



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAY 24 2010

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The enclosed report responds to the request in Senate Report 110-077 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 (NDAA for FY 2008), which requested the Secretary of Defense to submit an annual update to the original report on its implementation of TRICARE Reserve Select (TRS). This year's report was delayed to ensure the accuracy of the data.

This report discusses the communication strategy that informs Selected Reserve members about the opportunity to purchase TRS coverage, breaks out TRS enrollment by Reserve Component and by region, provides the actual costs in FY 2008 (the next fiscal year following the costs requested for the original report), and provides projected costs in FY 2010 for TRS.

Thank you for your continued support of the Military Health System.

Sincerely,

A handwritten signature in black ink that reads "Charles L. Rice".

Charles L. Rice, M.D.
President, Uniformed Services University of
the Health Sciences
Performing the Duties of the
Assistant Secretary of Defense
(Health Affairs)

Enclosure:
As stated

cc:
The Honorable John McCain
Ranking Member



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

MAY 24 2010

HEALTH AFFAIRS

The Honorable James H. Webb
Chairman, Subcommittee on Personnel
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The enclosed report responds to the request in Senate Report 110-077 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 (NDAA for FY 2008), which requested the Secretary of Defense to submit an annual update to the original report on its implementation of TRICARE Reserve Select (TRS). This year's report was delayed to ensure the accuracy of the data.

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cc:
The Honorable Lindsey O. Graham
Ranking Member



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MAY 24 2010

HEALTH AFFAIRS

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

Dear Mr. Chairman:

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cc:
The Honorable Howard P. "Buck" McKeon
Ranking Member



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

MAY 24 2010

HEALTH AFFAIRS

The Honorable Susan Davis
Chairwoman, Subcommittee on Military Personnel
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairwoman:

The enclosed report responds to the request in Senate Report 110-077 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 (NDAA for FY 2008), which requested the Secretary of Defense to submit an annual update to the original report on its implementation of TRICARE Reserve Select (TRS). This year's report was delayed to ensure the accuracy of the data.

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Enclosure:
As stated

cc:
The Honorable Joe Wilson
Ranking Member



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

MAY 24 2010

HEALTH AFFAIRS

The Honorable Daniel K. Inouye
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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Enclosure:
As stated

cc:
The Honorable Thad Cochran
Ranking Member



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAY 24 2010

The Honorable David R. Obey
Chairman, Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The enclosed report responds to the request in Senate Report 110-077 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 (NDAA for FY 2008), which requested the Secretary of Defense to submit an annual update to the original report on its implementation of TRICARE Reserve Select (TRS). This year's report was delayed to ensure the accuracy of the data.

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As stated

cc:
The Honorable Jerry Lewis
Ranking Member



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WASHINGTON, DC 20301-1200

MAY 24 2010

HEALTH AFFAIRS

The Honorable Norm Dicks
Chairman, Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The enclosed report responds to the request in Senate Report 110-077 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 (NDAA for FY 2008), which requested the Secretary of Defense to submit an annual update to the original report on its implementation of TRICARE Reserve Select (TRS). This year's report was delayed to ensure the accuracy of the data.

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President, Uniformed Services University of
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Performing the Duties of the
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(Health Affairs)

Enclosure:
As stated

cc:
The Honorable C. W. Bill Young
Ranking Member

TRICARE Reserve Select

Report to Congress



TRICARE Reserve Select Report to Congress

Introduction

Senate Report 110-077 of the National Defense Authorization Act for Fiscal Year 2008 (NDAA for FY 2008, Public Law 110-181) requested the Secretary of Defense to submit an update to the original report on its implementation of TRICARE Reserve Select (TRS) by March 1 each year.

This report discusses the communication strategy that informs Selected Reserve members and families about the opportunity to purchase TRS coverage, breaks out TRS enrollment by Reserve Component and by region, provides the actual costs in FY 2008 (the next fiscal year following the costs requested for the original report), and provides projected costs in FY 2010 for TRICARE Reserve Select.

Background

TRS is the premium-based health plan available for purchase by qualified members of the Selected Reserve. Developed by the Department to implement a provision in the NDAA for FY 2005, TRS has undergone major revisions in response to subsequent statutory requirements. Since October 1, 2007, a member may qualify to purchase and maintain coverage if he or she is (a) a member of the Selected Reserve and (b) not eligible for (or enrolled in) the Federal Employees Health Benefits (FEHB) Program.

Beginning in calendar year (CY) 2009, the Department shifted to an actual cost methodology to establish TRS premium rates payable by TRS members in fulfillment of Section 704 of the NDAA for FY 2009. The monthly premiums for CY 2010 were determined by utilizing the reported cost of providing TRS benefits to members and their dependents during calendar years 2007 and 2008. The reported cost reflects the actual costs for health care delivered on dates of service during the reported year. The resulting monthly TRS premiums for CY 2010 were \$49.62 for single coverage and \$197.56 for family coverage.

TRS coverage is similar to TRICARE Standard and TRICARE Extra. Covered members and family members may access care from any TRICARE-authorized provider, hospital or pharmacy, whether in the TRICARE network or not. TRS-covered members may also access care at military treatment facilities (MTF) on a space-available basis. TRS members and their covered family members pay the same TRICARE cost share and deductibles as active duty family members.

Programs and Activities Informing Members to Enroll

The communication strategy to promote awareness of the TRS program continues with the following as described in the original report.

- Reserve components capitalize on their opportunities for direct contact with Selected Reservists through the chain of command to ensure members and their families have sufficient information to make informed decisions about purchasing TRS coverage.
- The Military Health System supports the Reserve components by providing training opportunities to the Guard/Reserve personnel community by producing informational materials for Guard/Reserve members.
- TRICARE regional contractors also provide information and customer support related to purchasing and using TRS.
- Local MTFs provide information on space-available health services and their pharmacies.

Number of Enrollees

Table 1 reports TRS enrollment as of September 30, 2009, by Reserve Component, and Table 2 reports the same information by region. The number of total plans almost quadrupled to 46,597 in September 2009 from 11,960 total plans in October 2007 when the current qualifications for TRS went into effect.

Table 1 - TRS Enrollment by Reserve Component

Reserve Component	Total plans	Member only plans	Family plans	Covered lives
ARNG	16,970	6,327	10,643	44,111
USAR	10,412	3,909	6,503	27,151
USNR	5,114	1,653	3,461	14,560
USMCR	1,585	677	908	3,774
ANG	6,682	2,961	3,721	16,261
USAFR	4,919	1,915	3,004	12,838
USCGR	915	420	495	2,074
<i>Total</i>	46,597	17,862	28,735	120,769

Table 2 - Number of TRS Enrollees by Region

Region	Total plans	Member only plans	Family plans	Covered lives
North	15,755	6,849	8,906	38,393
South	14,904	5,233	9,671	39,817

West	15,490	5,675	9,815	41,065
Overseas	448	105	343	1,494
<i>Total</i>	46,597	17,862	28,735	120,769

Cost Data

The total actual cost reported for TRS in FY 2008 was \$136.3 million. The premiums collected offset that gross cost by \$52.2 million, leaving a net cost to the Government of \$84.1 million.

FY 2009 actual cost data was not available and thus not included in this report. TRICARE timely claims filing rules allow providers/beneficiaries the opportunity to file claims up to one year after the date of service. Therefore, not all claims for care received by September 30, 2009, would be received by the claims processor until September 30, 2010.

The projected total cost for TRS in FY 2010 is \$261.1 million. The estimated collection of premiums would offset the cost by \$73.1 million, leaving a net cost to the Government of \$188.0 million.