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Control Copays to Protect the Military Health Care Benefit

Issue: Military Health System (MHS) reform has meant numerous out-of-pocket cost increases for beneficiaries and uncertainty about the future of the health care benefit. MOAA urges Congress to demonstrate good faith with military families by addressing two particularly egregious copay issues that have emerged during MHS reform.

Background: Low out-of-pocket costs for provider visits and medications used to be one of TRICARE's unique benefits. Now, military families and retirees pay higher copays than many of their civilian counterparts with employer-sponsored plans. Copay hikes have far outpaced annual retiree cost-of-living adjustments (COLA), whittling away the value of the overall retirement package. Copay increases aren't even being used to maintain or improve the TRICARE benefit. NDAA report language and senior DoD officials have acknowledged that savings from copay increases are being plowed into readiness. This means military families and retirees are being tapped to fund training, equipping and other programs.

Although TRICARE copays have risen across the board, increases for mental health visits; physical, speech, and occupational therapy; and prescription drugs are most concerning.

Pharmacy and Therapy Copays

- Pharmacy copay increases have already outpaced retiree COLA and are on track to climb 73% to 120% over 10 years (Figure 1).
- Military families and retirees are paying more than federal employees for mental health visits (Figure 2). No military family should face barriers to accessing mental health care due to out-of-pocket costs.
- Cost sharing for therapies, including mental health, has more than doubled since 2017, resulting in beneficiaries paying upward of 45% out of pocket for these relatively low-cost visits (Figure 3).
- Recurring treatments often result in numerous copays over a short time with a significant cumulative effect on families.
- DoD's September 2019 Report to Congress, *Consolidation of Cost Sharing Requirements under TRICARE Prime and Select*, shows about 30% of beneficiaries with household incomes below \$50,000 reported postponing therapy requiring multiple visits

Recruiting & Retention

- Military health care must be preserved as a valuable recruiting and retention tool. Increased copays have pushed us into territory where TRICARE is no longer perceived as a uniquely valuable benefit, diminishing its positive impact on recruiting and retention.
- Force health protection includes taking care of families, which are key to retention. Family readiness demands accessible health care without barriers due to costs.
- Meaningful force health protection must take care of servicemembers once they retire. Cutting their health care benefit after years of unprecedented demands on the all-volunteer force betrays the trust of not only our newest retirees but all generations who served and sacrificed for decades.
- Military kids have a significantly higher propensity for service than those in civilian families. Breaking faith with the currently serving and retirees risks poisoning the well of future recruits from military families as it reduces the likelihood they will recommend military service to their children.



Congress, we need your help

- Halt scheduled TRICARE pharmacy copay increases.
- Reduce copays for mental health visits and physical, speech, and occupational therapy.

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Figure 1

PRESCRIPTION COSTS ON THE RISE

Mail-order generic prescriptions have already leapt from \$0 to \$10 since 2017 and are expected to climb to \$14 by 2027. For the 10 years from 2017-2027, mail-order formularies will increase 120% and non-formularies will increase by 73%.

Mail Order (90 day supply)



SOURCE: 2018 NATIONAL DEFENSE AUTHORIZATION ACT

Figure 2

MILITARY FAMILIES PAY MORE THAN CIVILIANS FOR MENTAL HEALTH CARE

Military families struggling with the impact of nearly two decades of war are paying more for their mental health care visits than federal employees.

Mental health visit copays for calendar year 2020 for TRICARE vs. Federal Employees Health Benefits Program nationwide PPO plans

Health care plan	Mental health visit copay
TRICARE Prime retirees – Group A	\$31
TRICARE Prime retirees – Group B	31
TRICARE Select active-duty family members – Group A	33
TRICARE Select ADFMs – Group B	26
TRICARE Select retirees – Group A	45
TRICARE Select retirees – Group B	41
BCBS Service Benefit Plan – Standard	25
GEHA Benefit Plan – High	20
GEHA Benefit Plan – Standard	15
NALC – High Option	20
MHBP – Standard Adult	20
MHBP – Standard Child under 21	10
SAMBA – High	25
APWU – High	25

SOURCES: TRICARE.MIL; FEHBP PLAN BROCHURES 2020

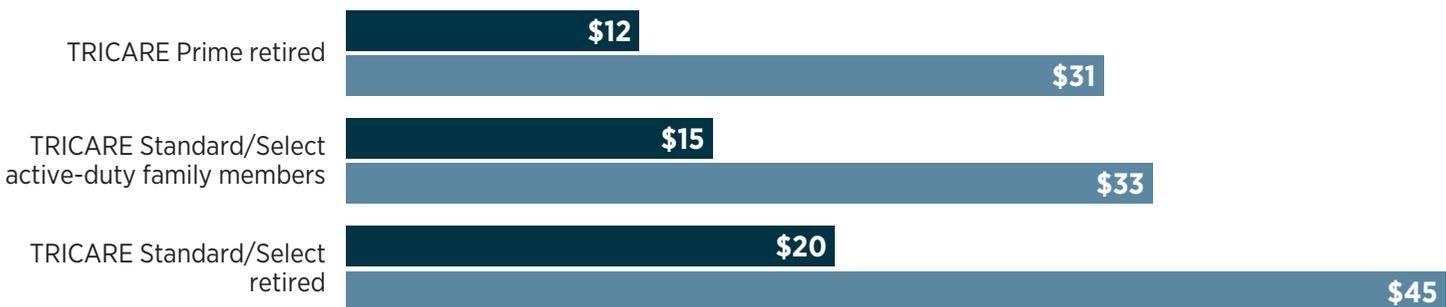
Figure 3

COSTS DOUBLE FOR SOME TYPES OF CARE

Out-of-pocket costs for beneficiaries' mental health and physical/speech/occupational therapy visits have more than doubled since 2017.

Out of pocket costs

■ 2017
■ 2020



Note: Cost sharing provided for Group A/grandfathered beneficiaries.

TRICARE Standard cost share in 2017 was 15% for active-duty family members, 20% for retirees; 2017 cost share estimate based on an average TRICARE allowed amount of \$100 for mental health and physical/speech/occupational therapy visits per the Defense Health Agency.

SOURCE: TRICARE.MIL

GRAPHICS BY JOHN HARMAN/MOAA