

December 23, 2024

LTG Telita Crosland
Director, Defense Health Agency
Defense Health HQ
7700 Arlington Blvd
Falls Church, VA

Ms. Seileen Mullen
Acting ASD for Health Affairs
The Pentagon
Arlington, VA

Dear LTG Crosland and Ms. Mullen:

We represent national military service organizations that advocate on behalf of service members, military retirees, their families and survivors. We write today to express our concern about recent reports that Children's Hospital Colorado has decided to end its participation in the TRICARE provider network and become a non-network, participating provider. We are deeply concerned about the impact this will have on the more than 15,000 military-connected children who depend on Children's Colorado for their care.

Since October 2023, when the Defense Health Agency announced a new policy on Outpatient Prospective Payment Systems (OPPS) eliminating a longstanding exemption for children's and cancer hospitals, Children's Colorado and other children's hospitals have warned that the financial impact of the reimbursement cuts would be devastating, potentially limiting their ability to serve TRICARE beneficiaries. Children's Colorado estimated that the change could reduce their reimbursement for outpatient procedures by up to 30 percent. Few institutions could withstand a financial impact of that magnitude. We have no reason to doubt that Children's Colorado's decision to leave the TRICARE network was driven by anything other than financial imperatives.

We urge you to reestablish the OPPS exemption for children's hospitals and work with TriWest and Children's Colorado to come to an agreement. Until that agreement can be reached, we ask you to address the following questions for families whose access to care has been or will be impacted:

- Under what circumstances will TriWest authorize referrals to Children's Colorado? Will they be directed to authorize referrals beyond the T-5 transition window (end of referral or June 30) to maintain continuity of care?
- For new care needs, will Prime families have the option of requesting Children's Colorado to access the specialized care and support services not found at other hospitals?
- What out of pocket costs should Prime families expect if they obtain non-emergent care at Children's Colorado with a valid referral? Without a referral?
- Will Prime families be notified about this change in network status and given the option to switch to Select to maintain access to Children's Colorado? This is information they did not have during Open Season.
- What is DHA's plan to meet the demand for pediatric care if families are no longer able to access Children's Colorado?
- Is DHA coordinating with the Services to PCS families whose children rely on Children's Colorado to locations with children's hospitals in network?

Many Colorado military families sought assignment there because they were assured that their medically fragile children would receive treatment at a nationally recognized children's hospital. We

ask you to act to ensure that those families continue to receive the care they need and deserve, and that the TRICARE network remains robust and able to serve the needs of America's military families.

Sincerely,

National Military Family Association

Military Officers Association of America