pharmacies, and suppliers (often referred to as “purchased care”)
- Is a federal benefit, not health insurance
 - Benefit is defined by law, regulation, and policy
 - Benefit is specified in TRICARE Manuals (Policy, Operations, Reimbursement, and Systems) for TRICARE contractor performance
- TRICARE Contractors are responsible for Provider Relations and Network
 - Contract directly with TRICARE Network providers & healthcare facilities
 - Certify non-network TRICARE authorized providers

Statutory / Regulatory / Policy Basis for the TRICARE Program



- Statutory entitlement - Chapter 55 of Title 10, US Code
- TRICARE Regulations - 32 Code of Federal Regulations, Part 199
 - Revised to implement new statutes or to change policy
 - Policy memorandums can temporarily be used
- Directives from SECDEF or DEPSECDEF
- TRICARE Manuals
 - Directs Contractor actions
 - Revised frequently if new policies, procedures, etc.

What TRICARE Covers



- Active duty family members. 10 U.S.C. 1079
- Retirees and family members. 10 U.S.C. 1086

- Active duty service members. 10 U.S.C. 1074

- Provision of only services that are medically necessary or psychologically necessary
- Must be confirmed “proven” using a hierarchy of reliable evidence (32 CFR 199.2)

- Can be provided care not medically or psychologically necessary if approved by the DHA Director (e.g., domiciliary or custodial care)

What TRICARE Pays



- Reimbursement to individual health care professionals. 10 U.S.C. 1079(h)(1)
- Reimbursement to institutional providers. 10 U.S.C. 1079(j)(2)

- TRICARE reimbursement determined, to the extent practicable, using Medicare rules
- TRICARE network discounts permitted. 10 U.S.C. 1079(h)(3)

What TRICARE Pays



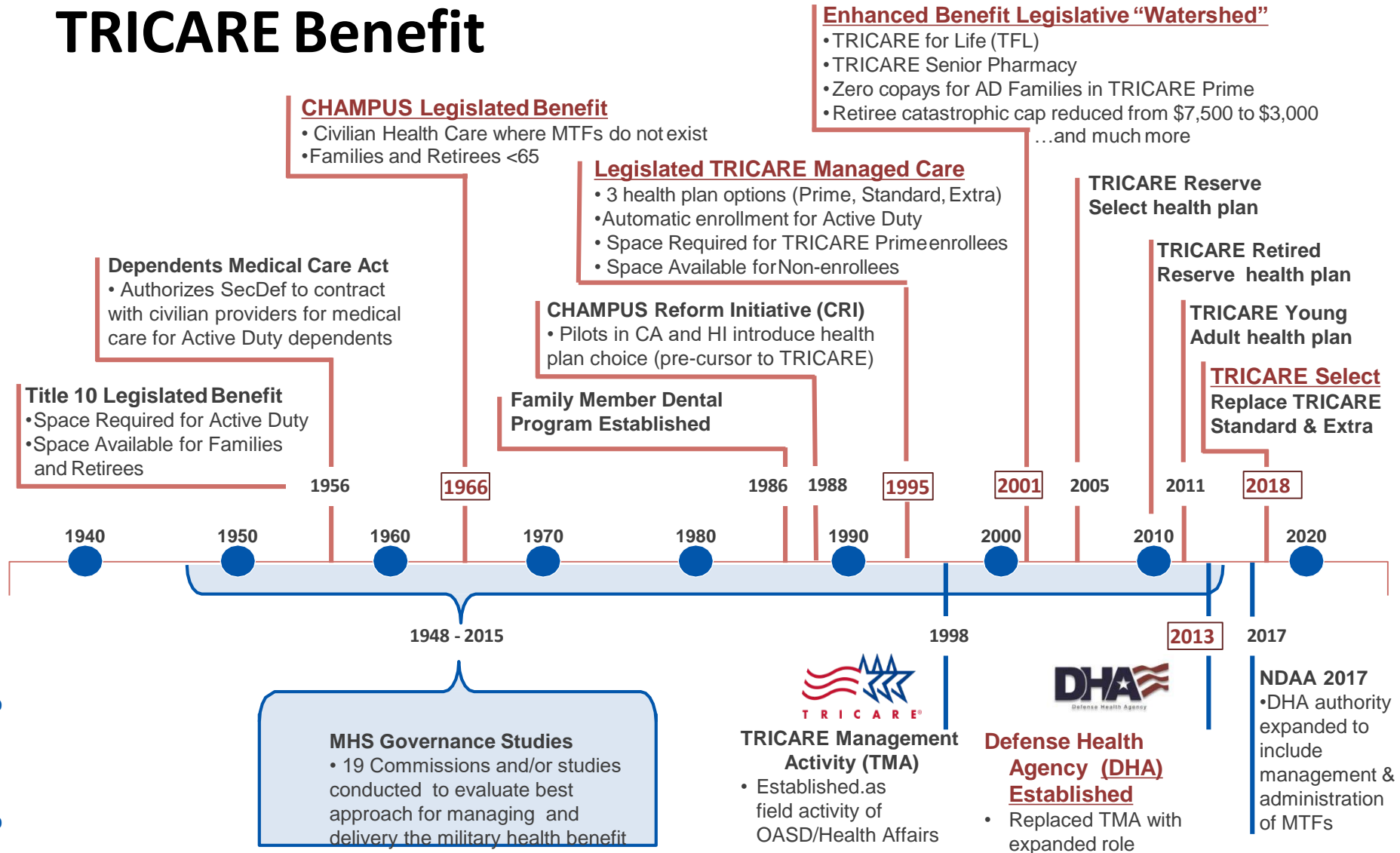
- May pay up to 115% of Medicare rate to ensure network adequacy. 10 U.S.C. 1097(b)(a)
- Can increase locality rates to prevent severe access to care issues. 10 U.S. C. 1079(h)(5)
- TRICARE demonstration project authority. 10 U.S.C. 1092

