UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

APR 18 2023

The Honorable Jack Reed
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Department's response to section 731 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018 (Public Law 115–91), "Pilot Program on Health Care Assistance System," as amended by section 705 of the NDAA for FY 2022 (Public Law 117–81), "Modifications to Pilot Program on Health Care Assistance System," is enclosed.

Section 731 requires an evaluation of the success of the pilot program and the feasibility of incorporating the requirements into future TRICARE contracts. Section 705 requires input from covered beneficiaries who have participated in the pilot program regarding their satisfaction with, and any benefits attained from, such participation. To meet these requirements, the Defense Health Agency surveyed TRICARE Select Navigator pilot program participants. The Department determined that the pilot elements are widely available in the private sector and may be provided more efficiently and cost effectively if incorporated into future TRICARE managed care support contracts.

Thank you for your continued strong support for the health and well-being of our Service members and their families. I am sending a similar letter to the House Armed Services Committee.

Sincerely,

Gilbert R. Cisneros, Jr.

Enclosure:
As stated

cc:
The Honorable Roger F. Wicker
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

APR 18 2023

The Honorable Mike D. Rogers
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

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Sincerely,

Gilbert R. Cisneros, Jr.

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member

Report to the Congressional Armed Services Committees

Pilot Program on Health Care Assistance System Provided under the TRICARE Program

The estimated cost of this report or study for the Department of Defense is approximately $31,000 in Fiscal Years 2018 - 2022. This includes $0 in expenses and $31,000 in DoD labor.

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Executive Summary

This report is in response to section 731 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018 (Public Law 115–91), as amended by section 705 of the NDAA for FY 2022 (Public Law 117–81), which requests that the Secretary of Defense carry out a pilot program to provide a health care assistance service to certain covered beneficiaries enrolled in TRICARE Select using purchased care (hereinafter referred to as private sector care) to improve the health outcomes and patient experience for covered beneficiaries with complex medical conditions. As a result, the Defense Health Agency (DHA) created the TRICARE Select Navigator (TSN) Pilot Program. It is a nation-wide pilot implemented on May 1, 2020.

At implementation, DHA identified approximately 75,000 TRICARE Select beneficiaries eligible for this pilot who had two or more complex medical conditions and/or medical expenses in excess of $100,000.00 a year. DHA and the contractor worked diligently to market the pilot and contact eligible beneficiaries. However, only 7,851 (10.5 percent) of the identified beneficiaries used the TRICARE Select health care assistance services. Considering the cost to the Government for the TSN services ($24,904,000.00) and the number of aforementioned unique beneficiaries (7,851), the cost was $3,172 per participating beneficiary. Preliminary data indicates some positive pilot impacts, but low participation and the cost per beneficiary make continuation of this program, as a stand-alone contract, not fiscally prudent.

This report provides TSN data analysis based on the NDAA for FY 2018 and NDAA for FY 2022 reporting requirements. The Department finds several care coordination elements such as communication, collaboration and coordination between private sector care providers, markets and military medical treatment facilities, and other Government authorities can be further incorporated into future TRICARE Managed Care Support Contracts (MCSCs). Such changes will eliminate system connectivity issues, ease data mining abilities, and reduce duplication of efforts, which will decrease Government expenditures for program administration costs.

Background

As outlined in section 731 of the NDAA for FY 2018, the Department created a pilot program to assess the effectiveness of a health care assistance (navigation) service for certain beneficiaries enrolled in TRICARE Select with complex medical conditions. The Department designed the pilot program to provide such beneficiaries with information to allow them to make informed decisions regarding the quality, safety, and cost of available health care services to include health care outcomes. The Department designed the TSN pilot program to include the following elements:

- Assisting beneficiaries with complex medical conditions to understand and use the health benefits under the TRICARE program.
- Supporting such beneficiaries in accessing and navigating private sector care.
- Providing such beneficiaries with information to allow beneficiaries to make informed decisions regarding the quality, safety, and cost of available health care services.
- Improving the health outcomes for such beneficiaries.

