



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

SEP 16 2014

The Honorable Barbara A. Mikulski
Chairwoman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

This report responds to section 716 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239), which requires the Secretary of Defense to conduct a pilot program to refill prescription maintenance medications for each TRICARE for Life (TFL) beneficiary from the TRICARE Mail-Order Program or military treatment facility (MTF) and report on the effects of the pilot each year through 2018. As you are aware, section 716 required the Secretary to prescribe regulations to carry out the pilot program. An interim report to Congress was sent on March 20, 2014, promising the next report by September 2014.

An interim final rule establishing the five year Pilot for TFL beneficiaries was published in the Federal Register on December 11, 2013, and became effective February 14, 2014. During this time, the Department of Defense (DoD) Pharmacy and Therapeutics Committee identified a list of maintenance medications for inclusion in the pilot. Publication of the interim rule triggered the next steps in the implementation process (e.g., release of a contract modification to the mail order/retail contractor to complete the work on its adjudication system and to ensure its call center was ready to receive an influx of beneficiary calls). The contractor's call center was the key driver to the start date of the pilot and was operational in February 2014. The call center's ability to handle calls in turn was the signal to begin contacting beneficiaries affected by the pilot and assist them in prescription transfers from retail pharmacies to mail. The Department took very substantial steps to ensure a smooth transition.

Notification letters regarding the pilot program were initially sent to 350,000 TFL beneficiaries in February 2014 and will be ongoing as beneficiaries either age-in to the program or are placed on a medication included in the pilot. Although preliminary results are positive, the pilot remains in the early stages regarding definitive overall impact. Data from the beginning of the TFL Pilot in February 2014 through June 2014 show that over 590,000 prescriptions were filled for TFL pilot participants. Overall Home Delivery use increased by 11.8 percent, MTF use increased by 1 percent, and retail use decreased by 5 percent during that same time period. At this stage in the pilot, conclusive results regarding the pilot's effects on beneficiary use are premature. Results to date are consistent with the Department's expectations.

The Department will forward a more comprehensive report in March 2015, which will have almost a year of experience from which to provide information regarding the impact of this

program on beneficiaries and the TRICARE Pharmacy Benefits Program. Preparation of this report cost an estimated \$700 including \$600 in DoD labor.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter has been sent to the Chairpersons of the other congressional defense committees.

Sincerely,


Jessica L. Wright

cc:

The Honorable Richard C. Shelby
Vice Chairman



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4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
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The Honorable Howard P. "Buck" McKeon
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

SEP 16 2014

Dear Mr. Chairman:

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Sincerely,



Jessica L. Wright

cc:

The Honorable Adam Smith
Ranking Member



PERSONNEL AND
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UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

SEP 16 2014

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

Dear Mr. Chairman:

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Sincerely,


Jessica L. Wright

cc:

The Honorable James M. Inhofe
Ranking Member



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SEP 16 2014

The Honorable Harold Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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Sincerely,



Jessica L. Wright

cc:

The Honorable Nita M. Lowey
Ranking Member