Military Health System Basics

Prepared by: Wendy Funk, Kennell and Associates

POLL QUESTION 1

Are you or have you ever been a DoD beneficiary?

POLL QUESTION 2

Have you ever used MHS Data?

MHS Basics

- What is the Military Health System?
  - Vision, Mission, Organizational Structure
- Who does the Military Health System care for?
- What is the Direct Care system?
- TRICARE Programs (now and future)
- Priorities for access under TRICARE
- TRICARE Regional Offices and Managed Care Support Contractors
- Implications for Research Data

What is the Military Healthcare System?

What is the Military Health System?

- The MHS is a network of military hospitals and clinics, supplemented by programs to enable beneficiaries to seek care in the private sector in order to fulfill their healthcare needs according to access standards and to assure medical readiness of the force.

Our Mission

Enhance the Department of Defense and our nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care.

Our Vision

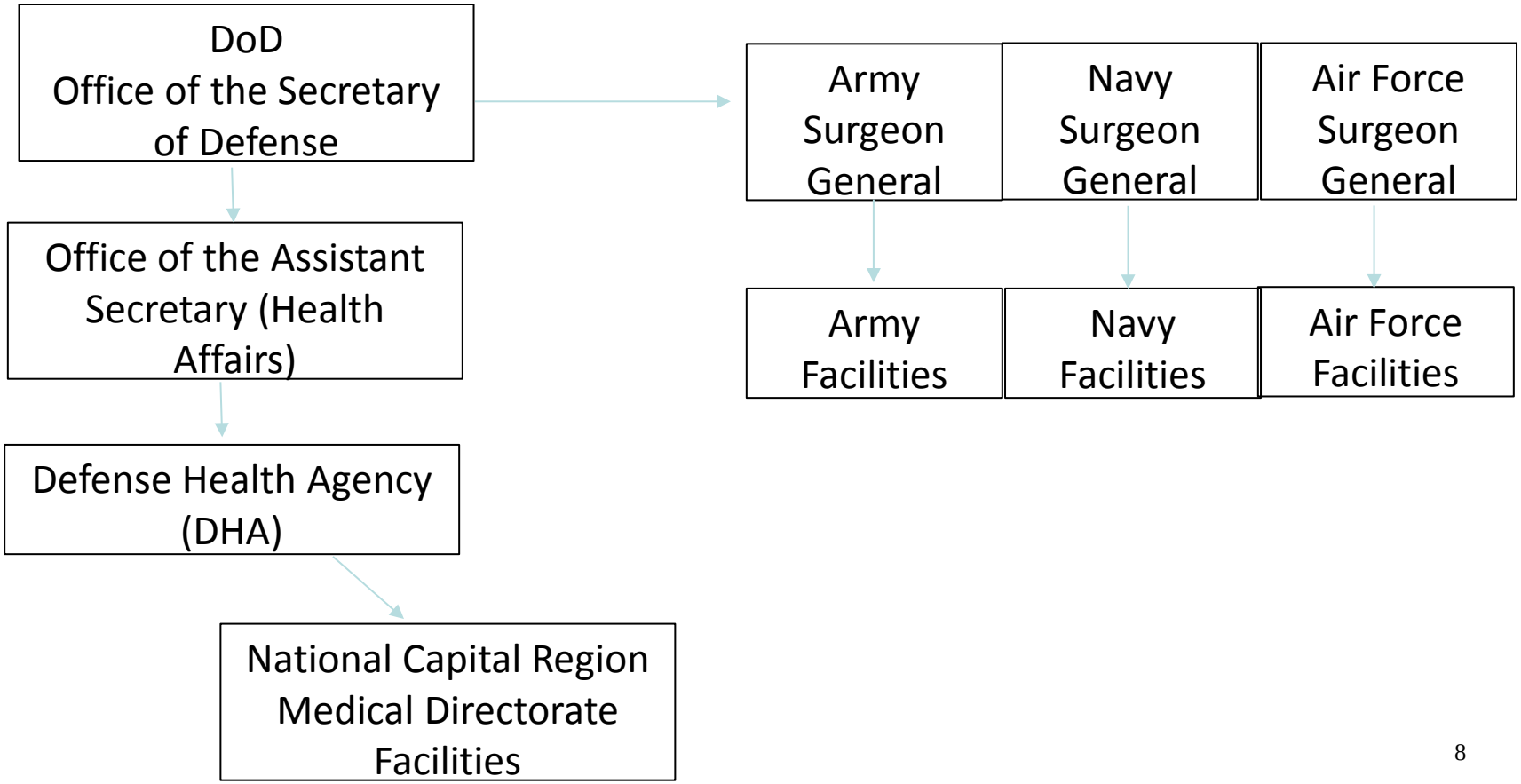
Be a world-class health care system that supports the military mission by fostering, protecting, sustaining and restoring health.