As outlined in section 705 of the NDAA for FY 2022, the Department surveyed covered beneficiaries who participated in the pilot program regarding their satisfaction with, and any benefits attained from, such participation. DHA contracted with Accolade Health Inc. to launch the TSN pilot program to aid certain TRICARE Select beneficiaries, ages 0 through 64, with complex medical conditions, defined as two or more conditions requiring coordination of multiple specialties or high cost claimants ($100,000.00 a year or above). The Department launched the pilot program on May 1, 2020.

Discussion

This report provides data analysis of the implementation of the four elements included in section 731(b) of the NDAA for FY 2018:

Element (1): Assisting beneficiaries with complex medical conditions to understand and use the health benefits under the TRICARE program.

The TSN pilot program provides benefit assistance and education support for beneficiaries through multiple modes of communication (phone, mobile message, and self-service web portal) to ensure beneficiaries have access to benefit information, available program content, and the ability to communicate with a nurse or behavioral health specialist. Across all modes of communication, the total number of beneficiaries that engaged with the TSN during option period one (OP1) and option period two (OP2) was 7,851 beneficiaries; most engagement was via phone. The number one reason for beneficiary engagement with the TSN pilot program was to request education and guidance on TRICARE benefits and programs. Direct phone conversation between the beneficiary and a TSN nurse was the preferred method of communication. Communications provided confirmation to the TSN nurses that the beneficiary had a greater understanding of their health benefits under the TRICARE program.

Duplication of Efforts: The TSN pilot program's service, "Assisting beneficiaries with complex medical conditions to understand and use the health benefits under the TRICARE program" is in line with, and duplicative of, customer services currently available via existing MCSC's customer service representatives, who provide beneficiary assistance and educational support through multiple modes of communication (phone, mobile message, and self-service web portal). The MCSC's Case Management Program is available for both medical and behavioral health care needs and has direct access to systems for medical records, referral and other healthcare data needed for supporting a beneficiary with complex medical conditions. Lack of data availability is one of the weaknesses of the pilot and duplicating this health information exchange in addition to existing MCSC data exchange capabilities is both redundant and costly.

Element (2): Support eligible beneficiaries in accessing and navigating private sector care.

The TSN pilot program was designed to provide navigation services helping the beneficiary maximize the appropriate use of existing TRICARE benefits and network providers. The contractor reported the top five reasons for beneficiary engagement are: (1) benefits and education; (2) condition care; (3) provider searches; (4) symptom care; and (5) logistics and scheduling.

TSN nurses are contracted to develop working relationships with beneficiaries and provider offices to ease access to care and create an enhanced beneficiary experience. Additionally, TSN nurses are supposed to remove hurdles or barriers to care by connecting beneficiaries to community resources such as transportation.

Duplication of Efforts: This line of effort provides services that are already available through the MCSC's customer service representatives and Nurse Advice Line's (NAL) 24-hour support. The NAL offers 24-hour support for beneficiaries with health care questions and provides recommendations for accessing care at the most appropriate level. Finally, the MCSC's Case Management Program provides assistance with navigating private sector care at the most appropriate level and can also connect beneficiaries with community resources as needed.

Element (3): Provide eligible beneficiaries with information to allow for informed decisions regarding the quality, safety, and cost of available health care services.

The TSN pilot program is designed to assign a clinical nurse to support each eligible beneficiary in a personalized way throughout each eligible beneficiary's health care experience. The TSN nurse conducts assessments to identify clinical needs and should help beneficiaries understand tests, costs, risks, and treatment options. The TSN nurse is supposed to assist with hospital admissions/discharges and collaborate with providers to coordinate care.

The TSN pilot program as originally envisioned provides help with the administrative burdens associated with complex care coordination. TSN should assist beneficiaries with understanding the Explanation of Benefits for their claims and guiding the beneficiary to the appropriate entity to ensure proper claims processing. This assistance may ensure the use of network providers and reduce out-of-pocket expenses.

Duplication of Efforts: The TSN pilot program's service designed to "Provide eligible beneficiaries with information to allow for informed decisions regarding the quality, safety, and cost of available health care services" is duplicative of services provided by the MCSC's customer service representatives. Both the TSN and MCSCs provide services to assist with care coordination and other administrative burdens for beneficiaries with complex medical conditions.