Exceptions

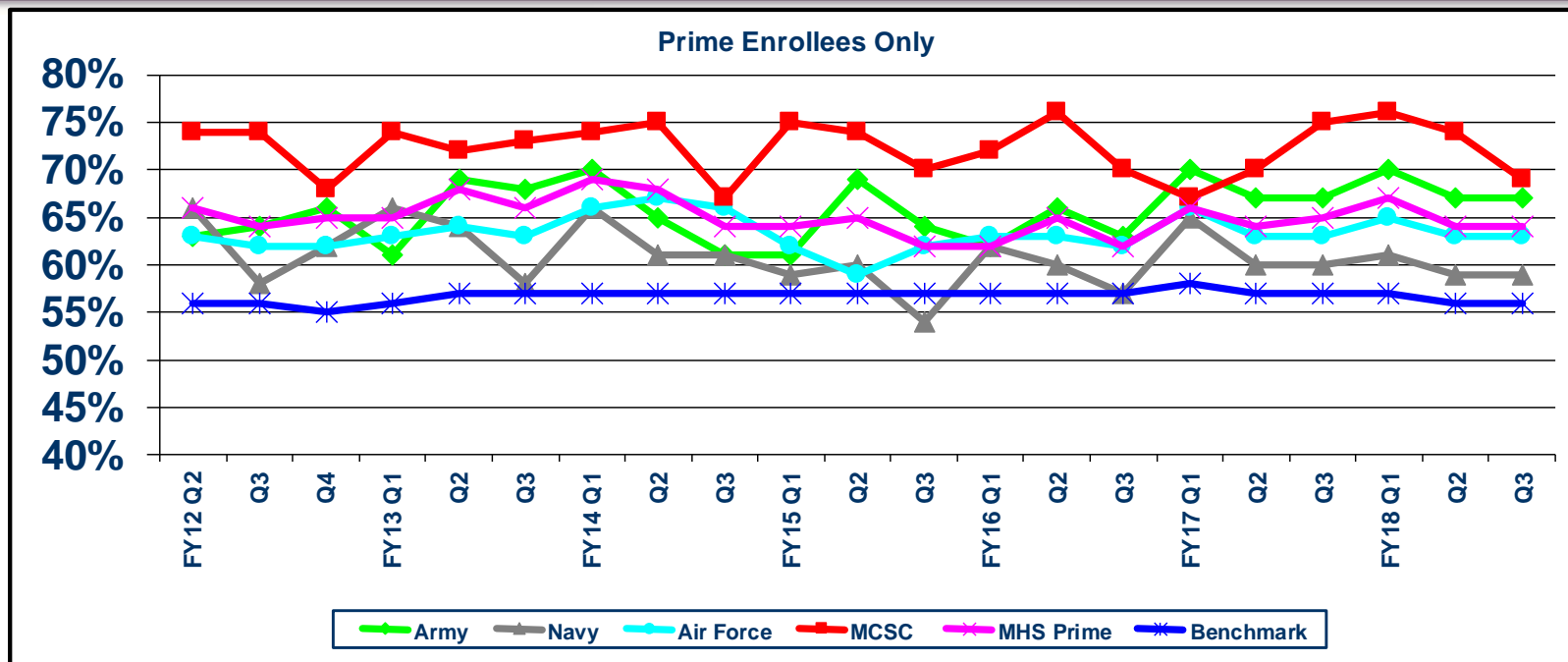
The Evolution of the TRICARE Benefit

TRICARE Benefit Evolution

MHS Oversight & Management



Satisfaction with Health Plan

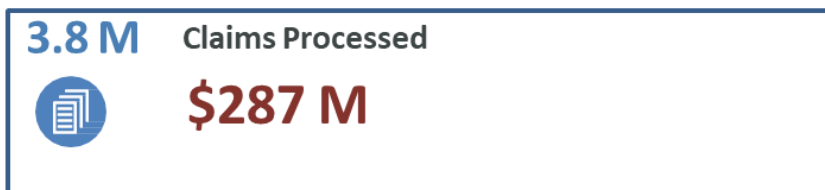
