OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

JUL 30 2010

Dear Mr. Chairman:

The enclosed report responds to Section 716 of the National Defense Authorization Act for Fiscal Year (FY) 2006, which requires that the Department submit an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities of each TRICARE Regional Office (TRO). This report describes activities undertaken by each TRO during FY 2009 to ensure that our beneficiaries who choose to use the TRICARE Standard option have access to high-quality health care provided by a sufficient number of physicians. The Department is committed to providing our TRICARE beneficiaries who choose the TRICARE Standard option the high-quality health care they deserve.

Thank you for your continued support of the Military Health System. We at TRICARE are proud to serve our nation's heroes and their families and are committed to providing them the best possible health care.

Sincerely,

Charles L. Rice

Charles L. Rice, M.D.
President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

Enclosure:
As stated

cc:
The Honorable John McCain
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

JUL 30 2010

The Honorable James H. Webb
Chairman, Subcommittee on Personnel
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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Enclosure:
As stated

cc:
The Honorable Lindsey O. Graham
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

The Honorable Ike Skelton
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

JUL 30 2010

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Enclosure:
As stated

cc:
The Honorable Howard P. "Buck" McKeon
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

JUL 30 2010

The Honorable Susan Davis
Chairwoman, Subcommittee on Military Personnel
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairwoman:

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Enclosure:
As stated

cc:
The Honorable Joe Wilson
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

The Honorable Daniel K. Inouye
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

JUL 30 2010

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Enclosure:
As stated

cc:
The Honorable Thad Cochran
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

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Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510

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The Honorable Thad Cochran
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

JUL 3 0 2010

The Honorable David R. Obey
Chairman, Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

Enclosure:
As stated

cc:
The Honorable Jerry Lewis
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

The Honorable Norm Dicks
Chairman, Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

JUL 3 0 2010

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President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

Enclosure:
As stated

cc:
The Honorable C. W. Bill Young
Ranking Member

Report to Congress

TRICARE Standard Activities of TRICARE Regional Offices

In

Fiscal Year 2009

Department of Defense
Report to Congress
on
TRICARE Standard Activities of TRICARE Regional Offices
in Fiscal Year 2009

Introduction

The National Defense Authorization Act for Fiscal Year (FY) 2006, Section 716, requires the Secretary of Defense to provide an annual report on the monitoring, oversight, and improvement of TRICARE Standard activities performed by each TRICARE Regional Office (TRO). This annual report must include an assessment of the participation of eligible health care providers in TRICARE Standard for each TRICARE region. It further required a description of any problems or challenges that have been identified by either providers or beneficiaries regarding the use of the TRICARE Standard option, and the actions undertaken to address such problems or challenges. This report contains the requested information for FY 2009. Because the TROs are part of the TRICARE Management Activity (TMA) and draw on support from various parts of that organization to carry out their responsibilities, the report includes a description of key aspects of such support applicable to provision of the TRICARE Standard benefit.

Background

TRICARE is the Department of Defense (DoD) health plan for Uniformed Service members, retirees from the Uniformed Services, and their eligible family members. The Department's TRICARE Management Activity (TMA) manages the plan. TRICARE provides three health plan options for beneficiaries:

1. TRICARE Standard — an open choice type of plan. TRICARE Standard is available to those beneficiaries not enrolled in TRICARE Prime. TRICARE Standard medical providers are not members of the TRICARE preferred provider network. Beneficiaries using TRICARE Standard pay no annual enrollment fee but are subject to an annual deductible and copayments. Copayments are assessed as a percentage of the TRICARE allowable charge for services received.

2. TRICARE Extra — a preferred provider organization type of plan. TRICARE Extra is available to those beneficiaries not enrolled in TRICARE Prime. TRICARE Standard beneficiaries obtaining care from a provider in the preferred provider network are utilizing the TRICARE Extra option. Beneficiaries using TRICARE Extra pay no annual enrollment fee but are subject to an annual deductible, as well as copayments. The latter are assessed a percentage of the TRICARE allowable charge for services received, but at a lesser percentage than

for care received from a provider outside the TRICARE private sector care network.

