



PERSONNEL AND
READINESS

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

APR 15 2016

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

This report is in response to the Joint Explanatory Statement, accompanying the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016, (Public Law 114-92) requesting the Department of Defense (DoD) to provide a quarterly report detailing the results of monitoring the effects of the transition of maintenance medications from retail pharmacies to mail order and military treatment facility (MTF) pharmacies on affected beneficiaries. Section 702 of the Carl Levin and Howard P. "Buck" McKeon NDAA for FY 2015 (Public Law 113-291) required the Department to terminate the TRICARE for Life Pilot Program on September 30, 2015, and to require all TRICARE eligible beneficiaries to refill select non-generic prescription maintenance medications through MTF pharmacies or the mail order program starting on October 1, 2015.

The Department's experience and lessons learned from the TRICARE pilot were included in developing the contract requirements to expand the program from the limited pilot group to all eligible TRICARE beneficiaries. Those requirements include metrics for monitoring the availability of medications, timeliness, and accuracy of prescriptions.

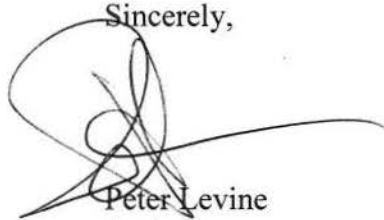
In order to more specifically monitor metrics of interest, the Department is reviewing how best to consolidate the large number of beneficiary surveys currently conducted by TRICARE and individual MTFs throughout the Military Health System. The Defense Health Agency has developed specific survey questions to allow measurement of availability of medications, timeliness, accuracy, and satisfaction consistent with Committee interest.

The expanded program has been in place for three months as of the date of this report. Data regarding the first full quarter of the program will not be available until 30 days after the end of the quarter and therefore not available for timely submission of this first report. The first quarter monitoring data will be included in the second quarterly report.

Preliminary data indicates that as with the TRICARE For Life Pilot Program, the number of beneficiaries who moved from retail to MTFs has been very small. Initial analysis shows almost 90 percent of beneficiaries impacted by the benefit change have chosen to move their medications to the mail point of service. MTF pharmacies continue to monitor waiting times, error rates, back-order rates, and beneficiary satisfaction as part of their individual accreditation metrics.

The estimated cost of this report for the DoD is approximately \$1,800.00, and includes \$500.00 in expenses and \$1,300.00 in 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 House Armed Services Committee.

Sincerely,

A handwritten signature in black ink, appearing to be 'Peter Levine', with a long horizontal flourish extending to the right.

Peter Levine
Acting

cc:

The Honorable Jack Reed
Ranking Member



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APR 15 2016

The Honorable William M. "Mac" Thornberry
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

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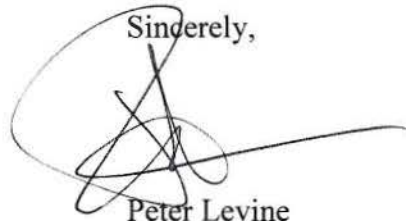
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Peter Levine
Acting

cc:
The Honorable Adam Smith
Ranking Member