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Prevent Disproportional TRICARE Fee Hikes

Issue: The 2017 NDAA launched sweeping reforms for the Military Health System and the TRICARE program. Several of these reforms have resulted in new and increased fees for beneficiaries. However, as in previous years, DoD will likely attempt to get beneficiaries to pay more again.

Background: The military health care benefit is a commitment our grateful nation makes to servicemembers, their families, military retirees, and survivors for their extraordinary service and sacrifice. MOAA thanks congressional members for their efforts in last year's NDAA to reform the Military Health System. These reforms recognized that decades of arduous service and sacrifice in uniform constitute a very large, prepaid, in-kind premium that warrants a top-tier health benefit—commensurately better in cost and value than any civilian health plan.

MOAA appreciates the exhaustive efforts of members of Congress and professional staff members, and they should be commended for the results. The NDAA provides our military with a comprehensive and modernized health benefit plan that supports both medical readiness and beneficiary care. The scheduled changes, to be implemented in the very near future and in the out-years, represent a large-scale, systemic transformation. In many respects, these much-needed changes have been long sought and championed by MOAA. Significant changes include:

- Transition into two new TRICARE managed care contracts in January 2018
- Implementation of the new TRICARE Select option to replace the current Standard and Extra on Jan. 1, 2018
- Implementation of the new mental health parity regulations during the next several months

Congress was right to recognize the time had come for true reform of the health system.

MOAA Position: MOAA believes the current fee structure to be a fair value in terms of the proportion of costs borne by the beneficiaries and the cost absorbed by the government, considering the extended service and sacrifice of the currently serving and career force and their families. A central tenet of this philosophy is beneficiaries' fees should not rise faster than does their compensation. In other words, the annual percentage fee increase should not exceed the annual retired pay COLA percentage.

Action Needed: *Actions by Congress should remain consistent with this philosophy and prevent any disproportional hikes in TRICARE fees.* (3/17/2017)