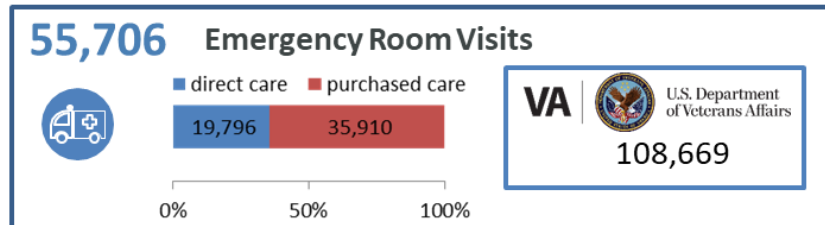
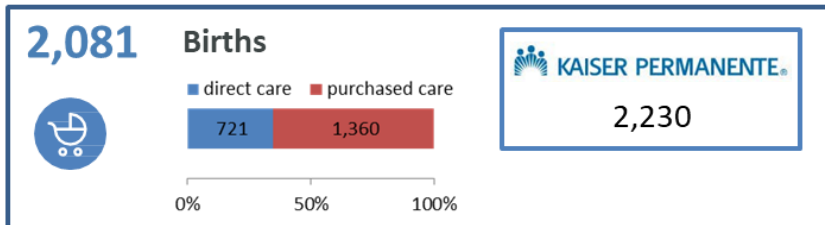
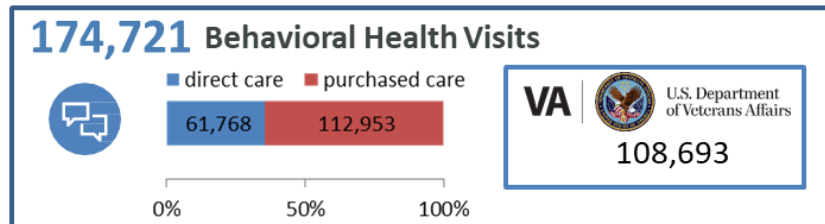
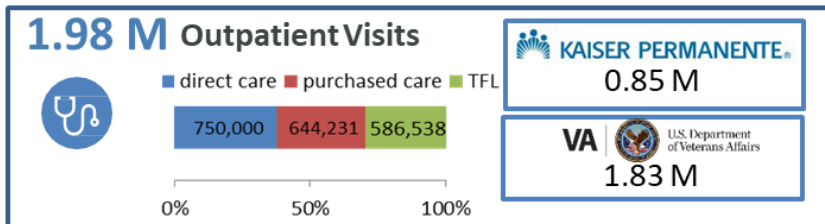
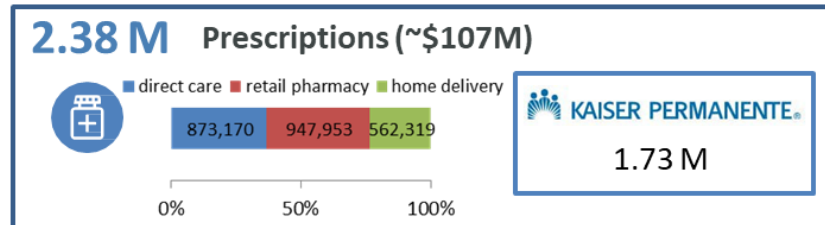
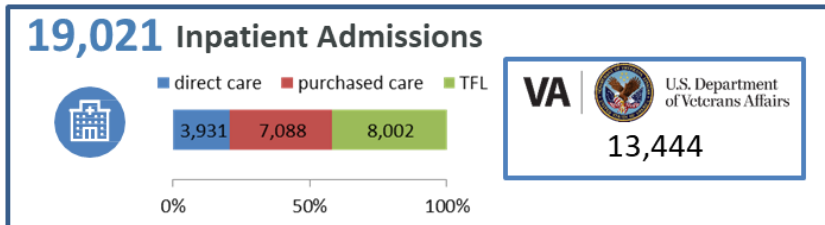