What is the Military Health System?

- Eligible Beneficiaries: 9.4 million
- Number of Hospitals: 50+
- Number of Medical Clinics: 500+
- Number of Dental Clinics: 300+
- Inpatient Admissions to Military Hospitals: 240K
- Inpatient Admissions in the Private Sector: 770K
- Office Visits in Military Hospitals/Clinics: 41M
- Office Visits in the Private Sector: 86M
- Number of Prescriptions from Military Pharmacies: 34M
- Number of Prescription from the Private Sector: 55M

What is the Military Health System?

- Organizational Structure – Military Hospitals and Clinics – Current State



What is the Military Health System?

- Health Affairs selected functions:
  - Funds the Services for medical treatment facilities, except for military personnel who work at MHS Facilities
  - Makes policies regarding the MHS
  - Advises the Secretary of Defense on Force Health and other matters
  - Works with Congress on budget, laws, etc.
- Defense Health Agency (Formerly TRICARE Management Activity) selected functions
  - Responsible for executing policies
  - Coordinates with the Services
  - Administers private sector care programs
  - Administers central Information Management / Information Technology
  - Operates the National Capital Area Medical Directorate Facilities

What is the Military Health System?

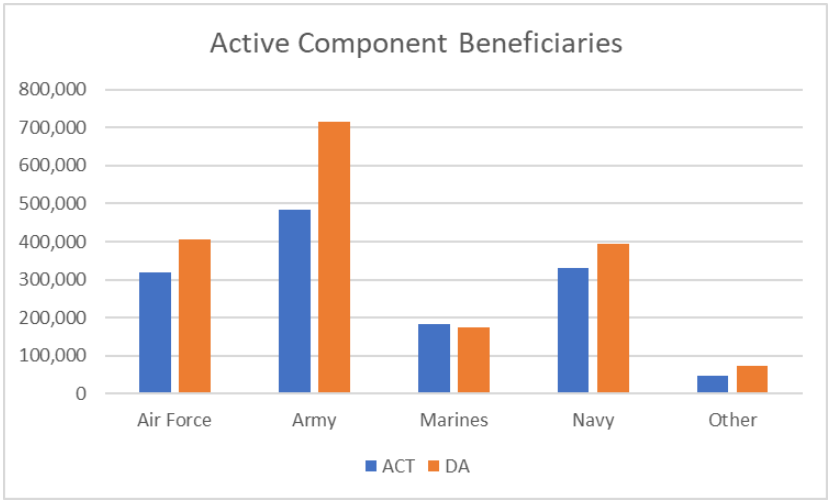
- Services selected functions
  - Funds and operates the military medical treatment facilities (MTFs) within their service
  - Provides military labor for MHS Facilities
  - Responsible for medical readiness of the force, including medical staff
  - Provides input to tri-Service policies
- National Defense Authorization Act of 2017:
  - Major changes to the MHS
  - Identified changes to the organizational structure of the MHS to occur in the future
  - The MTFs will be operated by the Defense Health Agency
  - The Services will be responsible for readiness within their Service and advising the line on medical issues

Who Does the MHS Care For?

Who Does the MHS Care For?