3. TRICARE Prime — a managed care plan in which each participant has an assigned primary care manager (PCM) who acts as an access-to-care "gatekeeper" for beneficiaries enrolled in TRICARE Prime. The PCM is either a member of a military treatment facility medical staff or a medical provider in the TRICARE preferred provider care network. For specialty care, the TRICARE Prime enrollee must receive a referral from his or her PCM and authorization from a regional managed care support contractor (MCSC). TRICARE Prime beneficiaries, except active duty Service members (ADSMs) and their families, pay an annual enrollment fee and modest, fixed copayments for care received in the private sector network. The plan also includes a TRICARE Prime point-of-service (POS) option. The POS option allows TRICARE Prime enrollees, except ADSMs, to obtain non-emergency, TRICARE-covered services from any TRICARE-authorized provider without a PCM's referral or a regional contractor's authorization. The POS annual deductible ($300 per individual/$600 maximum per family) and copays (50 percent of the TRICARE allowable charge) will apply if the beneficiary elects the POS option.

TRICARE Standard is the fee-for-service option that gives beneficiaries the opportunity to see any private sector TRICARE-authorized provider. A TRICARE-authorized provider is a licensed medical provider who is approved by TRICARE. Some beneficiaries' primary reason for choosing to use TRICARE Standard is the flexibility it affords in choosing medical providers, as compared to TRICARE Prime. For beneficiaries living in areas where the TRICARE Prime network is not available, TRICARE Standard is their option for using the TRICARE benefit.

For various reasons, not all authorized TRICARE providers actually accept TRICARE patients. This has occasionally been problematic for some TRICARE beneficiaries. TMA, through its TROs, has undertaken a number of initiatives to ensure beneficiaries desiring to use TRICARE Standard have satisfactory access to qualified medical professionals willing to accept TRICARE patients.

TRO Activities

TRO-North

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO-North employs one full-time Health System Specialist as the TRICARE Standard Operations	X	X	X

Activity	Activity Type		
	Monitor	Oversee	Improve
Program Manager. Responsibilities include monitoring, overseeing, and improving the TRICARE Standard option.			
Section 711, 2008 NDAA, required the Department of Defense (DoD) to conduct surveys of civilian physician acceptance of TRICARE Standard. In response to the 2008 survey results, TRO-N Standard Benefits Operations section developed a regional communications plan to address marketing TRICARE Standard information to areas which responded below benchmarks.			X
TRO-N reviewed the beneficiary demographic profiles for each of the locations that fell below benchmarks; used zip code data to pinpoint areas needing targeted attention, and disseminated information through the TRO-N Communications and Customer Service (C&CS) Branch via the Beneficiary Counseling and Assistance Coordinators (BCACs), to local Health Benefits Advisors (HBAs) and beneficiary advocacy networks. TRO-N further examined these locations to determine where other forms of location-specific communications products for TRICARE Standard beneficiaries, i.e., handbooks, newsletters, and bulletins may be needed. This analysis contributed to the development and drafting of a TRO-N communications plan for outreach to TRICARE Standard beneficiaries.	X		X
TRO-N coordinated with the Managed Care Support Contractor (MCSC), HealthNet, to review outreach efforts to Standard and Extra beneficiaries. This resulted in a review and update of the MCSC and TRO-North websites with TRICARE Standard information and discussions about development of location-specific messages to inform Standard beneficiaries about utilization of the TRICARE Standard option in locations experiencing low beneficiary satisfaction or provider access issues.	X		X
TRO-N is developing a dedicated TRICARE Standard and EXTRA section on the TRO-North			X

Activity	Activity Type		
	Monitor	Oversee	Improve
web page. Initial drafts of the web page are being reviewed by TRO-N Benefits and Special Programs Branch.			
TRO-N is also developing a web-based FAQ sheet with questions, answers, and explanations about the Standard option to link to the TRO-N webpage.			X
A TRO-North liaison attends monthly meetings of The Military Coalition, comprised of 30 organizations representing the broad military beneficiary community. The TRO-N representative educates, informs, listens to, and relays issues and concerns about the TRICARE Standard benefit.	X	X	X
TRO-N Standard Operations participated at the 2009 Annual Mid-Winter Reserve Officers Association Conference held in Washington, DC, and answered questions and supplied information about the TRICARE Standard benefit to conference participants.	X		X