	FY15 Q4	FY15	FY16 Q1	FY16 Q2	FY16 Q3	FY16 Q4	FY16	FY17 Q1	FY17 Q2	FY17 Q3	FY17 Q4	FY17	FY18 Q1	FY18 Q2	FY18 Q3
Army	S	65%	62%	66%	63%	S	64%	70%	67%	67%	S	*69%	70%	67%	67%
Navy	S	58%	62%	60%	57%	S	59%	65%	60%	60%	S	61%	61%	59%	59%
Air Force	S	62%	63%	63%	62%	S	63%	66%	63%	63%	S	*64%	65%	63%	63%
MCSC	S	73%	72%	76%	70%	S	73%	67%	70%	75%	S	71%	76%	74%	69%
MHS Prime Enrollees	S	64%	62%	65%	62%	S	63%	66%	64%	65%	S	65%	67%	64%	64%
MHS Eligible	S	64%	63%	64%	63%	S	63%	66%	65%	65%	S	65%	67%	65%	63%

FY14,Q1 – HCSDB moved to web-only data collection. FY15 Q3, started mailing paper questionnaire to a sample of web survey non-respondents. Bethesda is no longer included in the category “Navy”.
 Source: Health Care Survey of DoD Beneficiaries. Current as of FY18 Q3

* – significant change. Trends is difference between 2015 and 2017 scores.
 “S” indicates no survey that quarter.
 Vertical line between Q3 FY13 & Q1 FY14 indicates a CAHPS survey change.
 Benchmark – 2015 CAHPS-Plan Commercial HMO & PPO adj. for MHS age & health