Eligible Beneficiaries

- Active Component
  - Active Duty Service Members (ADSMs) gain eligibility upon entry into the Service. Eligibility is recorded in DEERS (Defense Eligibility and Enrollment Reporting System)
  - ADSMs enroll eligible family members (ADFMs) in DEERS, including spouses, children, foster children, wards, dependent parents
  - ADSMs and ADFMs enjoy the best access priority and generally do not have co-pays when receiving care in the private sector.



Beneficiaries by Service

	ACT	DA	Sum:
Air Force	318,104	406,083	724,187
Army	483,752	715,695	1,199,447
Marines	183,920	173,470	357,390
Navy	329,355	392,866	722,221
Other	48,230	74,615	122,845
Sum:	1,363,361	1,762,729	3,126,090

Who Does the MHS Care For?

National Guard/ Reserve Component

- National Guard and Reserve gain eligibility when activated for a period of 30 days or more. There is a 30 day pre-activation eligibility period as well as 6 months of transitional assistance at no cost to the NG/R member associated with the activation.
- NG/R can also purchase MHS eligibility in the TRICARE Reserve Select or TRICARE Retiree Reserve Select fee programs when not on active duty
- NG/R family members are enrolled into DEERS, just as active duty family members are.
- While on active duty, NG/R and their families have the same legal benefit as ADSMs and ADFMs.

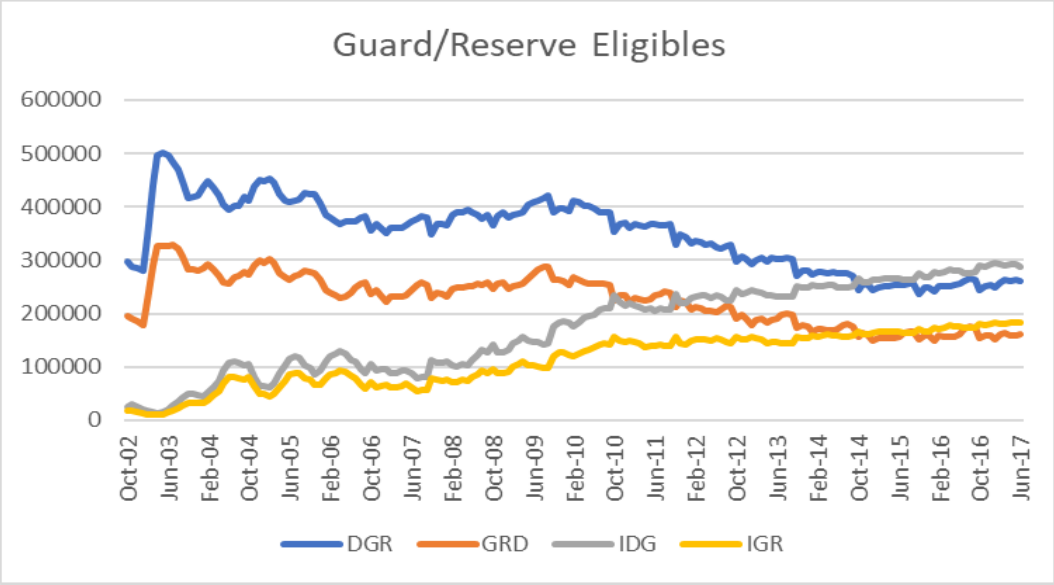
Types of Beneficiaries by Service

	Air Force	Army	Marines	Navy	Other	Sum:
1: Active NG/R	41,829	106,620	7,516	16,040	489	172,494
2: Family of Active NG/R	68,526	162,913	6,959	25,042	710	264,150
3: Inactive NG/R	40,538	107,431	6,577	17,053	2,614	174,213
4:Family of Inactive NG/R	67,381	168,121	8,844	28,996	4,431	277,773
Sum:	218,274	545,085	29,896	87,131	8,244	888,630

Who Does the MHS Care For?

