

## HCSDB Issue Brief

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# Changes in TRICARE Plan Enrollment

## Introduction

TRICARE offers several health plans for beneficiaries in the Military Health System, depending on their beneficiary category and location. Beneficiaries may change their plan because of a qualifying life event, such as marriage, the birth of a child, or a change in sponsor status, or for various other reasons, such as a plan's cost or the availability of doctors in the network.

Recently, TRICARE made two significant changes to health plans and enrollment that may have affected beneficiaries' decisions to change plans. On January 1, 2018, TRICARE Standard and Extra were consolidated into TRICARE Select, which was established as a self-managed preferred provider organization (PPO), and all beneficiaries who were not previously enrolled in Prime were automatically enrolled without incurring an enrollment fee at that time to ensure no lapse in coverage. This PPO offers the same access to civilian providers as TRICARE Standard and Extra, along with fixed co-payments and, for some enrollees, additional enrollment fees (Office of the Secretary of Defense 2019). From November to December 2018, TRICARE launched an open-enrollment period for TRICARE beneficiaries to select their preferred plan option for calendar year 2019, including Prime and Select. After selecting a plan during open-enrollment, beneficiaries are locked in the health plan until the next annual open enrollment or after a qualifying life event.

Changing health plans is an area of interest to beneficiaries, health plan managers, and policymakers for several reasons. First, changing plans could disrupt continuity of care for beneficiaries, who may have to change providers if their doctor does not accept their new plan. Beneficiaries who change plans may also need information about the benefits of their new plans to ensure that they are making well-informed decisions about their care. Health

plan managers will therefore need to provide access to easily understandable information about their plans. Finally, significant rates of plan changing could indicate that current plans are not meeting beneficiaries' needs, and policymakers and health plan managers may need to re-assess how plans can provide the best coverage to their beneficiaries.

To assess the impact of plan changing in TRICARE, we examined data from the first quarter of the 2019 Health Care Survey of Department of Defense Beneficiaries (HCSDB), which was fielded during open enrollment. This survey asked respondents if they intended to change their health plan in January 2019, and if so, why. To find out whether beneficiaries' reasons for changing plans were a strong enough motivation to actually do so, we compared their intention to change plans to their actual change in TRICARE enrollment. For example, if beneficiaries wanted to change plans because they were unsatisfied with the provider network, was this a strong enough reason to actually change their health plan?

To determine whether a beneficiary actually changed plans, we compared each survey respondent's 2018 enrollment data from the Defense Enrollment Eligibility Reporting System (DEERS) to his or her DEERS enrollment data as of March 1, 2019. Although DEERS does not include data on enrollment in civilian health plans, it enabled us to examine the rate of plan changing within TRICARE.

**Table 1. Intention to change health plan and change in DEERS enrollment among survey respondents, by 2018 health plan**

	<b>Intended to change 2018 health plan % (N)</b>	<b>Changed health plan in 2019 % (N)</b>
<b>Overall</b>	4% (361)	6% (630)
<b>Plan enrollment in 2018 DEERS</b>		
TRICARE entitled, not enrolled	N.R.	55% (149)*
TRICARE For Life	N.R.	N.R.
Prime <sup>a</sup>	4% (196)	4% (239)
Plus	N.R.	N.R.
Reserve Select	N.R.	N.R.
Select	8% (115)*	9% (209)*
Uniformed Services Family Health Plan	N.R.	N.R.

<sup>a</sup> Includes both military and civilian providers.  
 \*Significantly different from Prime, p < 0.05.  
 N.R. = not reported because of small sample size.

## Changing plans

About 4 percent of survey respondents said that they intended to change health plans in 2019. As shown in Table 1, Select enrollees were significantly more likely than Prime enrollees to intend to change plans (8 percent versus 4 percent).

The actual changes in TRICARE enrollment were similar to the intentions expressed by survey respondents. By March 1, 2019, 6 percent of respondents had changed their TRICARE plan, according to administrative data (Table 1). Respondents enrolled in Select or entitled to TRICARE but not enrolled in a TRICARE plan<sup>1</sup> in 2018 were significantly more likely than those enrolled in Prime in 2018 to have changed their plan in 2019 (9 percent of Select enrollees and 55 percent of those entitled to TRICARE but not enrolled, compared with 4 percent of Prime enrollees).

<sup>1</sup> Most respondents who were entitled to TRICARE but not enrolled in a TRICARE plan and changed plans in 2019 were active duty or active reservists. The majority of these respondents changed their plan to Prime in 2019 (Table 2), indicating a lag between entering active-duty status and being enrolled in Prime.