A Week in the Life of TRICARE



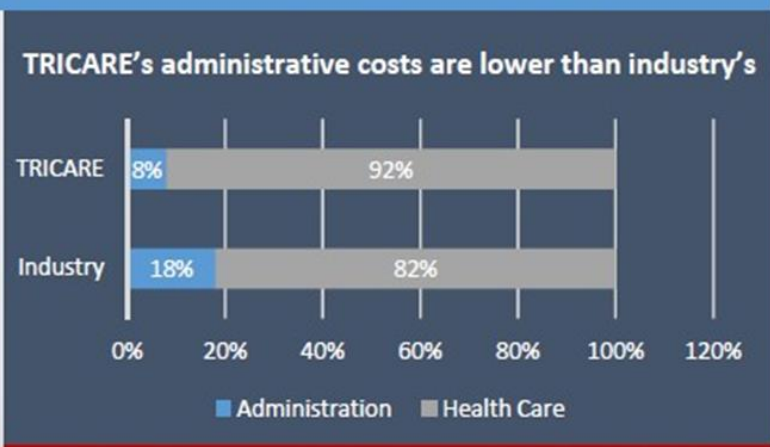
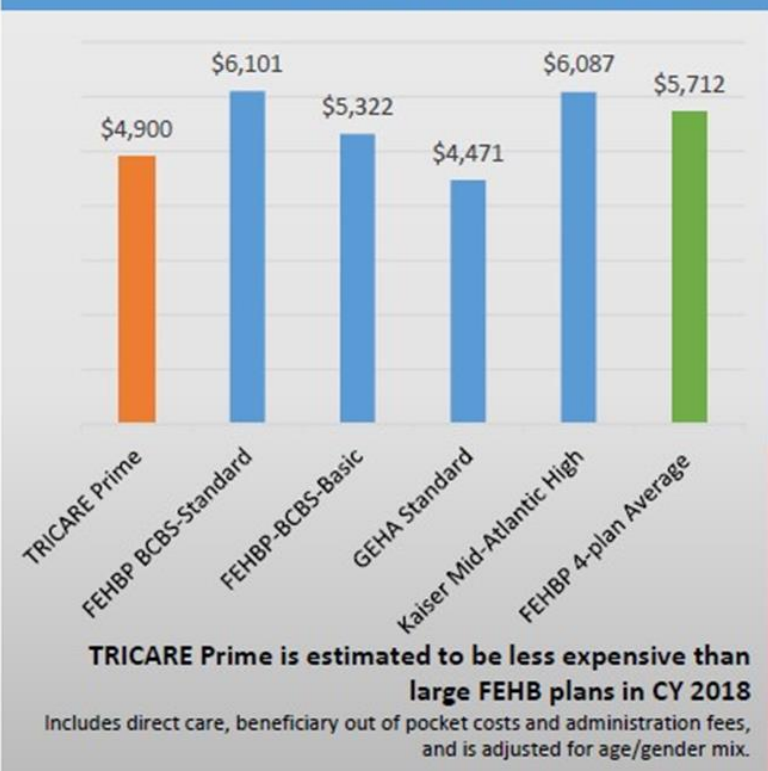
Sources:
 TRICARE 2019 Annual Report
 Kaiser Permanente 2017 Annual Report, 2015 VA patient volume, data.va.gov
 Data definitions may vary across organizations

TRICARE Costs Compared to Industry



TRICARE costs less on a per-capita basis, including administration costs, than most large plans in the Federal Health Benefits Program (FEHB), and industry benchmarks, despite lower cost-shares. Future planned changes to improve quality and tie quality to payment rates offer opportunity to increase value to TRICARE beneficiaries while controlling costs of the program.

See companion Information Paper for More Information



DHA is continuing work on developing quality metrics for Direct Care and Purchased Care:

- ✓ MTF inpatient data added to Hospital Compare
- ✓ Developing quality data for individual providers at Purchased Care Setting

TRICARE Compared to Largest Plans *by Membership*

Rank		Members (millions)
1	UnitedHealthcare Group	70.0
2	Anthem	39.4
3	Aetna	23.0
4	Health Care Services Group	15.0
5	Cigna	14.7
6	Humana	14.2
7	Centene Group	11.0
8	Kaiser Permanente	10.7
9	TRICARE*	9.4
10	VA**	9.0
11	Highmark	5.3
12	WellCare Health Plans	3.7

* Director, Defense Health Agency (DHA) Memo dated Nov. 3, 2016, “Estimate of Beneficiaries Eligible for Health Care in Fiscal Year 2017”

** Available at www.va.gov/health/

TRICARE Benefit

US Health Plan Consumer Experience Ratings (March 2018)

**2018 Temkin Experience Ratings (TxR),
Industry Leaders and Laggards**

Industry	Top of Industry	Bottom of Industry
Airlines	Southwest Airlines (76%)	Spirit Airlines (45%)
Auto dealers	Toyota (73%)	CarMax (43%)
Banks	Citizens & Credit Unions (83%)	Citibank (64%)
Computers & tablets	Amazon (71%)	Toshiba (55%)
Credit card issuers	USAA (77%)	HSBC (52%)
Fast food chains	Subway (83%)	McDonalds (70%)
Health plans	TriCare (67%)	Medicaid (49%)
Hotels & rooms	Holiday Inn Express & Marriott (78%)	Days Inn (56%)
Insurance carriers	USAA (75%)	Liberty Mutual (60%)
Investment firms	Fidelity Investments (74%)	Wells Fargo Advisors (60%)

Base: 10,000 U.S. consumers
 Source: Temkin Group Q1 2018 Consumer Benchmark Survey
 Copyright ©2018 Temkin Group. All rights reserved.