Eligible Beneficiaries

- National Guard/ Reserve Component
  - While not on active duty, NG/R members are generally not eligible for treatment, unless they have another reason (many NG/R members are married to ADSMs, purchased a fee program, for example) to get care.
  - NG/R component beneficiary counts fluctuate routinely, especially in times of war.



Who Does the MHS Care For?

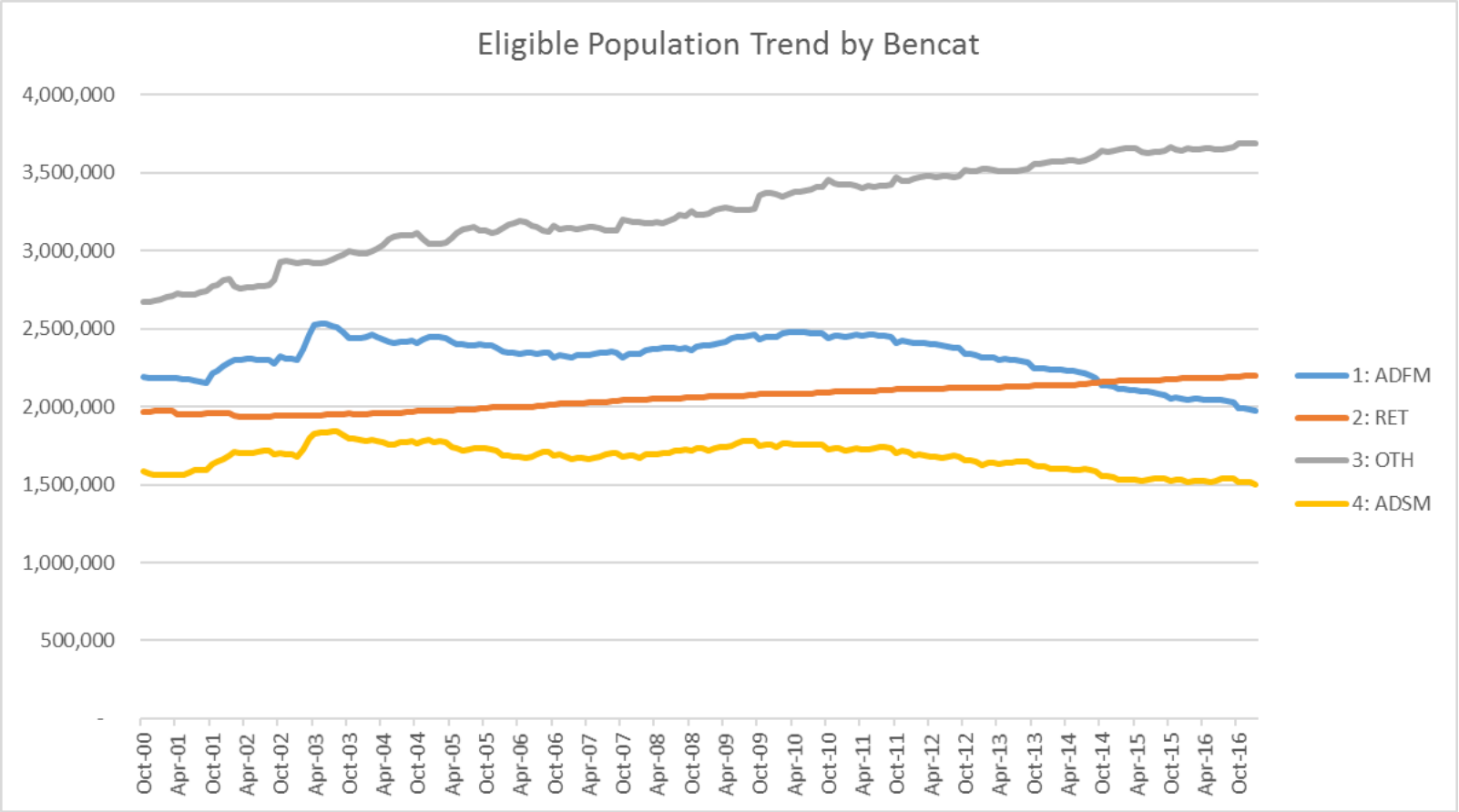
Eligible Beneficiaries

- Retirees, Retiree Family Members and Survivors
  - Most active duty service members separate from the Service w/o a retirement benefit.
  - Service members are eligible for retirement benefits after 20 years of Service or if medically retired.
  - These beneficiaries have lower priority to receive services in MTFs and many do not live near them. These are heavier users of private sector care than the active duty.
  - Many of the retiree population are eligible for other government coverage, such as the VA or Medicare. Many also purchased private health insurance.

Types of Beneficiaries by Service

	Air Force	Army	Marines	Navy	Other	Sum:
1: Retiree	683,605	828,948	128,645	500,441	49,701	2,191,340
2: Retiree Family	743,883	1,002,728	178,946	578,445	58,588	2,562,590
3: Survivor	194,110	232,273	32,723	135,714	9,620	604,440
Sum:	1,621,598	2,063,949	340,314	1,214,600	117,909	5,358,370

Trends: Eligible Population by Bencat



1. Note increase in AD/ADFM when OIF began
2. Note the decreases in AD/ADFM and increase in others. Others include inactive guard/reserve and their families (as well as retiree FM)

Who Does the MHS Care For?

- Dual Eligibility
  - There are many patients who have more than one reason to access the MHS.
  - Example, ADSMs can be married to one another
  - ADSMs can be married and then one retires.
  - ADSMs can marry NG/R members. In this case the NG/R member will sometimes present as an ADFM but can also present as a sponsor
  - These relationships complicate priorities for care
- There are also beneficiaries with eligibility for Medicare and the VA. These patients can switch between systems routinely, causing incomplete understanding of healthcare patterns.

What is the Direct Care System?

- MHS Direct Care System
  - Refers to the acute care hospitals, clinics and dental facilities operated by DoD.
  - The direct care system does not include combat support hospitals and other “theater” type facilities or ships. These are operated by DoD/Services but not the Military Health System.
