TRICARE Reserve Select

Issue Brief ◆ Health Care Survey of DoD Beneficiaries (HCSDB)

HEALTH PROGRAM ANALYSIS & EVALUATION DIRECTORATE

TRICARE reserve select (TRS) is a health plan for qualified members of the National Guard and Reserves and their families. TRS began with the National Defense Authorization Act (NDAA) of 2004 and has expanded over the last three years so that virtually all reservists and their family members now qualify for the program. Health care benefits are similar to TRICARE Standard and Extra. Beneficiaries currently pay premiums based on a three-tiered system, in which the share of coverage costs borne by beneficiaries varies with their qualifications.[1] Under the NDAA of 2007, the three-tier premium will be eliminated, and all enrollees will pay a premium equal to 28 percent of the cost of coverage, which is the lowest payment rate in the three-tiered system.

TRS was designed with three goals in mind: to eliminate disruptions in coverage that occur when beneficiaries are activated and deactivated, to provide coverage for reservists who lack it, and to provide a benefit to reservists that encourages them to continue their service. Results from the 2007 Health Care Survey of DoD Beneficiaries (HCSDB) suggest that many beneficiaries are unsure about their eligibility, and that few choose this coverage. As a result, the program may not be achieving its objectives.

History of TRS

Historically, reservists and their dependents have been eligible for TRICARE only while the reservist was serving on active duty. However, the National Defense Authorization Act (NDAA) of 2004 began to extend TRICARE eligibility to reservists and their family members who were not on active duty.[2] Only those that were either eligible for unemployment compensation or were ineligible for health care coverage from their civilian employer qualified for the first version of TRS. At the same time, transitional TRICARE benefits were extended to reservists for a period before and after activation.

The NDAA of 2005 allowed more reservists to purchase TRS. Besides those that qualified in 2004, select reservists that had been mobilized since September 11, 2001, and who continually served for 90 days or more in support of a contingency operation were granted a one-time opportunity to sign up for extended coverage before they left their current active duty assignment.[3] These reservists could qualify for one additional year of coverage for each additional 90-day active duty assignment they agreed to serve.

Under the 2006 NDAA, almost all reservists may qualify for TRS by agreeing to serve in the Selected Reserve, but are grouped in tiers, depending on their qualifications. Premiums range from 28 percent of the value of the coverage in tier 1 to 85 percent in tier 3.[4] Beneficiaries in the first tier qualify through activation in support of contingency operations, while beneficiaries in the second tier, who pay 50 percent of costs, qualify through unemployment or lack of access to other coverage.

In spite of the rapid expansion of eligibility, enrollment in TRS has increased slowly. The slow take-up may be due to a number of factors, including, for tiers 2 and 3, the high premiums, for tier 1, the brief period during which beneficiaries are qualified and must decide to enroll, and, for all tiers, the availability to most reservists of civilian coverage.

To encourage enrollment, the NDAA of 2007 reduces the premium to reservists who currently qualify for TRS in tier 2 or tier 3 to the 28 percent of coverage cost faced by tier 1 enrollees.[5] The 2007 NDAA also eliminates the service agreement. Reservists that qualify for TRS will remain eligible for the duration of their service in the reserves.[6]

Survey Results

Figure 1 shows TRS coverage among reservists and their family members who are currently active in or recently deactivated from contingency operations. Only a small proportion of each group reports it is covered by TRS.

Figure 1:
TRS Coverage and Reserve Status

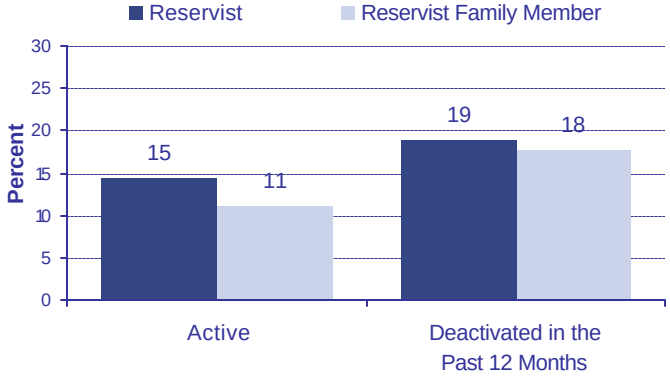


Figure 2 shows how reservists recently deactivated from supporting contingency operations and their family members view their eligibility. Family members of recently deactivated reservists are approximately equally divided between those who report they are eligible, are not eligible and do not know of their eligibility. By contrast, a majority of recently deactivated reservists report they are eligible, indicating that reservists are more aware of their eligibility than are their families, but that uncertainty is widespread in both groups.