Element (4): Improve the health outcomes for eligible beneficiaries

Improvement of health care outcomes is measured by reduced readmission rates and emergency department avoidance. The TSN pilot program contract included performance incentives for both. A comparison of the baseline year and service year one data was done to evaluate both areas.

The baseline period data captures all hospital readmission and avoidable emergency room (ER) events with dates of service from May 1, 2019 – April 30, 2020, with claims paid through June 30, 2020. The first service year results count readmissions and avoidable ER events with dates of service from May 1, 2020 – April 30, 2021, with claims paid through June 30, 2021.

The readmission utilization baseline rate was 18,600 from an eligible population of 75,000 persons compared to 14,600 observed during the first service year, showing an overall decrease in readmission rates. The avoidable ER visit utilization baseline rate was 8,400 from an eligible population of 75,000 compared to 4,500 observed during the service year period one, showing a decrease in the ER visit utilization rate. Decreased readmission and ER visit utilization rates suggest improvement of health care outcomes; however, due to access-to-care variables such as lower inpatient bed availability, limited ER capacity and reduced provider office hours related to the global pandemic, the Department cannot directly link any improvement in readmission rates and emergency department avoidance to TSN services.

The second service year results count readmissions and avoidable ER events with dates of service from May 1, 2021 – April 30, 2022, with claims paid through June 30, 2022. DHA is currently analyzing this data, which became available after September 1, 2022.

Significantly, the analysis compares the entire eligible beneficiary population in the baseline year to the same population in the service year one and two; however, the Department is unable to assess the actual impact to enrolled beneficiaries due to low participation rates (7,851 in service year one and two) for this analysis. Therefore, the Department can conclude it is highly unlikely there is any causal relationship between the efforts of the TSN contractor and changes in hospital readmissions and avoidable ER events.

The Department conducted a data analysis to compare health care costs for beneficiaries who participated in the pilot with a similar control group of beneficiaries. DHA calculated the average allowed amount (inpatient, outpatient, and pharmacy) for the TSN participant, adjusted for age and number of health conditions, compared with a control group of TRICARE Select patients (0-64) who qualified for the Patient Navigator Program (i.e., had one stand-alone complex condition or two or more combined complex conditions, which are defined in the Appendix). To identify the control group, DHA used the condition flags on the Military Health System Data Repository (MDR) Health Risk file that corresponded to the conditions in the Appendix to determine whether the member met the eligibility criteria for TSN pilot program. DHA loaded that list of people and the TSN participants into the TRICARE Encounter Data Institutional and Non-Institutional files on the MDR and measured the allowed amounts for each person during OP1 and OP2, stratified by age group and the number of chronic conditions each person had. DHA then adjusted for differences in the distributions of age group and the number of conditions by applying the average allowed amount of the control group to the TSN population. Table 1 displays the results by month and Table 2 by option period.

Table 1 displays the results by month and Table 2 by option period:

