Reserve Officers Association of the United States

Statement for the

House Armed Services Committee
Subcommittee on Military Personnel

Roundtable on
Department of Defense's FY17 Modernization of the
TRICARE Health Plan Proposal

March 17, 2016

"Serving Citizen Warriors through Advocacy and Education since 1922."™
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The Reserve Officers Association of the United States (ROA) is a professional association of commissioned, non-commissioned and warrant officers of our nation's seven uniformed services. ROA was founded in 1922 by General of the Armies John “Black Jack” Pershing during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to national defense, with a goal to inform America regarding the dangers of unpreparedness. Under ROA’s 1950 congressional charter, our purpose is to promote the development and execution of policies that will provide adequate national defense. We do so by developing and offering expertise on the use and resourcing of America’s Reserve Components.

The association’s members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on active duty to meet critical needs of the uniformed services. ROA’s membership also includes commissioned officers from the United States Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security.

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DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers Association is a member-supported organization. ROA has not received grants, contracts, or subcontracts from the federal government in the past three years. All other activities and services of the associations are accomplished free of any direct federal funding.

STATEMENT

ROA appreciates the opportunity to discuss DoD's proposed legislation for healthcare reform. This statement addresses health care as it applies to Reserve Component service members and their families.

Reserve Component Participation

During the present war, nearly a million Guard and Reserve members have been mobilized, proving essential to the war effort. The reliance of the nation on its Reserve Components will not diminish.

Since September 11, 2001, more than 900,000 members of our reserve components – the National Guard and Reserves of our Army, Navy, Air Force, Marines and Coast Guard – have served in support of the war on terrorism. More than 1,200 have died in that fight.

Guard and Reserve Title 10 Contingency Support

Unique SSAN Activations as of: March 8, 2016

		change from last week
Currently Activated:	**25,267**	(+422)
Deactivated Since 9/11:	**896,992**	
Total:	**922,259**	

Reserve Component	* Current Involuntary Activations	change from last week	** Current Voluntary Activations	change from last week	Total Currently Activated	change from last week	***Total Deactivated Since 9/11	***Total Activated Since 9/11
ARNG	6,858	(-14)	349	(-2)	7,207	(-16)	381,753	388,960
USAR	7,161	(+557)	254	(-11)	7,415	(+546)	217,686	225,101
USNR	2,729	(+73)	187	(+1)	2,916	(+74)	54,906	57,822
USMCR	302	(+0)	718	(+0)	1,020	(+0)	62,431	63,451
ANG	2,940	(-107)	1,589	(+51)	4,529	(-56)	102,334	106,863
USAFR	1,116	(-88)	788	(-38)	1,904	(-126)	69,605	71,509
USCGR	164	(+0)	112	(+0)	276	(+0)	8,277	8,553
TOTAL	**21,270**	(+421)	**3,997**	(+1)	**25,267**	(+422)	**896,992**	**922,259**

Notes:
* Includes members placed on Active Duty under 10 USC Sections 688, 12301(a), 12302 and 12304
** Includes members placed on Active Duty under 10 USC 12301(d) and members categorized as unknown in CTS statute code
*** Includes members who were activated for Operation Noble Eagle, Operation Enduring Freedom, Operation Iraqi Freedom, Operation New Dawn, Operation Inherent Resolve and Operation Freedom Sentinel

DRS# 21800
Source: Contingency Tracking System (CTS) Daily Processing Files
Produced by the Defense Manpower Data Center

"War is a national challenge, and, for our part, we cannot execute without the Guard and the Reserve," said Army Chief of Staff Gen. Mark Milley. You can't talk to a general or admiral for more than five minutes without hearing a variation on that theme.

The chart below shows that the Guard and Reserve have been used in increasingly higher amounts per year. While usage is dropping it will not go down to previous peacetime levels because threats to the nation and world have increased.

Usage of the Reserve Components

Fiscal Year	Man-Days Per Year
1986-1989	1 million
1996-2001	13 million
2002	41.3 million
2005	68.3 million
2012	25.8 million

Data from the Office of the Assistant Secretary of Defense for Reserve Affairs (OASD/RA).

