MOAA
Military Officers Association of America

Lt. Gen. Brian T. Kelly
USAF (Ret)
President and CEO

ADVOCACY IN ACTION
MOAA

Restore the TRICARE Pharmacy Network

BACKGROUND — A NARROWED NETWORK

The Defense Health Agency (DHA) slashed network requirements as a cost-cutting measure within the new pharmacy contract. As a result, the TRICARE retail network lost many independent pharmacies and decreased nearly 25% — from approximately 55,000 to 42,000 locations as of February 2023.

TRICARE falls short of a key benchmark — FEP Blue, the Blue Cross Blue Shield plan that covers two-thirds of Federal Employee Health Benefits (FEHB) Program participants and boasts more than 55,000 network pharmacies. TRICARE beneficiaries rely on a pharmacy network nearly 25% smaller than this national network. Federal employees certainly pay more for their plan, but they do not endure the costs of deployments or permanent changes of station. They also do not sign up for and live with the potential risk of injury or death — risks significantly higher for the post-9/11 generation now transitioning into retirement.

Though not measurable, the cost of these sacrifices borne by the all-volunteer force surely eclipses the higher health care costs paid by civilian federal employees. It would only make sense for TRICARE to be on par with the benchmark set for civilians who also serve within the federal government.

BENEFICIARY IMPACT

The DHA contends the narrowed network provides sufficient access, reporting approximately 98% of beneficiaries still have a pharmacy within a 15-minute drive. But drive time to the nearest pharmacy is a very narrow definition of "access" — one that does not adequately address complex medical conditions and prescription drug needs.

For most families in metro areas, switching to another pharmacy for occasional medication needs is an inconvenience. But the narrowed network has created access challenges for many elderly beneficiaries, those in rural areas, and others with serious medical conditions.

Elderly patients often rely on the special services and unique locations (e.g., hospital lobbies, oncology offices, long-term care facilities) independents provide. Rural families who were previously served by Walmart or community pharmacies, are now driving past those locations on long trips to reach a network pharmacy. Beneficiaries with serious medical conditions report challenges accessing cancer medications, compound drugs, and home infusions.

No pharmacy program will serve every need of every beneficiary, but the narrowed network has substantially increased the likelihood of prescription drug access challenges for some military families. This is not just the typical reshuffling of network participants that occurs with every new pharmacy contract — it is a cut to the benefit that reduces the protections servicemembers have earned and the TRICARE pharmacy program should provide.

TRICARE: AN OBLIGATION TO THOSE WHO SERVE

Although the new pharmacy contract is in its early stages, MOAA already has heard from hundreds of TRICARE beneficiaries expressing disappointment, anger, and a sense of betrayal at the pharmacy network reduction — the latest in a series of cuts eroding the military health care benefit.

TRICARE is a key component of the compensation and benefits package that sustains the all-volunteer force. For nearly two decades, as servicemembers faced years of high operational tempo and repeated combat deployments, nearly all TRICARE out-of-pocket costs remained unchanged. Since 2018, as the post-9/11 cohort transitions to retirement, military retirees have endured a series of disproportionate TRICARE fee increases, reducing the value of their earned benefit. These include an unprecedented TRICARE Select enrollment fee, a higher catastrophic cap, and medical encounter copays that doubled in many instances.

At the same time, access to zero out-of-pocket cost military treat-

Congress, we need your help

Support language in the FY 2024 National Defense Authorization Act directing an analysis of access data that goes beyond drive time to the nearest pharmacy and assesses the impact of network cuts on vulnerable populations, such as the elderly and those with serious, chronic medical conditions.

MOAA Contact

Government Relations
Legis@moaa.org
(800) 234-6622

ment facility care has become constrained, forcing many patients into the TRICARE network for care with its rising copays and cost sharing.

There are also growing gaps in TRICARE coverage policy. Dozens of medications have moved to Tier 4/non-covered, and unlike FEHB Program plans, there is no appeals process based on medical necessity. TRICARE also has failed to keep up with evolving technologies, treatment protocols, and commercial benchmarks, creating coverage gaps that often come as a surprise to beneficiaries — diagnostic genetic testing, chiropractic care, and young adult eligibility, for example.

Put simply, when it comes to TRICARE, beneficiaries are paying more and getting less.