Table 1: Average Allowed Amounts for TSN Participant versus Control by Month

Calendar Year	Calendar Month	Accolade Participants	Actual Allowed Amount - Accolade	Avg Actual Allowed Amount - Accolade	Adjusted Allowed Amount - Control	Avg Adjusted Allowed Amount - Control
2020	05	5,948	$ 9,579,177	$ 1,610	$ 9,389,192	$ 1,579
2020	06	6,224	$ 10,623,598	$ 1,707	$ 10,808,401	$ 1,737
2020	07	6,193	$ 10,626,103	$ 1,716	$ 10,826,816	$ 1,748
2020	08	6,159	$ 9,967,518	$ 1,618	$ 10,961,290	$ 1,780
2020	09	6,260	$ 11,146,740	$ 1,781	$ 11,138,567	$ 1,779
2020	10	6,141	$ 11,152,412	$ 1,816	$ 9,932,738	$ 1,617
2020	11	5,986	$ 10,315,022	$ 1,723	$ 9,321,185	$ 1,557
2020	12	6,070	$ 10,597,712	$ 1,746	$ 10,460,755	$ 1,723
2021	01	6,062	$ 10,526,742	$ 1,737	$ 9,988,548	$ 1,648
2021	02	5,872	$ 9,624,820	$ 1,639	$ 9,547,192	$ 1,626
2021	03	6,047	$ 11,121,400	$ 1,839	$ 10,884,318	$ 1,800
2021	04	5,988	$ 11,060,551	$ 1,847	$ 10,555,624	$ 1,763
2021	05	5,889	$ 9,475,514	$ 1,609	$ 9,923,896	$ 1,685
2021	06	5,821	$ 10,260,106	$ 1,763	$ 10,457,131	$ 1,796
2021	07	5,740	$ 9,625,014	$ 1,677	$ 9,929,848	$ 1,730
2021	08	5,780	$ 9,863,156	$ 1,706	$ 10,282,533	$ 1,779
2021	09	5,719	$ 8,944,193	$ 1,564	$ 10,113,559	$ 1,768
2021	10	5,524	$ 8,812,824	$ 1,595	$ 9,084,462	$ 1,645
2021	11	5,503	$ 9,191,745	$ 1,670	$ 9,026,368	$ 1,640
2021	12	5,433	$ 8,872,244	$ 1,633	$ 9,072,427	$ 1,670
2022	01	5,416	$ 8,211,489	$ 1,516	$ 8,685,340	$ 1,604
2022	02	5,253	$ 8,282,266	$ 1,577	$ 8,370,718	$ 1,594
2022	03	5,241	$ 9,597,501	$ 1,831	$ 8,923,543	$ 1,703
2022	04	5,216	$ 7,765,776	$ 1,489	$ 7,187,235	$ 1,378

Table 2: Average Allowed Amounts for TSN Participant versus Control by Option Period

OP	Average Monthly Accolade Participants with Allowed Amounts	Actual Allowed Amount - Accolade	Avg Actual Allowed Amount - Accolade	Adjusted Allowed Amount - Control	Avg Adjusted Allowed Amount - Control	% Accolade different than Control
OP1	6,079	$ 126,341,794	$ 1,732	$ 123,814,625	$ 1,697	+2%
OP2	5,545	$ 108,901,828	$ 1,637	$ 111,057,061	$ 1,669	-2%
Change	-9%	-14%	-5%	-10%	-2%	

The average number of TSN participants receiving care decreased by 9 percent between OP1 and OP2, and the average allowed amount for these members also decreased (-14 percent). After adjusting for the age distribution and the number of conditions between the TSN participants and control group, DHA found that from OP1 to OP2 Control Group costs decreased by 2 percent, but the TSN participants' costs decreased by 5 percent. Overall, health care costs for the TSN pilot program group were more than the control group in the OP1 and slightly less than the control group in OP2. In conclusion, no substantial health care cost savings can be recognized.

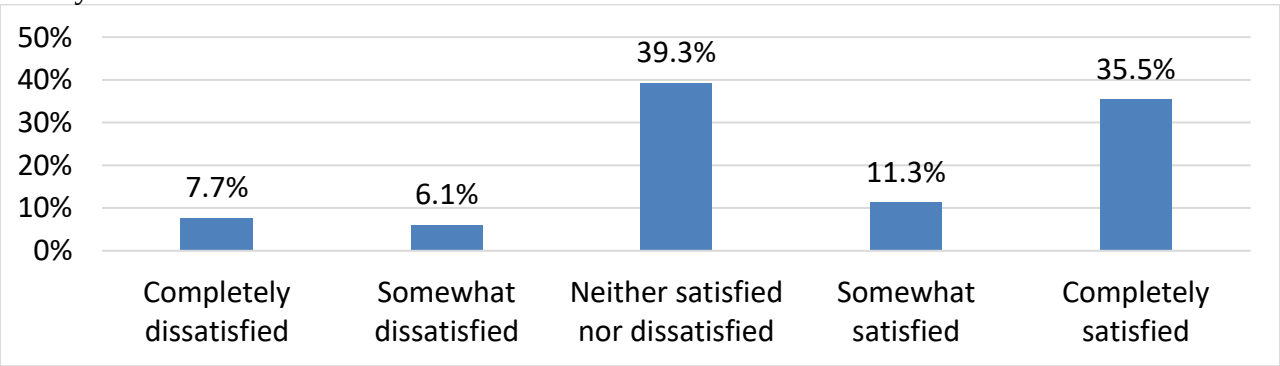
As required by section 705 of the NDAA for FY 2022, the DHA surveyed covered beneficiaries who participated in the pilot program regarding their satisfaction with, and any benefits attained from, such participation.