HEALTHCARE REFORM

ROA urges Congress to provide an effective and dependable continuum of health care for Guard and Reserve members, Individual Ready Reserve (IRR) and technicians that enables them to stay in one health care program regardless of the type of order they may be performing.

During the present war nearly a million Guard and Reserve members have been mobilized, proving essential to the war effort. Unfortunately Guard and Reserve members encounter problems when they switch between their civilian and military medical plans. Additionally, the reliance of the nation on its Reserve Components will not diminish, regardless of whether they are in a participating or nonparticipating category such as the IRR.

The Military Compensation and Retirement Modernization Commission made health care program recommendations to help Guard and Reserve overcome disruptions to health care for them and their families.

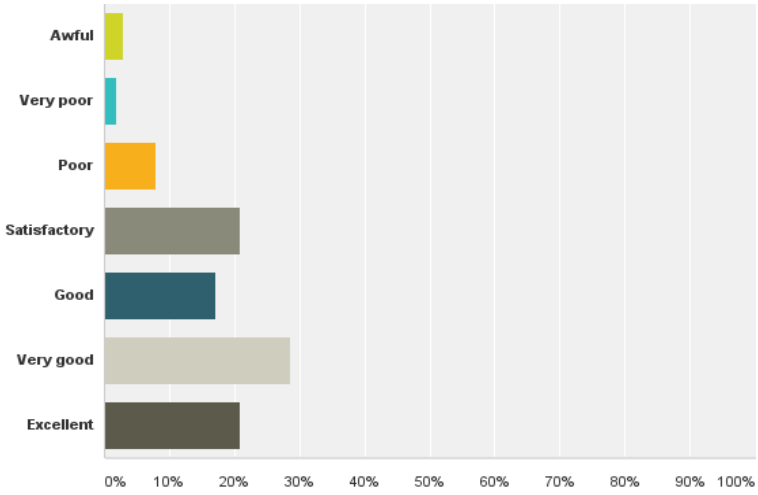
Currently Guard and Reserve members go in and out of their civilian and military health plans when they go on active duty orders. This disrupts medical treatments, with differing treatment strategies and prescriptions. Reservists also have difficulty maintaining continuity of care when they change doctors or health care plans that provide different levels of support. Health care is further complicated because benefits are different depending on the type of active duty they are performing.

Another problem Guard and Reserve families encounter when switching between military and civilian programs is finding providers that accept TRICARE coverage. TRICARE's low reimbursement rate and claim filing requirements has resulted in fewer medical practitioners being part of TRICARE. This is a concern for *all military families*, including Active Component.

ROA recently partnered with the Enlisted Association of the National Guard of the United States (EANGUS) and National Guard Association of the United States (NGAUS) to survey Guard and

Reserve members on TRICARE Reserve Select. For the most part service members were complimentary when asked about the quality of TRS.

Question: The quality of my healthcare through TRICARE Reserve is (Awful, Very poor, Poor, Satisfactory, Good, Very Good Excellent)?



For the last question in the survey we asked, *Please provide any additional comments you would like to make on the healthcare you receive through TRICARE*. Here are some of the results in their own words.

Negative Comments

> "Over the last 2 years I have personally saw a dramatic decrease in customer service and coverage. This year alone my family of three has spent more than $1500 out of pocket on medical and dental bills. I had hopes of communicating with Tricare to resolve the issues. Due to Tricares refusal to pay medical bills for in network providers, and medical providers pursuing payment through collection agencies I was forced to pay out of pocket for fear of ruining personnel credit. It seems tricare has recognized that by making the process so cumbersome and overburdening the average insurance user will raise their hands in defeat and make payment themselves. It has not been a isolated instance, my family has had the same problems almost every time we have seeking medical coverage. If my family has had this many issues in such a short period of time I can only assume this is a larger problem that needs to be addressed at a higher level."

> "I am very unsatisfied with the health care I receive through Tricare. Military doctors and hospitals do not concentrate on preventative health care. It's always a battle when trying to diagnose a condition. They simply don't want to spend the time and money on you. All they want is to send you back to work."