  - Facilities are spread throughout the world; sometimes in places where there are few other options for beneficiaries to receive care (think remote locations in Idaho or Alaska, etc).
  - Some of the hospitals are larger than would be expected because the space may be needed for war-related purposes. Leads to unused capacity and higher fixed costs. Ripe for sharing opportunities.

What is the Direct Care System?

- MHS Direct Care System
  - Most of the hospitals are small facilities. There are only 6 hospitals with more than 100 patients in their average daily census and scores of hospitals with less than 50. OB is the most popular service provided in MTFs
  - Many hospitals have Graduate Medical Education programs.
  - Clinics can vary from those serving only Active Duty for primary care needs, to full service clinics with same day surgeries and such.
  - The MHS has an active patient centered medical home program, which most MTFs participate in.
  - There is no cost sharing (other than paying for food for some patients) for care at MTFs. Can be particularly useful when studying the impacts of cost-sharing on access to care.
  - There is an established priority for care and in some places, eligible beneficiaries cannot get appointments at MTFs.

What is the Direct Care System?

- MHS Direct Care System
  - The direct care system also treats patients who are not traditionally eligible. Typically there is billing associated with this care.
  - Civilian emergencies may not be turned away.
  - Occupational health is provided to civilian employees on the base.
  - Overseas, DoD civilians are treated and viewed as “must sees”
  - MTFs have VA/DoD Resource Sharing programs, where the VA can send over patients (even those not eligible for the MHS)
  - The San Antonio Military Health System provides shock trauma care for the entire city of San Antonio, to support the Graduate Medical Education programs in the area.

What is the Direct Care System?

- There are several MTFs that are collocated with VA facilities. These MTFs engage heavily in VA/DoD Resource Sharing. Examples include:
  - Nellis AFB in Las Vegas
  - William Beaumont Army Medical Center in El Paso
  - Tripler Army Medical Center in Honolulu
  - Lovell Federal Health Clinic in North Chicago (Lovell is the only clinic jointly operated by DoD and VA. The others are collocated but still separately managed).