**2018 Temkin Experience Ratings,
Most Above and Below Industry Average**

Most Above Industry Average			Most Below Industry Average		
Company	Industry	Above Industry	Company	Industry	Below Industry
Southwest Airlines	Airlines	+10.1	CarMax	Auto Dealers	-23.0
Georgia Power	Utilities	+10.0	Spirit Airlines	Airlines	-21.0
Citizens	Banks	+9.8	HSBC	Credit Cards	-17.3
Florida Power & Light	Utilities	+9.6	Hitachi	TV & Appliances	-17.2
A credit union	Banks	+9.5	Dollar	Rental Cars & Transport	-14.2
TriCare	Health Plans	+9.3	Days Inn	Hotels & Rooms	-13.4
USAA	Banks	+9.2	Haier	TV & Appliances	-12.7
Southern California Gas Company	Utilities	+8.5	Chrysler	Auto Dealers	-12.7
Holiday Inn	Hotels & Rooms	+8.4	Fujitsu	TV & Appliances	-12.7

Base: 10,000 U.S. consumers
 Source: Temkin Group Q1 2018 Consumer Benchmark Survey
 Copyright ©2018 Temkin Group. All rights reserved.



Recent TRICARE Enhancements: *Mental Healthcare*

Goals

- Align TRICARE’s mental health and substance use disorder (SUD) benefit with the principles of mental health parity
- Expand covered MH and SUD treatment under TRICARE
- Streamline requirements for institutional providers
- Develop TRICARE reimbursement and cost-sharing methodologies
- Final rule published in Federal Register in September 2016, TRICARE manual changes published in June 2017

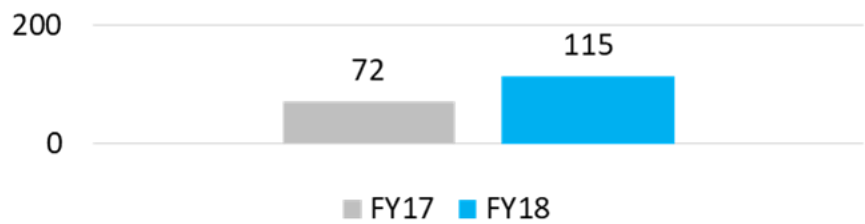
Results

400% Increase in intensive outpatient
78% Decrease in partial hospitalization



Helping families and children receive care in the least restrictive environment

66% Increase in TRICARE Authorized Residential Treatment Facilities



TRICARE Changes in 2019:

Introducing TRICARE Open Season

- **TRICARE Open Season**

- Starting in 2019 you'll need to use open season to change plans (Prime and Select)
- If you like your plan, you don't need to do anything
- Changes outside of Open Season with a Qualifying Life Event



Military Changes	Activating, Deactivating, Moving, Injured on Active Duty, Separating from Active Duty, or Retiring
Family Changes	Getting Married, Getting Divorced, Having a Baby or Adopting, Moving, Children Going to College, Children Becoming Adults, Gaining/Losing Other Health Insurance, Becoming Medicare Eligible, or Death in Family

- For more information go to TRICARE.mil/openseason

TRICARE Changes in 2019: *Introducing FEDVIP Open Season*

Federal Employee Dental and Vision Insurance Program (FEDVIP)

- New access to FEDVIP dental and vision plans!
 - Dental is available for retirees.
 - Vision is available for most eligible TRICARE beneficiaries, including TRICARE for Life (TFL).
- Newly eligible or those who have experienced a Qualifying Life Event (QLE) can enroll in FEDVIP now
 - For all others, next opportunity to enroll will be during the 2019 Federal Benefits Open Season which begins the second Monday in November
- To check eligibility and explore/compare plans go to [Benefeds.com](https://www.benefeds.com)



TRICARE

Fulfilling the promise

**TRICARE has always been one of the most
comprehensive health benefits
available anywhere in this country.**

**It is a benefit that is
commensurate with the sacrifice made
by those whom it serves.**

TRICARE.mil



Looking Ahead

T-5 (Fifth Generation of TRICARE contracts)