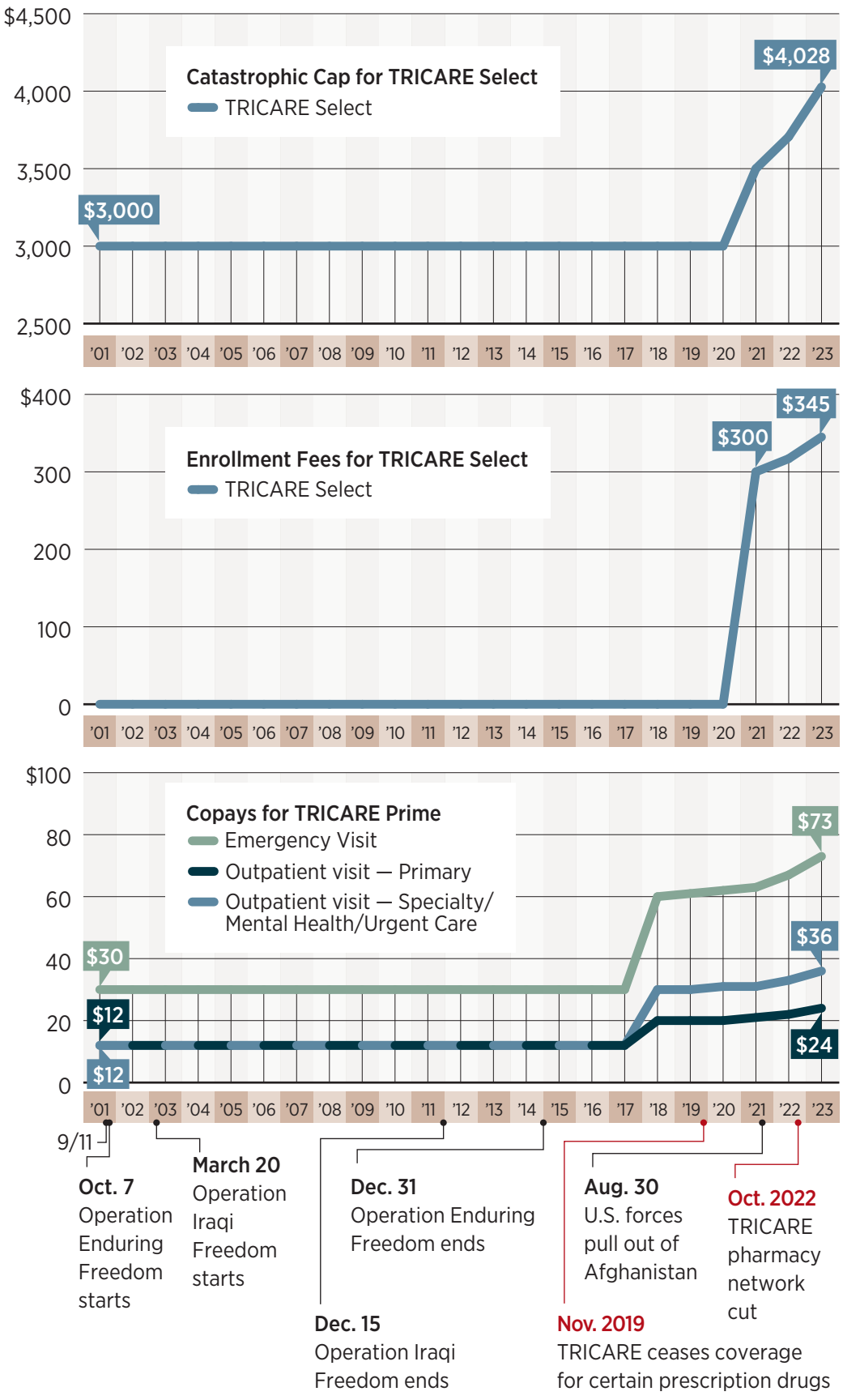
The military health care benefit is an obligation our nation has incurred to sustain the all-volunteer force. Fulfilling this obligation is particularly important during the current recruiting crisis, when our nation needs current and former servicemembers and their families — key influencers in the recruiting process — to endorse military service. As propensity continues to decline, the recommendations of key influencers like those who previously served become ever more important. Providing influencers with examples of declining health care benefits will not lead to positive recommendations for future service.

KEY TAKEAWAY

Members of the post-9/11 generation who served during two decades of war have watched their TRICARE benefits diminish just as they transition to military retirement — creating a risk that these key influencers will fail to endorse military service, thus worsening the recruiting crisis.

EROSION OF THE TRICARE BENEFIT

A series of TRICARE fee increases and benefit cuts has reduced the health care protections servicemembers have earned. Below are the TRICARE fees for working-age retirees-Group A that entered service before 2018.



SOURCES: TRICARE.MIL; CONGRESSIONAL RESEARCH SERVICE

GRAPHIC BY JOHN HARMAN/MOAA