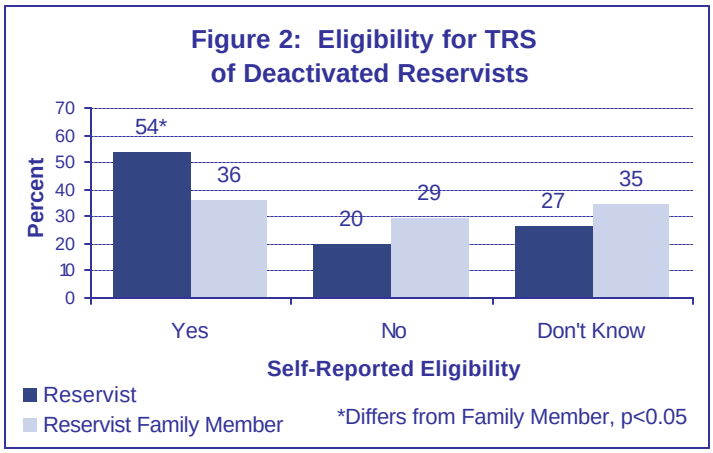


Figure 3 shows reasons for electing TRS. The most commonly stated reason is lack of other coverage. However, for approximately half of those who select TRS, the most important reasons are the attractiveness of the benefits, and the lower cost of TRICARE compared to other options.

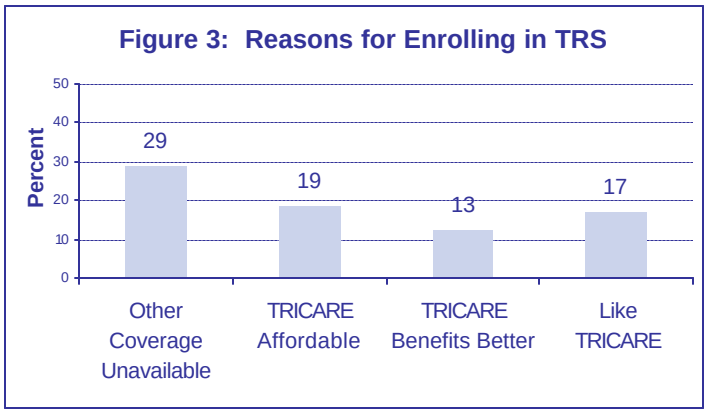
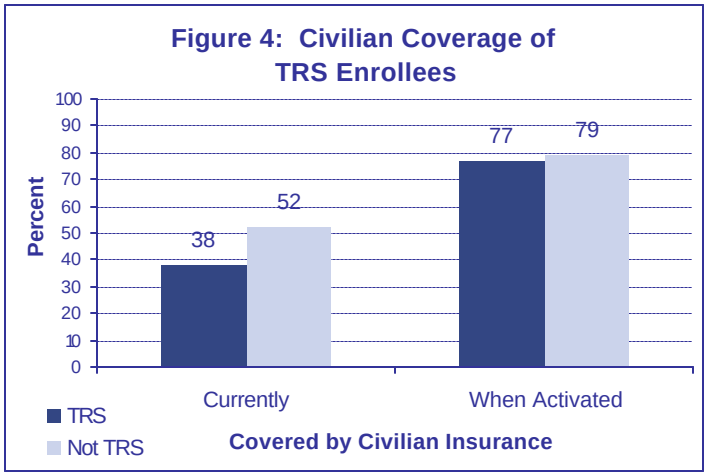


Figure 4 shows other coverage available to beneficiaries who select TRS. Beneficiaries who report they have TRS are no less likely than those who do not select it to have had civilian coverage before activation. Beneficiaries who elect TRS coverage are slightly less likely to report that they currently have other civilian coverage than are beneficiaries who do not ($p<0.10$), but many of those who choose TRS have other options.



Conclusion

One important reason for the low take-up rate for TRS appears to be the other coverage available to reservists. The majority appears to have access to civilian coverage and many may be unwilling to pay for TRICARE. Changes to the TRS program that simplify coverage and reduce its cost are likely to increase the take up of TRS in this group. The reduction in premiums may encourage beneficiaries to select TRS in addition to any civilian coverage that may be available to them. Similarly, because many beneficiaries are currently uncertain of their eligibility status or mistakenly believe that they are ineligible, simplifying enrollment will also likely increase take-up.

Sources

[1]TRICARE Reserve Select (TRS) website at: http://www.tricare.mil/reserve/reserveselect. Accessed May 3, 2007.

[2]National Defense Authorization Act for Fiscal Year 2004, Public Law No. 108-136 http://thomas.loc.gov/cgi-bin/query/z?c108:H.R.1588.enr:. Accessed May 3, 2007.

[3]http://www.dod.mil/dodgc/olc/docs/PL108-375.pdf. Accessed May 3, 2007.

[4]NDAA 2006 at: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_public_laws&docid=f:publ163.109.pdf. Accessed May 3, 2007.

[5]NDAA 2007: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_public_laws&docid=f:publ364.109.pdf. Accessed May 3, 2007.

From the Health Care Survey of DoD Beneficiaries, fielded January, 2007, N=12,892; Reservists or family members N=1,357.