Survey results:

The TSN participants were asked 12 questions about satisfaction and experience with the TSN pilot program. The survey was sent to 7,808 pilot participants with 809 responding (response rate of 10.4 percent).

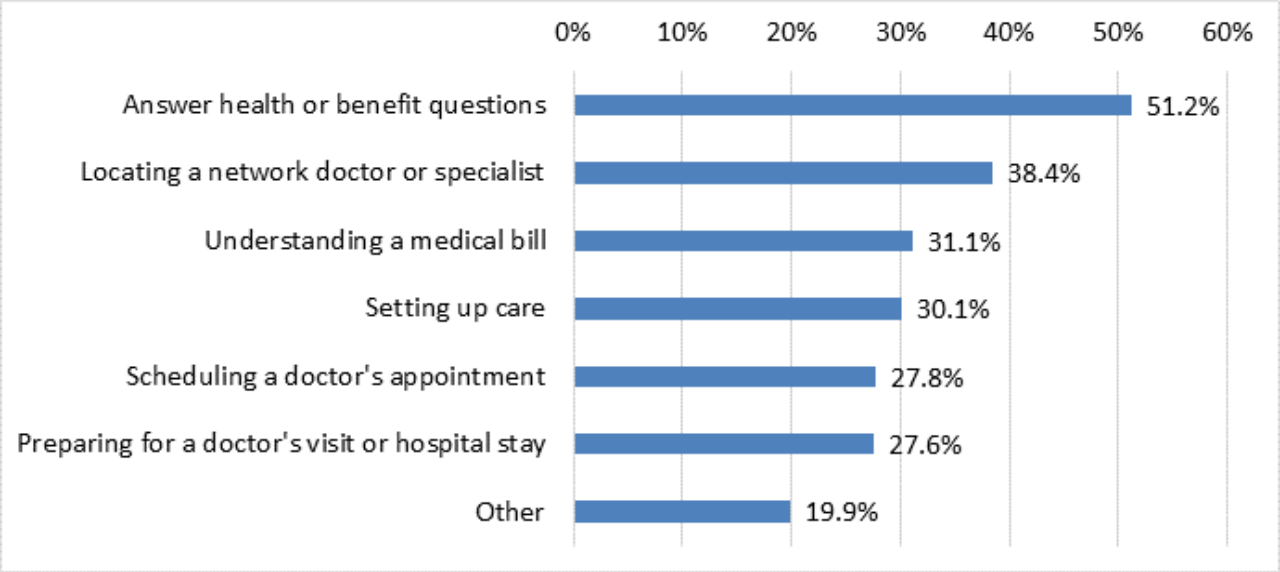
Overall Satisfaction: To gauge overall satisfaction, the TSN participants were asked, "How satisfied or dissatisfied are you, overall, with your experience in the TRICARE Select Navigator Pilot?" The highest frequency group was neither satisfied nor dissatisfied (39.3 percent), many more were satisfied (46.8 percent) than dissatisfied (13.8 percent) and 35.5 percent were completely satisfied. Open text comments suggest many respondents had limited interactions or were not very familiar with the program. In conclusion, 35.5 percent were completely satisfied, but over half (53.1 percent) were neutral or dissatisfied.

Survey Chart #1-Overall Satisfaction



Benefits attained via TSN participation: TSN Nurses helped the most by answering health or benefit questions (51.2 percent) and locating a network doctor/specialist (38.4 percent). They helped least scheduling appointments (27.8 percent), preparing for doctor visits (27.6 percent), and other (19.9 percent).

