Tricare army and the military health system essay

Business, Management

TRICARE and the Military Health SystemThe Department of Defense military personnel is composed of the uniformed services – Army, Navy, Marines and Air Force and also includes the National Guard, Coast Guard and reservists. In terms of population, active duty personnel and their dependents number approximately 3. 3 million while military retirees and their dependents number 40 million (Almond, Kahwati, Kinsinger and Porterfield, 2008 & Segal and Segal, 2004). The Department of Defense responds to the health care needs of its members through the operation of 450 domestic and overseas military treatment facilities (MTF's) – 91 of which are hospitals (rand.

org, 2002). MTF's are supplemented by a network of civilian health care professionals established through contracts between the DoD and private managed-care organizations (mbsys. us, 2008). Other providers outside of the network may also be accessed. The military health system described above is distinct because of its two related goals – to develop and sustain the capacity to offer medical care in times of military operations and to offer the same as benefits to active duty personnel and their families. Health care benefits delivery, conducted primarily by the MTF's, continues until retirement and beyond.

Health care benefits are accessed through the TRICARE, a set of benefits plans which provides options for MTF or preferred provider managed-care and fee-for-service. Its 19. 1 million beneficiaries include not only the Uniformed Services in active duty but also the following subgroups: active dependents, retirees or retired dependents less than 65 years old and retirees or retired dependents more than 65 years old (Hyland, 2006). In this

set-up, the DoD acts as payor, employer and systems manager (Manon, 2005).

Implementation is undertaken by an organization headed by the Office of the Secretary of Defense. Under it are the offices of the Army, Navy and Air Force secretaries which administer a group of providers, including the 3 uniformed services' respective Medical Departments, delivering health care services to TRICARE beneficiaries (rand. org, 2002). The Medical Departments are in turn led by the Surgeon General.

The Health Affairs Office headed by the Assistant Secretary for Defense oversees TRICARE management and the establishment of contracts with civilian managed-care providers. TRICARE itself is headed by a director which supervises the TRICARE Support Office and Lead Agents in the TRICARE Regions. Resources and administrative authority are distributed throughout the branches of the organizational structure (rand. org, 2002).

TRICARE offers a variety of health plans. The options relate to active service personnel deployment, the location of beneficiaries, the type of provider accessed and enrollment in other health care benefits plans (tricare. mil, 2008). The Prime Plan is mandatory for all active personnel and includes options suited for those within proximity to an MTF as well as remote and overseas locations.

Reservists may enroll in the TRICARE Reserve Select Plan. Families of active personnel and retirees and their families can choose the Prime Plan or the other types of TRICARE plans. The Standard and Extra allows for provider

preference, whether MTF, civilian network or non-network. Non-network care (Extra) entails more out-of-pocket costs compared to the other two (Standard) and also the burden of filing claims (tricare. mil, 2008).

For those residing overseas, civilian networks are not available. For TRICARE beneficiaries who are also covered by Medicare Parts A and B, Medicare becomes their main payer while TRICARE For Life acts as secondary insurance (tricare. mil, 2008). This applies to services that are covered by both plans.

However, for services covered solely by Medicare, only Medicare issues payments for its obligations and the same applies to services covered solely by TRICARE. Services provided by TRICARE include emergency, preventive, community-based, outpatient, inpatient, dental and behavioral health care services as well as a pharmacy program. Active duty personnel enrolled in Prime are not required to pay annual deductibles or enrollment fees and obtain covered services free-of-charge. Other beneficiaries pay an annual deductible ranging from $150-300 for Extra and Standard Plans and are entitled from 15-20% less the costs of outpatient services and fixed amounts per day or per admission in the other types of services (military.

com, 2008). The Issue Regarding TRICARE Reserve SelectThe small number of active duty personnel compared to the breadth of U. S. military operations in the war against terrorism, the DoD turned to reservists to fill the gap in manpower.

Consequently, Congress recognized this sector’s need for health care benefits. Through the National Defense Authorization Acts of 2005 through 2007, the length and scope of eligibility of reservists and their families was increased (US GAO, 2007). The specific benefits plan with tier options offered for reservists is the TRICARE Reserve Select which reached 34, 000 Tier-1 enrollees in 2007 (US GAO, 2007). Few enrolled in the other tiers. However, in contrast to the TRICARE plans offered for active duty personnel and other beneficiaries, reservists need to pay monthly premiums – $972 for individuals and $3, 036 for families, in order to avail of covered services. Their payments will cover 28% of the total premium and the remaining value is taken care of by the DoD.

The main issue regarding this benefits plan is that, the total premium far exceeds the mean cost of each plan with regards to imparting TRICARE benefits using the program. The premium for single coverage was discovered to be 72% above the average cost per plan while the premium for family coverage was higher by 45% (US GAO, 2007). The problem lies in the DoD’s use of the Federal Employee’s Health Benefit’s Program Blue Cross and Blue Shield (FEHBP-BCBS) Standard premiums as basis for actual costs as mandated by the NDA Act of 2005 (US GAO, 2007). Because the reservist population is younger, predominantly males and larger families, actual cost was estimated to be lower than the BCBS. The computation of the TRICARE Reserve Select total premium cost was derived from two main factors: the number of individual and family plans per tier and the costs per plan of TRICARE health benefits delivery consisting of administrative, fee-for-service and MTF costs (US GAO, 2007). Weighing these with real TRS enrollment and

cost figures from the previous 3 years, the total premium cost did not equal the actual cost per plan. If actual costs were used to determine the premium, individual coverage in 2005 could have cost only $566 and family coverage only $3, 036 (US GAO, 2007). The choice of BCBS Standard premium by Congress as basis is due to many similarities between this plan and TRICARE .

However, as data indicates that there is a problem with using the BCBS, the DoD should start employing actual costs obtained from its few years of experience providing services through the Reservist Select as basis in adjusting premiums to ensure that it will not exceed actual costs. This will eliminate unnecessary high premium costs and greatly benefiting reservists. TRICARE Organizational Structure List of ReferencesAlmond, N., Kahwati, L., Kinsinger, L., and Porterfield, D. (2008). The prevalence of overweight and obesity among U.

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