



DEPUTY SECRETARY OF DEFENSE

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Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I am pleased to submit the attached report required by section 723(d) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001. Section 723(d) requires the Secretary of Defense to report on plans for improving portability and reciprocity of the TRICARE Prime benefit. This report highlights the National Enrollment Database as the Department's primary innovation for portability. Further, it addresses a significant change to active duty service member in- and out-processing programs that were implemented by the Services on January 16, 2001. Proposed changes to the Composite Health Care System will also facilitate the reciprocity of TRICARE Prime when enrollees require care while in a travel status. Finally, a summary of the health care provisions of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 illustrates the tremendous impact on supporting reciprocity of benefits.

The ability to transfer enrollments between regions is critical to the effective delivery of quality health care and provision of the TRICARE Prime benefit. As our beneficiaries are located worldwide, TRICARE is designed to ensure enrollees retain their Prime coverage when they move or travel. These reciprocity provisions apply to travel throughout the world.

Thank you for your support of the Military Health System.

Sincerely,

Enclosure:
As stated

Report to Congress



Report on Portability and Reciprocity of TRICARE Prime Benefits

REPORT ON PORTABILITY AND RECIPROCITY OF TRICARE PRIME BENEFITS

Overview

This report responds to language contained in section 723(d) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (NDAA-01) which requires that the Secretary of Defense submit a plan to provide portability and reciprocity of benefits to all enrollees throughout the TRICARE Regions. This report addresses what has been done to further ensure TRICARE Prime enrollees have portability and reciprocity of benefits throughout the world.

In this report, we highlight the Department's linchpin to enrollment portability, the TRICARE National Enrollment Database. This report also addresses a significant change to active duty service member in and out-processing programs that was implemented by the Services on January 16, 2001. This, too, is critical to capturing enrollment information. We also discuss other changes and those recent provisions of the NDAA-01 that support reciprocity of benefits.

TRICARE National Enrollment Database

The TRICARE National Enrollment Database will provide health care coverage portability to all TRICARE beneficiaries by eliminating the procedural and automated systems disconnects that currently exist throughout the military health system and among its contractors. The key objective of the program are to accomplish the following:

- The development of a set of standardized beneficiary-centered enrollment processes, including the assignment of a Primary Care Manager (PCM),
- The creation of a uniform and easily recognizable Universal TRICARE Beneficiary Card, and
- The development of a seamless information technology infrastructure featuring a centralized information repository for beneficiary information, referred to as the National Enrollment Database (NED).

NED will make health care benefits portable for all TRICARE beneficiaries regardless of the TRICARE program in which they are enrolled. NED will be the data repository of all the Military Health System's enrollment programs (e.g., TRICARE Prime, TRICARE Senior Prime, TRICARE Prime Remote, TRICARE Prime Remote for Family Members, Uniformed Services Family Health Plan, FEHBP Demonstration, TRICARE Senior Supplement Demonstration).

The result of having a centralized system will be the standardized method in which TRICARE enrollment-related information is captured and shared among the multiple echelons within the Military Health System, and our contractors. NED will enable our contractors to transfer and receive pertinent beneficiary information in real time via a centrally developed DEERS desktop application. The other key feature of the program is the introduction of a

TRICARE Universal Beneficiary Card, which will be centrally printed by the Defense Military Data Center (DMDC) using TRICARE Management Activity-specified data from DEERS enrollment files. Finally, the keystone to the portability solution--the National Enrollment Database--serves as a central repository for all enrollee information such as civilian or military primary care provider information/location, demographics, and fee payment history.

New In and Out-Processing Procedures

Recently, the Assistant Secretary of Defense (Force Management and Personnel) and the Assistant Secretary of Defense (Health Affairs) co-signed a policy letter directing that each Service Personnel Chief ensure that local commanders incorporate TRICARE education and enrollment into their in and out-processing programs. The result is that every active duty member and spouse will become knowledgeable about the mandatory active duty enrollment process, their family member TRICARE health care options, and procedures for obtaining health care.

In this policy letter, it was noted that accurate and comprehensive health care information is essential to improving access to health care, reducing claims processing problems, and increasing convenience for our military members as they move around the globe. Each Service was directed to implement this policy into installation operations by January 16, 2001. These new procedures will help the medical community facilitate the enrollment portability of active duty members and their family members via NED.

New TRICARE Prime Change Form

To streamline and standardize this further, the Department is developing a new TRICARE Prime Change Form to allow family members to select a new PCM upon arrival to their new duty station. Enrollees moving from one location to another will not need to complete the more comprehensive enrollment form that will be completed only upon initial enrollment. We anticipate these new forms to be implemented sometime in 2001.

Today when families move, they set up their utilities, register their children in schools, etc. We hope that in the future, changing their PCM when they arrive at a new duty station will be added to this "to-do" list.

Other Enhancements for Reciprocity of TRICARE Prime Benefits:

Active duty family members residing in remote locations with their active duty sponsor will be eligible for TRICARE Prime Remote benefits. This is the TRICARE Prime Remote for Family Members program authorized by the NDAA-01.

- Elimination of TRICARE Prime copayments for active duty family members was authorized by the NDAA-01. This will allow enrollees to seek urgent care while travelling without the risk of high out-of-pocket expenditures when a military medical facility is not available.

Modifications are being developed under the Composite Health Care System (CHCS), and the Managed Care Program (MCP) to provide a systems solution to facilitate the scheduling of medical appointments for traveling enrollees. This change will support an existing policy concerning the reciprocity of TRICARE Prime benefits when enrollees are travelling away from their Primary Care Manager (PCM). Today under the MCP, Military Treatment Facilities (MTFs) must go to "Non-Enrolled Booking" as the work around to appoint enrollees not assigned to their MTF. We want to ensure that our computer systems support our beneficiary priorities.

- TRICARE Prime enrollees now have a travel entitlement to help reimburse their expenses when they are required to travel over 100 miles from their primary care provider for necessary specialty care. While the Prime access standard for specialty care is 60 minutes, this cannot always be met throughout the world. This program will help reimburse those enrollees who require specialty services that just aren't available in the local area. This will be one more step to help level the TRICARE benefit.

Great strides have been made toward the goal of ensuring that portability and reciprocity of benefits are available to all enrollees throughout all TRICARE regions and worldwide. We will continue our efforts as we believe that every active duty member, their families and our retirees and survivors deserve no less.