Survey Chart #2-Benefits attained via TSN participation



In summary, almost half (363 out of the 809) participants surveyed, stated they had not used the TSN pilot program, were not aware of program, or did not have contact with anyone from the TSN pilot program – although these beneficiaries were on record as pilot participants. TSN participants were most likely to agree that their TSN nurse always showed compassion (53.5 percent) and participating was easy (51.3 percent). TSN participants were least likely to say their health improved as a result of the pilot (24.0 percent) or that they saved money on health care (22.0 percent). Survey feedback resulted with the largest response category for all questions being "neither agree nor disagree" suggesting many did not have strong opinions of the program.

Conclusion:

Prior to the TSN pilot implementation, DHA identified approximately 75,000 eligible beneficiaries and the TSN contractor assisted just over 7,800 eligible participants with complex medical conditions to understand available resources and programs within OP1 (6,079 average monthly participants) and OP2 (5,545 average monthly participants). The Department identified the following positive pilot impacts:

- Improved satisfaction and the impact on beneficiary follow-through;
- Holistic support with embedded Behavioral Health assistance; and
- Continuity of care coordination.

Per statutory requirement, DHA has determined it is feasible to incorporate these positive pilot impacts into the next generation of MCSCs but low participation and the cost per beneficiary make continuation of this program, as a stand-alone contract, not fiscally prudent. This analysis shows that the TSN pilot program was not an efficient method for reaching the stated goals in section 731 of the NDAA for FY 2018. The survey required by section 705 of the NDAA for FY 2022 concluded that the TSN nurses were most helpful answering health or benefit questions and locating network providers. For the overall

satisfaction of the TSN pilot, the survey showed the majority of participants were neutral (39.3 percent) or dissatisfied (13.8 percent).

The Department determined most of the activities of the pilot already are being performed by the MCSCs, and it is feasible to incorporate any new elements of this pilot into TRICARE MCSCs by adding specific requirements for additional beneficiary navigation services for TRICARE Select beneficiaries. In example, we have added care coordination services into the upcoming T-5 contracts. Such a change is expected to meet the stated goals of the TSN pilot program. More importantly, using an existing contract framework will eliminate system connectivity issues, allow for more efficient and effective data mining, and reduce duplication of efforts, which will decrease Government expenditures and program administration costs.

Appendix:

SERIOUS MEDICAL ILLNESS HEALTH RISKS:

Stand alone complex conditions for inclusion

Circulatory/Cardiovascular (VH) Flag
Congestive Heart Failure Flag
Renal Failure (H) Flag
Dialysis Status Flag
Central Nervous System (H) Flag
Traumatic Brain Injury (H) Flag
Cerebral Palsy, Hemorrhage and Other Paralytic Syndromes Flag
Neoplasm/Cancer (M) Flag
Neoplasm/Cancer (H) Flag
Neoplasm/Cancer (VH) Flag
High-Risk Neonate (H) Flag
Quadriplegia, Other Extensive Paralysis Flag

MULTIPLE CHRONIC CONDITION HEALTH RISKS:

Combined (2 or more) complex conditions for inclusion

Circulatory/Cardiovascular (H) Flag
Vascular Disease Flag
Cystic Fibrosis Flag
Diabetes Flag
Bone/Joint/Muscle Infections/Necrosis Flag
Diseases of the Blood (H) Flag
Diseases of the Breast Flag
Disorders of Immunity Flag
Dorsopathies (H) Flag
Endocrine, Metabolic, and Immunity Disorders (H) Flag
Vertebral Fractures, Spinal Cord Diseases/Injury Flag
Inflammatory Bowel Disease Flag
Affective Psychoses Flag
Other Non-Psychotic Depressive Disorders Flag
Anxiety-Related Disorders Flag
PTSD Flag
Cerebrovascular Disease Flag
Substance Induced Mental Disorders Flag
Substance Dependence Flag
Substance Abuse Flag
Schizophrenic Disorder Flag
Other Psychotic Disorders Flag
Major Organ Transplant Status Flag
Multiple Sclerosis Flag
Polyneuropathy Flag
Pregnancy (H) Flag
Pulmonary/Respiratory (H) Flag
Asthma Flag
Rheumatoid Arthritis and Inflammatory Connective Tissue Disease Flag