Top MS-DRGs performed at MTFs

MS-DRG	MS-DRG Description	Dispositions	Bed Days
775	VAGINAL DELIVERY W/O COMPLICATING DIAGNOSES	27,824	60,120
795	NORMAL NEWBORN	27,542	50,274
792	NEONATE, BIRTHWT >2499G, W/O SIGNIF O.R. PROC, W OTHER PROB	13,371	29,816
766	CESAREAN SECTION W/O CC/MCC	6,461	16,275
774	VAGINAL DELIVERY W COMPLICATING DIAGNOSES	6,366	16,948
392	ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS AGE >17 W/O MCC	5,511	14,672
313	CHEST PAIN	5,347	6,673
765	CESAREAN SECTION W CC/MCC	5,006	16,606
951	OTHER FACTORS INFLUENCING HEALTH STATUS	4,252	5,717
790	NEONATE, BIRTHWT >2499G, W/O SIGNIF O.R. PROC, W MAJOR PROB	3,543	10,209

These ten DRGs make up more than half of the MTFs inpatient admissions!

Top Clinics at MTFs

Encounters by Clinical Code/DoD MEPRS Code

MEPRS3 Code	Description	Encounters, Raw
BGZ	FAM MEDICINE CARE NOT ELSEWHERE CLSFD	8,641,880
BGA	FAMILY MEDICINE CLINIC	4,384,557
BLA	PHYSICAL THERAPY CLINIC	2,650,524
BFD	MENTAL HEALTH CLINIC	2,594,142
BHA	PRIMARY CARE CLINICS	1,837,760
BCB	OBSTETRICS AND GYNECOLOGY CLINIC	1,652,580
BHZ	PRIM MED CARE NOT ELSEWHERE CLSFD	1,537,928
BIA	EMERGENCY MEDICAL CLINIC	1,312,821
BDA	PEDIATRIC CLINIC	1,263,621

MEPRS codes are like “clinic stops” to DoD.

TRICARE Programs

TRICARE Programs

- The most basic access to the MHS is through the direct care.
- There are very few beneficiaries who have only direct care access. Most use TRICARE for purchased care also.

TRICARE Programs

- The first purchased care program for the MHS was called "CHAMPUS" – Civilian Health and Medical Program of the Uniformed Services
  - Traditional indemnity insurance
  - Premium-Free to all beneficiaries who had not aged into Medicare
  - Initially represented a small portion of care for eligible beneficiaries, but began to grow rapidly over time.
- In the 90s, TRICARE replaces CHAMPUS
  - TRICARE Prime (a health maintenance organization)
  - TRICARE Standard (was CHAMPUS)
  - TRICARE Extra (preferred provider network)
- These programs serve the same populations as CHAMPUS did but offer new options and were intended to control costs through the HMO and PPO.

TRICARE Programs

- Formerly CHAMPUS eligible patients either choose to enroll in the HMO, or are defaulted into Standard/Extra coverage.
- Roughly 4.5 million choose to enroll in the HMO.

- TRICARE Standard is being replaced in 2018 by TRICARE Select.
  - New accessions to the MHS will be required to pay premiums for TRICARE Select upon retirement.
  - Those new accessions who do not get or maintain premiums for Select or another purchased care program will revert to direct care only.

TRICARE Prime

- Health Maintenance Organization (HMO)
- Eligibility for Prime:
  - MHS-eligible beneficiaries who have not aged into Medicare
  - Must live in what is called a Prime Service Area or waive drive time requirements in order to enroll
- Costs:
  - Free for active duty and their families, no premiums, no co-pays etc, except when using a point of service option
  - ~Very modest premiums for others…Under 300$/year for individual coverage and under $600/year for family coverage for others. Modest copays, deductibles, etc.
- Restrictions:
  - Referral required for specialty care as with most HMOs

