

## TRICARE - OVERVIEW

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### I. DISCUSSION

A. TRICARE is the Department of Defense's managed health care program for active duty service members, service families, retirees and their families and survivors. TRICARE is a blend of the military's direct care system of hospitals and clinics and the Civilian Health and Medical Program of the Uniformed Services. It represents the best features from the variety of health care delivery alternatives demonstrated by the Department of Defense in the late '80s and early 90's.

*NOTE: In Region 1, which includes the National Capital Area, the Lead Agent role is carried out by a Tri-Service Board with annual rotation of the Chairperson. Activities relating to the Managed Care Support contract are assigned to staff located at Walter Reed Army Medical Center.*

B. A key feature of the Department's managed care implementation is the creation within the United States of 12 Health Services Regions. Within each region, a Military Treatment Facility (MTF) is designated Lead Agent for the health care services in the region. The Lead Agent, working with all the MTFs within the region, is responsible for organizing and managing health care delivery for all Military Health System beneficiaries in the region. Supporting the Lead Agent is a Managed Care Support Contractor (MCS), with responsibility for establishing a network of health care providers to supplement the care available at the MTFs and for performing a variety of health care administrative services on behalf of the Lead Agent.

C. Because the authority for TRICARE derives from the statutory authority for CHAMPUS, operational policy and operating guidance will be issued through the TRICARE/CHAMPUS Policy Manual and the TRICARE/CHAMPUS Operations Manuals. Overall policy guidance is provided by the Assistant Secretary of Defense (Health Affairs). MCS Contractors will receive policy and operational guidance through amendments to the TRICARE/CHAMPUS Policy Manual, the TRICARE/CHAMPUS ADP Manual and the TRICARE/CHAMPUS Operations Manual.

### II. POLICY

The Managed Care Support contracts govern contractor activities within a TRICARE region. All provisions of the TRICARE/CHAMPUS Policy Manual, and the TRICARE/CHAMPUS Operations Manual apply to TRICARE, unless otherwise specifically stated in

this chapter or in the contract. In regions where TRICARE has been implemented, all DoD-sponsored civilian health care is subject to TRICARE rules.

### III. POLICY CLARIFICATIONS

#### A. TRICARE Management Responsibilities:

1. Lead Agents--Are responsible for planning for and delivering services to meet the health needs of the beneficiaries in the region, whether through the MTFs or the MCS Contractor. The Lead Agent is expected to provide an administrative contracting officer (ACO) and an alternate contracting officer's representative(s) (ACOR) to monitor and assist in administering the MCS contract. The Lead Agent is primarily responsible for oversight and administration of those tasks in the MCS contract that relate to the delivery and management of care.

2. MTF Commanders--Are responsible for managing health care delivery for the active duty personnel and TRICARE eligibles who are enrolled in Prime with MTF primary care managers, as well as for providing care to other Military Health System beneficiaries who are eligible for care in MTFs. If the MTF cannot provide the care to enrollees directly, the MTF Commander and the MCS contractor may enter into a Resource Sharing or Resource Support Agreement (see the [OPM Part Three, Chapter 2](#)) or the patient may be referred to a civilian provider who is a member of the MCS Contractor's network. The MTF Commander sets priorities for assignment of MTF Primary Care Managers and works directly with the MCS Contractor in network development, resource sharing arrangements and similar local initiatives.

3. Managed Care Support Contractor--The Managed Care Support Contractor is responsible for establishing provider networks in those catchment areas and BRAC sites designated by the Lead Agent. The provider networks must include both primary care providers and specialists. The MCS Contractor shall ensure that first priority for referral of Prime enrollees for specialty care or inpatient care is the MTF. The MCS Contractor processes all Prime, Extra and Standard claims for all beneficiaries who reside in the Region and performs all traditional contractor services. The MCS Contractor has a number of responsibilities for support of the Lead Agent as well as the MTF.

4. Administrative Personnel--The procurement contracting officer (PCO) and the contracting officer's representative (COR) are TRICARE Management Activity (TMA) personnel whose job it is to oversee the functions of the MCS contract, with special emphasis in areas such as claims processing, and to coordinate contract oversight and administration among the variety of Lead Agent ACORs. The procurement contracting officer is the sole authority for directing the contractor or modifying provisions of the contract (some of this authority is delegated to the ACO at the Lead Agent).

5. ASD(HA)--Overall policy for TRICARE is established by the Assistant Secretary of Defense for Health Affairs.

#### B. Triple Option Benefit Package

TRICARE offers patients three health care options:

1. TRICARE Prime plan. Beneficiaries who enroll in TRICARE Prime are assigned or select a Primary Care Manager (PCM). A PCM is provider of primary care, including clinics, practice sites or MTFs that provides or arranges for all health care services required by the Prime enrollee. MTF Commanders have the authority and responsibility to set priorities for enrollment to MTF Primary Care Managers. When the MTF's primary care capacity is full, civilian PCMs, who are all part of the MCS Contractor's network, are available to provide care to patients.

a. Expanded benefits. As enrollees of Prime, patients receive clinical preventive services which are provided without cost share for the patient.