Of those beneficiaries who were entitled to TRICARE but not enrolled in 2018, 55 percent moved to a TRICARE plan in 2019 (Table 1), with 63 percent of those who did change TRICARE plans moving to Prime (Table 2). Forty-seven percent of respondents who were enrolled in Select in 2018 changed to TRICARE For Life (TFL) in 2019, whereas a quarter moved to Prime (Table 2). Likewise, 37 percent of respondents who were enrolled in Prime in 2018 changed to Select in 2019; another quarter of them changed to TFL.

## Reasons for changing plans

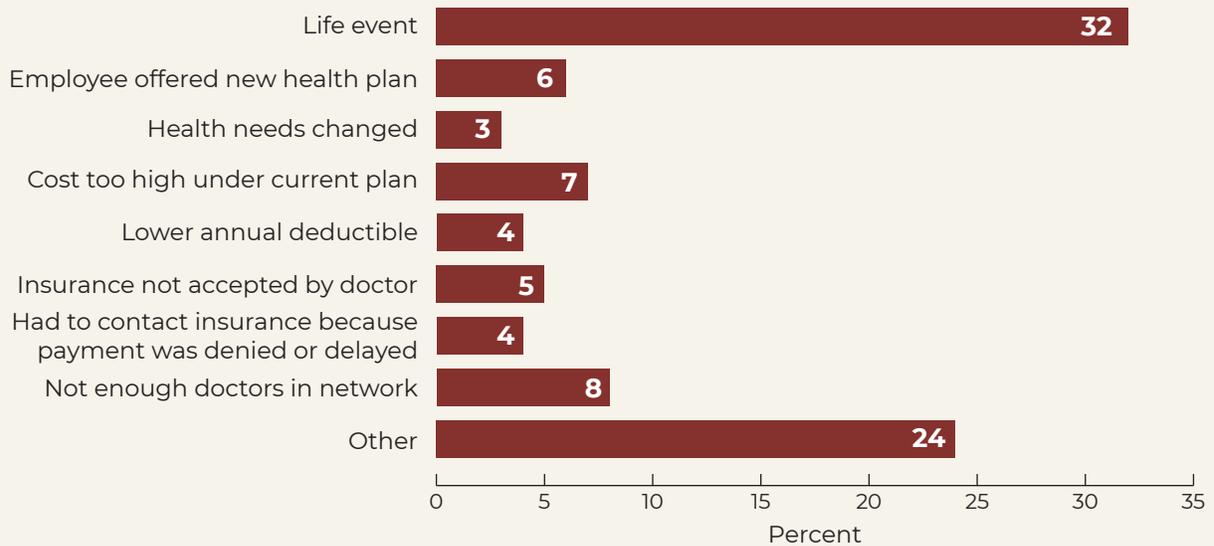
Figure 1 shows the reasons that respondents reported for intending to change health plans. The most commonly cited reason was a qualifying life event, followed by an “other” reason that was not listed. Respondents did not commonly cite reasons indicating dissatisfaction with their current plan, such as the high cost of the plan or a lack of in-network providers.

**Table 2. Health plan enrollment among survey respondents who changed plans in 2019 (N = 630)**

DEERS enrollment (2018)	TRICARE entitled, non-TFL N (%)	TRICARE For Life (TFL) N (%)	TRICARE Prime N (%)	TRICARE Reserve Select N (%)	TRICARE Select N (%)
TRICARE entitled, non-TFL	--	N.R.	63% (90)	N.R.	11% (25)
TRICARE Prime	17% (39)	27% (70)	--	N.R.	37% (82)
TRICARE Select	6% (20)	47% (56)	23% (57)	11% (32)	--

Note: TRICARE Plus and U.S. Family Health Plan are not reported because of small sample size. N.R. = not reported because of small sample size.

**Figure 1. Reasons for changing health plans, among respondents intending to change (N = 361)**



## Conclusion

Overall, most survey respondents said that they intended to stay in their current health plan in 2019, and enrollment data from 2019 largely reflected these intentions. Only 4 percent of respondents said that they intended to change plans, and 6 percent did so in 2019.

Among the respondents who changed TRICARE plans between 2018 and 2019, those enrolled in Select in 2018 were more likely to change plans than those enrolled in Prime. This higher rate of plan changing among Select enrollees may be related to the changes in the benefit introduced in 2018, but it is unlikely that Select beneficiaries were motivated to change because of dissatisfaction with Select. Almost half of Select enrollees who changed plans in 2019 moved to TFL, and the most common reason that respondents gave for changing plans was a qualifying life event. These findings suggest that Select enrollees were not changing plans because they were dissatisfied with Select but because they became eligible for Medicare.

## Source

"Health Care Survey of Department of Defense Beneficiaries." N = 8,800. The response rate is 8.8 percent. The survey was fielded from October 5, 2018, to January 31, 2019.

## References

Office of the Secretary of Defense, U.S. Department of Defense. "Establishment of TRICARE Select and Other TRICARE Reforms." Federal Register, vol. 84, no. 32, February 2019, pp. 4326–4333.