TRICARE Prime

- Additional Benefits of Prime
  - PCM by name, to manage care
  - Access to care within access standards is guaranteed via law.
    - If an MTF cannot provide care for an enrollee within the access standards, the enrollee is entitled to a referral to the network
  - Priority access at MTFs
  - Better preventive care and vision benefits
  - Claims filed by providers

From 32 CFR 199.17
"Before offering enrollment in **Prime** to a beneficiary group, the MTF Commander (or other authorized person) will assure that the capabilities of the MTF plus preferred provider network will meet the following access standards…"

- Wait time for an appointment for a well-patient visit or a specialty care referral shall not exceed four weeks;
- for a routine visit, the wait time for an appointment shall not exceed one week;
- and for an urgent care visit the wait time for an appointment shall generally not exceed 24 hours."
- Travel time <30 min, ER care 24/7, provider mix, wait times less than 30 minutes"

TRICARE Prime

- **TRICARE Prime Population by Beneficiary Category and Age Group**

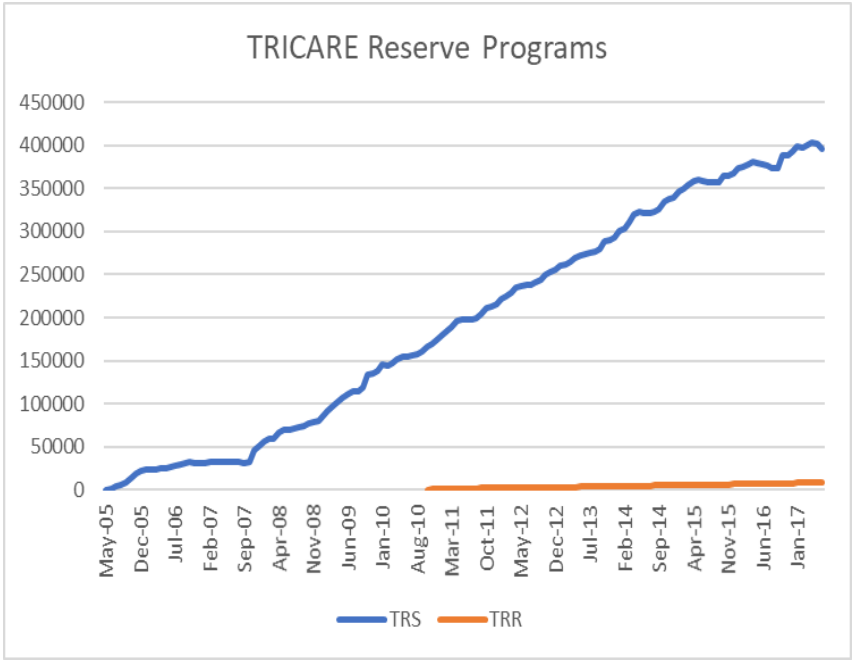
Beneficiary Category	<18	18-44	45-64	65+	Total Prime	Total Eligible	% in Prime
Active Duty	61	1,024,092	53,237	92	1,077,482	1,356,928	79%
Active Duty Family	838,245	523,928	40,511	287	1,402,971	1,736,094	81%
Guard/Reserve on Active Duty	15	73,034	23,874	2	96,925	158,026	61%
Family of Guard/Reserve on Active Duty	90,667	50,039	11,503	86	152,295	251,280	61%
Inactive Guard Reserve		3,546	577		4,123	178,974	2%
Family of Inactive Guard/Reserve	3,564	2,098	283		5,945	286,694	2%
Retirees		85,584	506,027	179	591,790	2,197,605	27%
Retiree Family	307,083	255,367	381,349	1,150	944,949	2,566,789	37%
Survivor	9,483	7,726	22,035	275	39,519	606,807	7%
Other	2,794	3,620	1,200	2	7,616	55,499	14%
Total	1,251,912	2,029,034	1,040,596	2,073	4,323,615	9,394,696	46%

TRICARE Programs

- Medicare eligible populations are the lowest priority for care in the direct care system (n=2.2 million)
- TRICARE for Life
  - Around the year 2000, TRICARE for Life was introduced.
  - Under this program, as long as an MHS beneficiary buys Medicare Part B, TRICARE serves as a second payor to Medicare.
  - This means that healthcare is virtually free to MHS Medicare dual eligible patients. (does not impact access to direct care)
  - Medicare pays the claim first, then forwards the claim to TRICARE to pay the balance, if there is one.
  - (this is quite important, in that often there is not a cost share for a Medicare beneficiary, and when this is the case, TRICARE will not see any evidence of the healthcare that is provided).