TRO-South

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO-South employs a full-time government health systems specialist in the "TRICARE Standard Operations" position to monitor, oversee, and improve provision of the TRICARE Standard option in the South Region.	X	X	X
TRO-South employs 8 health benefits counselors who provide customer service support for all beneficiaries to include TRICARE Standard and Extra.			X
TRO-South employs a full-time government marketing and education specialist. TRO-South met regularly with the other TROs and the South Region MCSC, Humana Military Health System (HMHS), to develop marketing and educational strategies for TRICARE Standard beneficiaries and providers.			X
TRO-South monitored HMHS as it conducted non-	X		

Activity	Activity Type		
	Monitor	Oversee	Improve
network (TRICARE Standard) provider and network provider seminars in the South Region Prime service areas. From October 1, 2008, through September 30, 2009, HMHS conducted 267 provider seminars, of which 77 were targeted to non-network providers. At the seminars, through their website, and separate mailings, HMHS provided marketing materials to TRICARE Standard providers.			
TRO-South undertook outreach and educational activities for Reserve Component members to provide information about TRICARE Standard benefits available through the Transitional Assistance Management Program.			X
TRO-South helped to identify geographical areas of interest for surveys intended to assess providers' knowledge about, and willingness to accept, TRICARE Standard and beneficiary satisfaction.	X		X
TRO-South monitored compliance of HMHS with its commitment to establish the TRICARE network throughout 100 percent of the South Region. As of September 30, 2009, 93,206 providers, over one-half of the total providers in the South Region, were in the network, enhancing access to care for TRICARE Standard beneficiaries who wish to use the Extra option. This was an increase of 9,354 network providers and 23 hospitals/facilities over the course of the fiscal year.	X		X
The TRO-South staff and HMHS encourage Standard providers to join the TRICARE network. From October 2008 to October, 2009, network enrollment increased by 5.5 percent.			X

Activity	Activity Type		
	Monitor	Oversee	Improve
TRO-South monitored beneficiaries' use of TRICARE Standard in the region through review of data available from HMHS and from the Military Health System's claims database. In the South Region, the amount paid for Standard beneficiary claims, as a percentage of the total payments for all private sector care in the Region, decreased from 9.6 percent in Fiscal Year 2008 to 8.7 percent in Fiscal Year 2009.	X		
TRO-South oversaw HMHS' performance of its contractual requirement to provide health care finder services to beneficiaries, including Standard beneficiaries, via a toll-free phone line. HMHS also provided an on-line provider directory to assist beneficiaries in locating providers.	X	X	
TRO-South participated in a combined effort with the TRICARE Management Activity, TRO-North, and TRO-West to improve TRICARE Standard Beneficiary Satisfaction and Provider Acceptance through a workgroup dedicated to analyzing survey results and implementing related improvements.	X	X	X