Clinical preventive services available to Prime Enrollees are contained in [Chapter 12, Section 8.1](#).

b. Reduced cost. Additionally, Prime enrollees' cost share for civilian services is substantially reduced from that which is applicable under TRICARE Extra and TRICARE Standard. Cost shares under TRICARE are contained in [Chapter 12, Section 2.1](#). In addition, when a TRICARE Prime enrollee is referred to a non-participating provider, the enrollee is only responsible for the copayment amount, but not for any balance billing amount by the non-participating provider.

2. TRICARE Extra plan. Beneficiaries who do not enroll in Prime may still benefit from using the providers in the contractor's network where possible. On a case by case basis, beneficiaries may participate in TRICARE Extra by receiving care from a network provider. The beneficiary will take advantage of the reduced charges under Extra and a reduction in cost shares. Covered services are the same as under TRICARE Standard.

3. TRICARE Standard plan. The TRICARE Standard plan is identical to the CHAMPUS fee for service program. Its benefits and costs are unchanged from the CHAMPUS program.

### C. Geographic Availability

1. TRICARE is effective throughout the continental United States and Hawaii. TRICARE Alaska and TRICARE Overseas Program Regions are established but operate under different procedures than TRICARE in CONUS.

2. Within a region, the MCS Contractor is required to create a provider network and establish TRICARE Prime, Extra and Standard in those MTF catchment areas and each Base Realignment and Closure (BRAC) sites designated by the Lead Agent. Additionally, the MCS Contractor is encouraged to establish a provider network and offer either Prime or Extra or both in as many non-catchment areas as patient population (**including enrollees in the TRICARE Prime Remote Program**) and provider availability make cost-effective. In some parts of some regions, beneficiaries may only have access to TRICARE Standard. If a beneficiary resides in an area not served by a TRICARE provider network, the beneficiary may still choose to travel to a location where there is a network and enroll in Prime at that location. For those beneficiaries, the MCS Contractor is not held to the access standards that apply within a catchment area. See [OPM Part Three, Chapter 1](#) for provider access standards.

***NOTE: In Regions 1, 2, and 5, the contractors will follow specific contract requirements for establishing provider networks and for enrolling individuals in the TRICARE Prime Remote Program.***

#### D. Eligibility for TRICARE

1. **Active Duty Eligibility:** All active duty members are **considered "automatically enrolled" in TRICARE Prime. They must, however, take action to be enrolled in Prime CHCS and be assigned to a PCM. Refer to paragraph III.D.5. below for information on TRICARE Prime Remote program,** the MTF will be their primary care manager and the cost of their care in the MTF or by civilian providers will be covered **under the Supplemental Health Care Program (OPM Part Three, Chapter 9).**

2. **Non-active Duty Eligibility:** All individuals entitled to civilian health care under Sections 1079 or 1086 of Title 10, Chapter 55, United States Code, are eligible for TRICARE. These non-active duty individuals, commonly referred to as "TRICARE eligibles", include the spouse and children of active duty personnel, retirees and their spouses and children, and survivors. This group also includes former spouses as defined in Section 1072 (2), of Title 10 Chapter 55, USC. Not included are those individuals who are entitled to care in the direct care system but not to civilian care, such as family member parents and parents-in-law, and those eligible for Medicare by reason of reaching age 65. These beneficiaries remain eligible for care at MTFs on a space-available basis.

3. **Non-DoD TRICARE Eligibles.** TRICARE eligibles sponsored by non-DoD uniformed services (the Public Health Service, the United States Coast Guard, and the National Oceanic and Atmospheric Administration) are eligible for TRICARE and may enroll in TRICARE Prime.

4. **NATO Beneficiaries.** Family members of active duty members of the armed forces of foreign NATO nations who are eligible for outpatient care under TRICARE may access care under TRICARE Extra and TRICARE Standard only. They are not eligible to enroll in TRICARE Prime.

5. **TRICARE Prime Remote Enrollees.** Active duty members of the Army, Navy, Marine Corps, Air Force, and Coast Guard identified by the Services as assigned to remote locations shall be enrolled in the TRICARE Prime Remote Program. Refer to **OPM Part Three, Chapter 8, for specific program information. In Regions 1, 2, and 5, family members of these remotely assigned service members shall be enrolled according to specific contract requirements.**

E. **Enrollment.** Prime beneficiaries must enroll in Prime to receive the expanded benefits and special cost sharing. Active Duty members are enrolled automatically and non-active duty beneficiaries must take specific action to enroll. Refer to **Chapter 12, Section 7.1** for specific information on enrollment.

#### F. Other TRICARE Benefits

Included in the TRICARE benefit package is a retail pharmacy network and a mail service pharmacy program (see **Chapter 12, Section 3.1**). The provisions of **Chapter 8, Section 26.1**, apply to Base Realignment and Closure Areas within a region where TRICARE is in

effect.

#### G. TRICARE Operations

Operating guidelines for TRICARE and Managed Care Support Contractors are contained in the Operations Manual, TRICARE/CHAMPUS 6010.49.M.

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