"TRICARE is great when it works as advertised. But...when activated for drill or a long term TDY/TAD, TRICARE places the burden back on the user to get re-enrolled (once off of the activated military rolls), which isn't conveyed very well to the Reservist/Guardsmen. And, the last time TRICARE did their calculations on who would stay Prime and who wouldn't, a contractor for TRICARE, based out of California, tried to tell me my nearest MTF and PCM were within 30 miles and less than 15 minutes by roadway. Perhaps someone should actually perform a site visit to here in New York State and show me where that MTF and PCM is, considering all but one Active Duty MTF is left, way up in Watertown by Canada. And as far as PCM's go, if you live in farm country where we do, you have to travel anywhere from 20 to 50 miles on anything from gravel to dirt and narrow two lane roads just to hit a 'major' metropolitan area. I'm sure this isn't unique to just us... Thanks for hearing our concerns. Please don't allow Congress or the Senate to abandon us again on a promise made to us when we enlisted so many years ago..."

"As a dual status federal employee I am not allowed to use Tricare unless I go on a long deployment and suspend my FEHB coverage. This is very confusing for providers and makes it harder to meet deductibles, not to mention time consuming when switching back and forth. I would like EANGUS to work on allowing military members like myself to have Tricare year round regardless of our full time employment."

"We have a special needs son. We recently had a problem getting access to a medical device which would have been approved under ECHO. It has not been approved at this time. Had this service, ECHO, been offered, we would gladly pay the extra premium to have access to more services and the more streamlined approval process ECHO seems to provide. Otherwise, we have been very happy with TRS for many years and forgone available employer healthcare programs for TRS."

"Though the healthcare is available, it difficult to get the appointment. If I do get a referral I have to wait until I get the approval and then I have to get a hold of the doctors office. If I had made the appointment in the doctors office originally I would be able to be seen quicker. There needs to be a email that is sent with the referral numbers versus waiting for it to come in the mail. That is delaying the processes even longer."

Positive Comments

"I believe TRICARE is the most important benefit that I receive from the military. I have served 30 years in the guard and would not have stayed in past 20 years if it were not for the excellent care and service that TRICARE provides. It could be one of the best retention tools the military can offer. Thank you for making it available to the guard!"

"The nearest MTF is over 200 miles away so being able to use both in-network and out of network providers, with or without referrals, and at my discretion, is highly beneficial. My only "complaint" about TRS is the increase in cost from Reserve to Retired (still better, I think, than private healthcare, however.) TRS has been a lifesaver when it comes to ensuring I have adequate medical coverage and the staff through the website or telephone have always been extremely helpful, making enrollment, services and questions always easy to access and get answers."

"I don't think words can express how great the level of care, cost and treatment is with tricare reserve select. I know without it I would not be able to afford health care for my family and myself. I Am so thankful for Humana, tricare and the American people who make it possible."

"My family has had excellent support through Tricare. My son was born at 1lb 6 oz and needed extensive medical care. After discharge from the hospital we had to see many specialists for him. Tricare representatives were always willing to help guide us through the insurance process and referrals were put through very quickly. With all we had to worry about at the time insurance was not one of them. I also know that in my unit the Tricare Reserve benefit is one of the driving forces in retention. This benefit is the most important benefit to my Soldiers."

"What decision/policy makers do not fully understand is the value and weight given by military members or potential military members to join or remain in the military based on health and life insurance. For most members and potential members this has been a large factor in deciding to join or continue military service. Without the benefit there is a great possibility that I would have separated from service 20 years before. To me, money not out of pocket for coverage is money made and the secure feeling of knowing my family is covered matters much. There are jobs that pay much more than military with much less stress, danger and commitment. But for the lack of , quality health and life insurance benefits provided in the civilian arena, those jobs are not chosen over military service by members."

"I am a single father of 4. The healthcare that my family and I receive through TRICARE is phenomenal. I had shoulder surgery in January and TRICARE handled everything. I've had other insurance before but never received the service like I have with TRICARE."

Modernization of the TRICARE Health Plan

DoD's FY2017 reforms starts out on the right note in Chapter 6, TAKE CARE OF OUR PEOPLE, by recognizing the Reserve and National Guard as part of the foundation of the military.