TRO-West

Activity	Activity Type		
	Monitor	Oversee	Improve
TRICARE Regional Office-West (TRO-W) has a Standard Benefit Manager, for the sole purpose of assuring optimum results for those beneficiaries choosing to use the Standard option.	X	X	X
In 2007, TRO-W fielded a project to identify geographic areas with Standard beneficiary population densities of 500 or more. From this they built beneficiary population sizing models for each area breaking down the number of network providers in 26 specialties and primary care, as well as non-network providers, which were included by name as part of the spreadsheet. Claims data is run on a yearly basis to see how the existing cadre of non-network providers is fairing. To date there have been only minimal changes in the	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
designated areas, most attributable to normal systemic attrition and gain. The intent of the project was to identify areas in need of provider cultivation to facilitate improved access to care for Standard Beneficiaries. A secondary intent was to provide the TRO-W staff, as well as Beneficiary Counseling and Assistance Coordinators (BCACs) throughout the West Region with a tool with which to assist beneficiaries in search of a provider. The TRO-W process is being discussed for utilization across all the regions.			
The most recent Provider Survey indicated some low percentages of acceptance for TRICARE Standard beneficiaries. Most concerning of the areas surveyed were Portland/Salem, Oregon; Washington State, and Palm Springs, California. As a result, an intensive analysis of non-Prime service areas was conducted for the entire West Region, the intent of which has been to determine and hopefully improve access to TRICARE providers. Washington and Oregon have both received a great deal of scrutiny. There are three areas in Oregon with greater than 500 TRICARE Standard beneficiaries. Each of these areas has been assessed using our beneficiary population sizing models to determine the number of primary care and specialty providers needed to support the population. Additionally, the models enumerate network providers listed on the TriWest website, and also list non-network participating providers by name and zip code. TRO-W telephonically contacted 39 providers in Bend, OR, to encourage participation.	X		X
In support of Reserve and National Guard beneficiaries in Oregon, TRO-W conducted a brief provider analysis of 34 cities where Reserve and Guard beneficiaries were known to reside. The brief analysis looked at numbers of network and participating primary care providers, as well as OBGYN, Orthopedic, and Behavioral Health services. While many of the extreme rural towns did not have large numbers of providers, there did seem to be sufficient numbers to meet the needs of the TRICARE beneficiary populations.	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
The Pacific coast of Washington has a large number of Prime service areas with large and robust provider networks. There are over 23,000 network providers in the state of Washington with thousands of those living in the Puget Sound (Seattle) area. There are only two areas with Standard beneficiary population densities over 500, those being Richland (1469) and Walla Walla (522), both with significant network and participating provider numbers. TRO-W did an analysis of the city of Olympia, as a result of the last TMA Provider Survey, and found a large number of network providers (over 250), as well as easy access to thousands of specialty providers in Seattle, less than an hour north on Interstate 5. TRO-W continues to monitor these areas to ensure adequate access to care.	X		X
A town hall meeting was held in the Palm Springs/Twenty-nine Palms, California, area that garnered excellent results from both active duty families, as well as retirees. As a result, TriWest, the West Region managed care support contractor, markedly increased provider recruiting efforts in the area. After focused attention, the Twenty-nine Palms PSA, which includes Joshua Tree and Palm Springs now, has 866 network providers, 78 of whom are PCMs. There are over 1300 providers within the 40-mile radius of Twenty-nine Palms. The ratio of indigenous population to providers is not suggestive of problems with access to health care. However, TRO-W continues to monitor the area to ensure access to medical care is maintained.	X		X
Educating providers, both network and non-network, was done using a myriad of communication vehicles. TriWest's provider education activities include provider seminars, roundtable meetings, provider organization, conferences, other events and regional outreach efforts, as well as focused education programs and website banners.	X		X
Provider Seminars 136 seminars with a total of 4,296 participants were conducted on a variety of "TRICARE" subjects.	X		X

Activity	Activity Type		
	Monitor	Oversee	Improve
Roundtable Meetings Roundtable meetings are similar to civilian provider seminars, but are held for several attendees from the same organization (e.g., a hospital billing department) or for a relatively small group of attendees from several different providers, often held at a provider's facility (e.g., several behavioral health professionals in a behavioral health facility's conference room). Region wide there were no fewer than 16 separate meetings of this sort.	X		X
Provider Organization, Conferences, Other Events and Regional Outreach Efforts No fewer than 13 separate civilian provider outreach efforts falling into this category have been conducted, exceeding the contractual requirements for provider education.	X		X
Focused Education Programs TRO-W's Provider Services department identifies those topics that are important for providers to understand because of a new program or process, change to existing programs or processes, or a "hot" issue. These topics are discussed during all provider interactions, either in person or over the telephone by Provider Services & Network Subcontractor representatives.	X		X
Web Site Banners Examples of the banners displayed on the Provider Connection home page promoted the following topics: • Online referral/authorization submission • Register for Spring 2009 Provider Seminars • Prior Authorization List (PAL) • National Doctor's Day • Military Health System (MHS) Learn site • Provider Email Address Campaign • eSeminars • Continuing Education	X		X
TRO-W in concert with the West Region managed care support contractor (TriWest) continues to actively monitor, oversee, and improve the TRICARE Standard option. Ongoing analysis enables proactive measures should problems with care access be identified.	X	X	X

Activity	Activity Type		
	Monitor	Oversee	Improve
Teaming with the TriWest and TMA C&CS has enabled a steady flow of information to Standard beneficiaries throughout the West region.			

