

February 2016

The Honorable John McCain
Chairman, Committee on Armed Services
U.S. Senate
Washington, DC 20510

Dear Mr. Chairman:

As the committee considers adjustments to TRICARE in the FY 2017 National Defense Authorization Act, please preserve the components of TRICARE that are working well, such as TRICARE For Life, pharmacy and mail-order pharmacy programs, and TRICARE Standard.

Some primary areas requiring improvement include:

- TRICARE Prime appointment and specialty-care referral processes;
- widely varying reserve-component coverage for members at various life stages;
- the significantly smaller patient loads of military versus civilian providers, a major cause of TRICARE Prime appointment/referral problems;
- the inefficiencies of building care systems around three separate service programs;
- inadequate case-management of the highest-cost or at-risk health care users; and
- shortcomings in pediatric coverage because TRICARE payment systems are based on Medicare payment systems for elder care that aren't appropriate for children.

In addressing possible changes, I urge you to consider these principles and recommendations:

- Means-testing is inappropriate for military health care benefits; progressively reducing benefits for longer and more successful service is a disincentive for retention of quality people.
- Without guaranteed access to care, enrollment fees for TRICARE For Life or TRICARE Standard are inappropriate.
- Beneficiaries should not be asked to pay any share of DoD costs incurred due to readiness considerations or management inefficiencies (e.g., separate service systems).
- The military health care benefit should be the "gold standard" — significantly better than the largest civilian employers provide their employees.
- Provider payments should reward quality care, not just patient visits.
- Consider implementing a federal-civilian-style insurance system for the Guard and Reserve.
- Test the concept of unified budget and oversight authority in two or more multiservice areas.
- Focus managed-care outreach efforts on high-use/high-cost beneficiaries of all ages.
- Pursue partnerships with Medicare Advantage programs to attract/refer TRICARE For Life-eligibles to military facilities for procedures that promote medical staff readiness.

Most important, please ensure military health care fees continue to appropriately reflect career servicemembers' decades of pre-paid, in-kind premiums of arduous service and sacrifice.

Sincerely,

February 2016

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

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Sincerely,

February 2016

The Honorable Jack Reed
Ranking Member, Committee on Armed Services
U.S. Senate
Washington, DC 20510

Dear Senator Reed:

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Sincerely,

February 2016

The Honorable Adam Smith
Ranking Member, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Representative Smith:

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