The Military — Active, Reserve, and National Guard — and Civilian personnel are the foundation of the Department of Defense and constitute its premier asset. As such, they

must have the full support of the Nation and the Department to ensure they successfully accomplish the arduous mission of defending the United States of America 24/7.

Unfortunately, after the initial statement there is very little mention of the Guard and Reserve. For example, DoD deferred including TRICARE Reserve Select in their health care reform plan except for the part where they are included in the cost increases, as noted in Table 6 below. http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2017/FY2017_Budget_Request_Overview_Book.pdf

Table 6 –	**Cost-Sharing Impact on Beneficiary Families (CY 2018)**		
Current TRICARE Triple Option			**Proposed TRICARE Health Plan**
Active Duty Family a (3 members not including service member)	DoD cost	$ 13,776	$ 13,744
Family cost		$ 189	$ 219
	Total	**$ 13,965**	**$ 13,963**
% borne by family		1.4%	1.6%

a. Active duty family cost-sharing structure also applies to transitional survivors, TRICARE Young Adult beneficiaries with an active duty sponsor, the Transitional Assistance Management Program, and TRICARE Reserve Select.

To be fair Guard and Reserve were included in the reform effort as part of the retiree population. The Department of Defense introduced a Participation Fee that retirees would pay on an annual basis.

Participation fee — for retirees (not medically retired), their families, and survivors of retirees (except survivors of those who died on active duty). They would pay an annual participation fee or forfeit coverage for the plan year. There is no participation fee for active duty members or their family members. There is a higher participation fee for those retirees choosing the TRICARE Choice option ($200 higher).

The retiree participation fee is described in Table 7 of the Comptroller "Budget Request Overview Book", (shown below) and the computation is based on gross retired pay. ROA believes that retirees should not have to pay the DoD Participation Fee because they are already paying that through Medicare Part B monthly premiums. If required to pay DoD's fee, retirees would be paying the same fee twice, once to Medicare and then again to DoD.

Table 7 – TRICARE-for-Life Annual Family (Two Individuals) Enrollment Fees*

Retired Pay	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
%of (GRP)	N/A	0.50%	1.00%	1.50%	2.00%	2.00%
Ceiling	$0	$150	$300	$450	$600	$632
Flag Officer Ceiling	$0	$200	$400	$600	$800	$842

GRP – Gross Retired Pay
* Individual fees are 50 percent of family fees (e.g., 1 percent of GRP in FY 2020 and after). Ceilings indexed to retiree National Health Expenditures (NHE) per capita after FY 2020

DoD then explains they will be making a change to co-pays to offset the "..overutilization of costly care venues."

> Copays — will depend on beneficiary category (excluding active duty) and care venue; designed to minimize overutilization of costly care venues. There would be no copays in MTFs to facilitate the effective use of military clinics and hospitals and thereby improve the efficiency of DoD's fixed facility cost structure. There would be fixed network copays for the TRICARE Choice option without a deductible.

ROA believes DoD should review their MTF structure, processes and procedures before passing along any costs to the military member and their family. For example, a veteran was referred by the Department of Veterans Affairs to Walter Reed for an operation. When the veteran went to Bethesda for the pre-op appointments, medical procedures and tests were done even though VA had already completed the same blood tests, MRIs, and CT Scans. This was done because DoD had not contacted VA to get results of any medical procedures they had already done before the referral. In other words these expensive procedures were not a result of the servicemember "overutilization of costly care venues".

In another instance a servicemember was sick and needed to be seen by a doctor but because appointments were not available for six weeks the TRICARE Nurse Advice line advised them to go to the emergency room. Again, this was not the result of a servicemember "overutilization of costly care venues" and not the fault of a nurse who was trying to do best by the patient.

Increasing cost to the servicemember and their family is the easy solution but in this case not the best solution!

CONCLUSION

The Reserve Officers Association, the Enlisted Association of the National Guard of the United States and the National Guard Association of the United States supports legislation that would extend federal preference to the deserving men and women of the Reserve Components.