TMA Communications and Customer Service Directorate Support of TRICARE Standard

In addition to the extensive efforts by the TROs in support of TRICARE Standard, TMA's Communications and Customer Service Directorate (C&CS) complemented and supported those efforts by conducting a robust TRICARE Standard outreach campaign to both TRICARE beneficiaries and providers of health care during FY 2009.

The C&CS TRICARE Beneficiary Publications Division produces more than 170 print and Web publications each year for TRICARE beneficiaries and providers. Publications include:

- Newsletters
- Bulletins
- Flyers
- Brochures
- Fact sheets
- Handbooks
- Briefings
- Letters

The majority of these publications features information about TRICARE Standard and three are specific to TRICARE Standard: the TRICARE Standard and TRICARE Extra flyer, the TRICARE Standard Handbook, and the annual TRICARE Standard Health Matters newsletter. All three publications are distributed through military treatment facilities, TRICARE Service Centers, the managed care support contractors, and online via the TRICARE SMART site. Combined, more than 1.3 million of these three publications were printed and distributed to TRICARE Standard beneficiaries during fiscal year 2009.

The C&CS Public Affairs Division produced approximately 20 "Beneficiary Bulletin" podcasts, all containing information pertinent to Standard beneficiaries. The PA division also produced over 130 news releases, articles and columns during FY 2009 that were geared to beneficiary information. Many were targeted at Standard beneficiaries and of those, education about the new preventive health care services available to Standard beneficiaries with no cost shares received wide release and coverage in the media and with beneficiary organizations.

C&CS coordinated monthly meetings with the TRICARE Beneficiary Panel, comprised of members of the Military Coalition and Alliance, which has a mission of advocating for their members' health care priorities. Nearly every meeting was relevant to communications with TRICARE Standard beneficiaries, and at least one meeting during FY 2009 focused exclusively on TRICARE Standard survey results concerning provider awareness of the benefit and access to it.

The annual C&CS Conference in August, 2009, educated over 500 customer service representatives about various TRICARE benefits including those benefits appropriate for Standard beneficiaries, to include National Guard and Reserve.

Participation of Eligible Health Care Providers in TRICARE Standard by Region

Per statute, this report must include an assessment of the participation of eligible health care providers in TRICARE Standard for each TRICARE region. Section 711 of the NDAA for FY 2008 required the Department of Defense to conduct surveys of civilian provider acceptance of TRICARE Standard. The first year of a four-year survey indicated that over 80 percent of physicians are aware of TRICARE in general, and 66 percent accept new TRICARE Standard patients if they accept any new patients. The number of TRICARE participating providers continues to increase, but at a much slower rate than during the earlier part of this decade. In response to the survey results, the regions participated in a combined effort with the TRICARE Management Activity to improve provider acceptance through a workgroup dedicated to analyzing survey results and implementing related improvements (i.e., developed regional communication plans to address marketing TRICARE Standard information to areas which responded below benchmarks.)

The number of TRICARE network providers has also been increasing, both in total numbers and as a percentage of total participating providers. A developed provider network enhances access to care for TRICARE Standard beneficiaries who wish to use the Extra option. A region-by-region network assessment is included below.

TRO-North

The North Region TRICARE provider network was increased in FY09 by 12 percent from 114,279 providers to 127,481 providers. This included a 17 percent increase in Behavioral Health Providers, specifically from 17,822 providers to 20,783 providers. This was accomplished as a result of the partnership of the MCSC's recruitment efforts, increased DoD emphasis and TRO-N's focused initiatives on increasing behavioral health access. These providers are available to Standard beneficiaries through the Extra option.