Marching Orders for T-5

- **Ultimate Goal:**
 - **Military Readiness**
 - **Beneficiary Focus**
- “Think without the box”
- Need entire team engaged: beneficiaries, MHS personnel (DHA, MTFs, etc.), line, advocates, others



Marching Orders for T-5

- Beneficiary Centric – They are in charge of their own health, with support
 - Co-create the experience of care
- Direct Care and Purchased Care, Seamless Integration not Separation
- Tenets of Building from ground up
 - Set a high bar, bring in right vendor base, and look for market opportunities to expand competition for beneficiary choice
 - Incentivize High-value care
 - Counter overutilization and target low value care

Marching Orders for T-5

- **Cont. Tenets of Building from ground up**
 - Design Shared/Empowering data systems and make accessible to beneficiaries
 - Reliable and timely Cost, Quality, and Access to Care metrics

- Use Demonstration Authority
 - Test/demo potential innovations for T-5 in T-2017
 - Policies, Processes and Systems Programming are all in play for the future

- Need to set sail now!

TRICARE Program and Plans 2019

TRICARE Plans

- **TRICARE Prime** – a managed care option available to Active Duty Family Members (ADFMs) and certain eligible beneficiaries located in U.S. Prime Service Areas (PSAs). Prime is mandatory for active duty service members (ADSMs).
 - **TRICARE Prime Remote for Active Duty Family Members (TPRADFM)** – available for eligible family members in geographical areas where TRICARE Prime is not offered.
 - **TRICARE Overseas Program (TOP) Prime and TOP Remote** – available to ADSMs and their command-sponsored family members in overseas locations.
 - The **US Family Health Plan (USFHP)** – available through networks of health care systems in six designated service areas in the U.S.

TRICARE Plans

(Continued)

- **TRICARE Select** – a preferred-provider option for eligible beneficiaries not enrolled in TRICARE Prime. A TRICARE-authorized provider may be chosen without a referral.
 - **TOP Select** is available to eligible family members, in overseas locations, who are not enrolled in TOP Prime.
- **TRICARE for Life (TFL)** – a Medicare-wraparound coverage for TRICARE beneficiaries who have Medicare Parts A and B, regardless of age or place of residence.
- **TRICARE Reserve Select (TRS)** – available for purchase by qualified Selected Reserve members and eligible family members.
- **TRICARE Retired Reserve (TRR)** – available for purchase by qualified Retired Reserve members and eligible family members.
- **TRICARE Young Adult (TYA)** – available for purchase by qualifying family members under the age of 26 who have lost or will lose TRICARE eligibility due to age. TYA beneficiaries can enroll in either TRICARE Prime or TRICARE Select.

TRICARE Plans

(Continued)

- **TRICARE Plus** – a primary care program offered at some military hospitals and clinics. Each military hospital or clinic commander decides if TRICARE Plus is available.
- **Transitional Assistance Management Program (TAMP)**
– offers 180 days of premium-free health care after a sponsor separates from the military.
- **Continued Health Care Benefit Program (CHCBP)**
– offers health premium-based coverage to certain beneficiaries for 18–36 months after TRICARE eligibility or premium-based plan coverage ends.

TRICARE Dental Programs

- Military Dental Treatment Facilities
 - Very limited space-available care for other than ADSMs
- Private Sector Dental Programs
 - Active Duty Dental Program – For ADSMs
 - TRICARE Dental Program
 - ADFMs
 - Members of the Ready Reserve and their family members
 - ▷ Selected Reserve
 - ▷ Individual Ready Reserve, Inactive National Guard
- Managed by U.S. Office of Personnel Management (OPM) - Federal Employee Dental and Vision Insurance Program (FEDVIP) for Retirees

Retiring Service Members

Active and Reserve

***** Enroll when Retiring *****

- ***New*** Rule – When they retire, Service members **must** enroll themselves and their eligible family members in a TRICARE health plan
 - **Otherwise**, they only get space-available care in a military treatment facility (military hospital or clinic)

- 60th birthday of Retired Reserve members
 - Long-standing – they & their family gain TRICARE eligibility when sponsor turns age 60
 - ***New***– now they **must** enroll in TRICARE Select or TRICARE Prime (where available locally), otherwise MTF only



Questions?
