



Coast Guard Flag Voice 19

MILITARY FAMILY HEALTHCARE

TRICARE...our people have serious concerns. In this Flag Voice, I will provide the background of this new system and what the Coast Guard is doing to help make this program work for our families.

First, what is TRICARE? As advertised, it is a health care program using military health care as the main delivery system, supplemented by a civilian network of providers and facilities. It is intended to serve our active duty and retired military families and their survivors worldwide. It is important to remember the health benefit program for family members is not guaranteed to be cost-free to the member. This occurs only when beneficiaries obtain care at a Military Treatment Facility.

Second, why change from the previous system, which included CHAMPUS? In an era of diminishing resources, DoD was faced with a massive health care system -- about \$16B -- with more than 8 million beneficiaries, hundreds of hospitals and clinics, and hundreds of thousands of health care personnel, providers, hospitals, and pharmacies. DoD established TRICARE to improve medical readiness, expand access, provide high quality care, and contain costs. Part of the vision for TRICARE is to operate essentially an "integrated" health care system...similar but not identical to a "managed" health care system, a/k/a HMOs. The differences are significant. For instance, unlike HMOs, TRICARE does not exclude certain pre-existing conditions, has no caps on pharmacy use, is not compelled to make a profit, avoids frequent plan and premium changes, and provides geographic portability.

If TRICARE is supposed to be grand, why all the "problems"? Needless to say, this has been a significant cultural change for the military health care system. Actually two major issues are at the heart of it all. First, and not surprisingly, there have been start-up problems as new regions have come on line, especially since different contractors are involved. This sometimes has caused substantial delays in processing bills. If civilian health care providers see the system is as "non-responsive", they likely will be less inclined to sign up. This issue readily solves itself over time. Second, and most importantly for those of us in the Coast Guard, "reimbursement" issues may substantially affect many of our families' health care. I'll explain further.

TRICARE works best in and around Military Treatment Facilities (MTFs) where TRICARE Prime is available. With Prime, family members have direct access to a primary care clinic, its associated military hospital, and a complementary network of civilian providers. Though a very low-cost option, it offers little choice in primary health care physician. By its very nature, it provides access to the overwhelming majority of DoD families stationed on or near major military installations. Because of Coast Guard units' different duties and widespread locations, the majority of our families are not located near MTFs. In fact, more than 90% of DoD families are near MTFs, but only 50% of CG families! So, in some

instances the beneficiary incurs out-of-pocket expense, e.g., cost shares and deductibles, their DoD or Coast Guard counterparts in different duty locations may not incur. Hence, our likely alternative in the past was usually CHAMPUS, whose equivalent is the TRICARE "Standard" option. There also is the new option "Extra".

TRICARE Standard directly replaces CHAMPUS and the same rules apply -- a yearly deductible and payment of 80% of maximum allowable charges. This affords the widest choice of providers, but with the highest out-of-pocket expenses. The new option is TRICARE Extra, which is the opportunity to use network providers (less provider choice than Standard) at reduced cost to the patient (15% rather than the Standard 20% copayment). The major advantage is obtaining civilian health care without having to file any paperwork. Not true for Standard, where you may have to file yourself and even lay out the money before reimbursement. TRICARE Extra does not require enrollment. To locate the network providers, contact the TRICARE Service Center and request an Extra provider listing for your locale.

Both TRICARE Standard and Extra seem like good deals, right? Well, not exactly for all in the Coast Guard. A good number of our people live in "remote" areas throughout the continental U.S. and especially in Alaska. Many of these remote areas have insufficient healthcare providers to either establish a network or sometimes even promote adequate competition to control costs. DoD slowly has shifted CHAMPUS and now TRICARE reimbursement rates to match Medicare. These rates are often considerably less than what providers received previously. In major population areas with many Medicare patients, most (many) providers already accept these rates for their Medicare patients and hence will "play" with the TRICARE system. In remote areas this is sometimes just the opposite; providers consider the rates way too low and require cash up front or they simply won't do business with our families. This requires our people to pay large out-of-pocket expenses with large portions not reimbursable.

So, what's being done? The Coast Guard's healthcare professionals at both MLCs and Headquarters have been engaged from the start with TRICARE management. First, Coast Guard medical personnel have done and continue to do much to ensure TRICARE regional contractors respond to administrative issues as they surface. Second, we are keeping the pressure on DoD so they don't look only at the Prime locations and declare victory.

The Commandant's visit to Alaska a few months ago helped to heighten our efforts with DoD to look for long-term solutions for our remote areas. On 16 November we briefed the Commandant, Vice Commandant, Chief of Staff, MCPO-CG, and others on these issues. The options presented and extensively discussed focused on Alaska family health care accessibility and affordability, especially noting these issues also apply in several other U.S. locations. In particular, we addressed the issue of out-of-pocket expenses, exacerbated by tying reimbursement to Medicare rates and providers' unwillingness to sign on as a network.

There are no "silver bullet" fixes and the remedy likely will be multi-faceted. Ultimately, it may combine DoD's adjusting the program to level the benefit playing field, i.e., increase maximum

allowable charges, perhaps coupled with a pay compensation component. RADM Joyce Johnson, Director of Health and Safety (G-WK), already has signed a letter outlining CG concerns to the TRICARE Management Activity Director. The Commandant directed the preparation of letters from the Secretary of Transportation to the Secretary of Defense; the Commandant to the Chairman, Joint Chiefs of Staff; and G-WK to the Service surgeon generals. One of the most promising ideas presented for possible adoption is the "DoD Network Provider Proposal" MLC PAC and DoD have been developing. This comprehensive program would require pre-authorizing services and developing a provider network, with the ability to negotiate increased payments to providers. Moving up the "cost scale" of other possibilities includes increasing the reimbursement rates using different Medicare locality codes, expanding current active duty health care contracts to family members, and providing the same medical insurance option available to Civil Service employees, the Federal Employees Health Benefits Plan.

On 4 December Dr. Sears, Executive Director, TRICARE Management Activity, visited and briefed Coast Guard leadership. Dr. Sears clearly understood the Coast Guard's particular circumstances and issues, and ADM Loy emphasized it is critical for TRICARE to adopt a comprehensive, system-wide fix. Dr. Sears concurred and agreed to respond soonest to our joint "DoD Network Provider Proposal," which shows the most promise at this stage.

In summary, we continue to focus on improving family health care access and affordability. We'll keep you advised. As a continuing effort to improve health care throughout the Coast Guard, I encourage you to ask questions and get the most up-to-date information. Senior officers and chief petty officers visiting field units can help when they hear complaints about family members' medical care costs. Please ensure our members understand they likely will pay for family members' care at a rate depending on locale and TRICARE option selected or available. Also note standard deductibles and cost shares are unchanged from CHAMPUS.

Having trouble understanding the system, getting answers from the TRICARE contractor, resolving billing problems, or knowing who is and isn't an authorized provider? Request assistance from your command medical representative or Health Benefits Advisor (HBA). If your unit cannot resolve locally, please call the CG Health Care Hotline at 1-800-9HBA-HBA -- this rings at the nearest MLC(k). A CG health care professional is standing by!

Regards, FL Ames

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