TRO-South

TRO-South established the TRICARE network throughout 100 percent of the South Region. As of September 30, 2009, 93,206 providers, over one half of the total providers in the South Region, were in the network, enhancing access to care for TRICARE Standard beneficiaries who wish to use the Extra option. This was an increase of 9,354 network providers and 23 hospitals/facilities over the course of the fiscal year.

TRO-West

The West Region provider network increased 31 percent in FY09 from 101,485, to 133,073. Behavioral health providers increased 37.7 percent from 12,457 to 17,159. These increases were reflected not only in Prime Service Areas, but also in white space areas with high population densities of TRICARE Standard and TRS beneficiaries.

TRICARE Standard Problems and Challenges Identified by Providers and Beneficiaries

With some permitted exceptions, the TRICARE payment amount for a service provided by a health care professional must, by statute (10 United States Code 1079(h)), be, to the extent practicable, no more than the amount paid for the same service by Medicare. This amount is called the "CHAMPUS Maximum Allowable Charge" (CMAC). Whenever Congress has considered reducing Medicare rates, various medical associations, individual providers, and TRICARE beneficiary organizations have expressed concern that TRICARE beneficiaries' access to care would suffer as a result of physicians declining to accept TRICARE Standard patients. Even if a health care provider does not react to a decrease in Medicare reimbursement rates by declining to see TRICARE beneficiaries, there is another way reductions can adversely impact them. "Participating providers" accept the CMAC as payment-in-full for services rendered. However, non-participating providers may legally bill a TRICARE beneficiary an amount that is 15 percent greater than the CMAC. Physicians are free to decide, on a patient-by-patient basis, whether they will participate in TRICARE Standard. Reduction in Medicare reimbursement rates, and, therefore, a required concomitant reduction in the CMAC, makes it more likely that physicians will shift costs to beneficiaries by choosing to be non-participating TRICARE Standard health care providers. If analysis reveals that, in a particular locality, TRICARE beneficiaries' access to specific health care services is severely impaired due to the CMAC reimbursement schedule, the TMA Director, after considering recommendations from the TRO Regional Director, may approve a locality waiver of the CMAC by establishing higher payment rates as provided for under existing regulatory authority (32 Code of Federal Regulations 199.14) that implements provisions of the National Defense Authorization Acts for FYs 2000 and 2001.

Currently, there are 17 approved CMAC locality based waivers. The majority of which are multiple services approved at different rates for the State of Alaska. TRICARE in Alaska presents unique challenges given the dispersed nature of the population, the scarce presence of medical assets in most of the communities, and some standards of care used in the other states are not accepted among the providers in Alaska. We currently have a demonstration program in Alaska that allows us to pay 1.4 percent above the Medicare allowable charges, and we have found much greater acceptance of TRICARE among civilian providers.

On May 1, 2009, TRICARE implemented the Outpatient Prospective Payment System to align with current Medicare rates for hospital outpatient payments. Because there is potential for providers to encounter revenue reduction, we can again anticipate providers will shift costs to beneficiaries by choosing to be non-participating TRICARE Standard health care providers. To provide hospitals with time to adjust and budget for potential revenue reductions, Temporary Transitional Payment Adjustments will be in place for network and non-network hospitals. Based on public comments to the final rule, DoD is adjusting implementation of the Temporary Military Contingency Payment Adjustments for network and non-network hospitals on a case-by-case basis to allow for timely access.

Conclusion

The Department is conducting a multifaceted effort to ensure TRICARE Standard remains widely available to beneficiaries. Results from ongoing surveys of providers to assess their knowledge about and acceptance of TRICARE Standard, the high degree of satisfaction with TRICARE Standard expressed in population-based surveys by beneficiaries, and the very low volume of complaints about TRICARE Standard received from beneficiaries by the TROs all indicate the Department is on the right track. Furthermore, the Government Accountability Office (GAO) is currently reviewing "Access to Care under TRICARE Standard and Extra" and the Department looks forward to using any GAO results for additional process improvement. The Department is committed to providing that attention so that our TRICARE beneficiaries who choose the TRICARE Standard option will have ready availability of the high quality health care they deserve.