TRICARE Programs

- TRICARE Reserve Programs
  - Difficulty meeting recruitment goals for NG/R populations difficult during the throes of the Global War on Terror
  - Congress "sweetened the benefit" by offering TRICARE Reserve Select, initially, and then TRICARE Retiree Reserve Select
  - These programs allowed eligible NG/R members and their families to purchase TRICARE Standard eligibility during periods of inactiviation.



TRICARE Programs

- TRICARE Plus
  - All of the programs noted above offer coverage consistent with the ACA.
  - There is another program, TRICARE Plus, which offers preferred access to MTFs for primary care, but nothing else.
  - TRICARE Plus is not a qualified plan under the ACA.
  - This program was intended to be a primary care only program but is used significantly for specialty care.
  - MTFs enroll older patients (85% are 65+) into this program to ensure they have a broader base of patients upon which providers can practice their skills.
  - There are 200K+ TRICARE Plus patients.
  - TRICARE Plus does not impact private sector care that a beneficiary receives, only access to direct care.

TRICARE Programs

Priority for Appointing at MTFs

1. Active Duty, Reserve, Temporary Disability Retired List, Foreign Military
2. ADFM and Survivors in TRICARE Prime
3. Retirees in Prime, TRICARE Plus for primary care
4. ADFM not in Prime, Survivors not in Prime, TRICARE Reserve Select
5. Retirees, Retiree Family not in Prime, TRICARE Plus for specialty care at the MTF that they are enrolled to

www.health.mil/Policies/2011/04/26/**TRICARE**-Policy-for-Access-to-Care

TRICARE Regional Offices and Managed Care Support Contracts

TRICARE Regions and MCSCs

- TRICARE has many “managed care support contracts” and fiscal intermediary arrangements to process claims and administer the TRICARE benefits.
- TRICARE Regional Offices (TROs) and the TRICARE Aurora office administer the MCSCs and FIAs.
- The contracts that administer the “CHAMPUS-like” programs include paying claims, establishing provider networks, making referrals, enrollment management, case management, disease management, etc.
- There is little contract support for TRICARE for Life as Medicare is assumed to be the primary responsible payor.
- TRICARE also has a separate pharmacy program, and separate contracts for overseas, where things are complicated.

Implications for Research Data

Implications for Research Data

- TRICARE is not one-size fits all.
- When patients use the direct care system, detailed EMR data is collected. Clinical data is available. There are linkages between events and ancillaries. There are often doctors notes and other important information.
- When patients use private sector care, there is only what can be obtained from claims.
- There are very few patients with no private sector care.
- Also when patients have other coverage, there may not even be claims!
- This means that researchers need to understand which programs patients are participating in and whether patients have other health insurance to ensure that data isn't interpreted incorrectly.

Implications for Research Data

- Example: Flu Shots
- When using MHS data, the population with the LOWEST rate of flu shots appears to be senior citizens.
- Only 21 of every 100 eligible seniors receives a flu shot through the MHS.
- Does that mean that 79 of every 100 do not get flu shots?
- Medicare covers flu shots at 100%, no cost share. Medicare eligible beneficiaries can get a flu shot almost anywhere, and TRICARE will not see a claim for it because there is no cost-share for the beneficiary.
- Cannot measure flu shots (or preventive care) for that cohort w/o combining in other data sources.

Contact Information:

Wendy Funk
wfunk@kennellinc.com
703-269-6157