

N G A U S

Legislative Fact Sheet



TRICARE FOR THE NATIONAL GUARD AND RESERVE

Background:

The National Guard Association of the United States believes every member of the National Guard and Reserve should have the ability to access TRICARE coverage, on a cost-share basis, regardless of duty. Whether a member of the Guard is attending monthly drill or in combat in Iraq, that man or woman should have access to this coverage. As the war on terror continues, the line between Guard member and active duty member has become indistinguishable. The Secretary of Defense, has said repeatedly, “the War on Terror could not be fought without the National Guard”. Battles would not be won, peace would not be kept and sorties would not be flown without these soldiers and airmen.

Over the past two years, the Senate Armed Services Committee (SASC) has included a provision in their bill that would allow a member of the National Guard or Reserve, regardless of status, to participate in the TRICARE medical program on a contributory basis. This program was proposed for any member who wished to use TRICARE as their primary health care provider, even when not in a mobilized status. However, after conference negotiations with the House Armed Services Committee (HASC) the final legislation was far different than the Senate’s original intent. The FY04 authorization bill gave TRICARE access **only** to those who were unemployed or uninsured by their employer. The Department of Defense has never implemented the provisions of that legislation. Not a single soldier or airmen has been insured.

The National Defense Authorization Act of Fiscal Year 2005 allows access to TRICARE Standard to those Guard members who have served more than 90 days on active duty in support of a contingency operation. For every 90 day period on active duty, the member will receive one year of cost-share TRICARE coverage. In return for this cost-share coverage, the Guard member must agree to serve a year with the National Guard.

Medical Readiness

This provision does not solve the problem of medical readiness that exists in the National Guard. During 2003 and 2004, when a Guard unit reported to mobilization sites and Guard members were evaluated, the number one reason for being rated non-deployable was medical. A Guard unit was forced to either deploy with less than 100 percent of its personnel, or was forced to pull soldiers from other units to back-fill missing members.

By the spring of 2005, National Guard troops will make up about half of the US force on the ground in Iraq. This service is in addition to current commitments in Afghanistan, Bosnia and

the Sinai. Providing TRICARE coverage on a cost-share basis during all phases of service increases unit readiness and improves the National Guard's ability to carry out its mission.

Continuity of Care and Retention

When mobilized, not only does a Guard member experience healthcare turbulence when transitioning from civilian healthcare to DoD healthcare, so does his/her family. Providing access to TRICARE on an ongoing basis not only eliminates healthcare coverage disruption, but also puts the servicemember's mind at ease. A soldier or airman's priority needs to be battlefield readiness when deployed, not how the family is dealing with healthcare turbulence. Members and their families will be much more likely to look favorably at remaining in the Guard and Reserve for an extended period.

Employer Support

The employer is the third leg of the stool (Guard member, family and employer) that keeps retention high in the National Guard and Reserve force. Encouraging employer support of Guard and Reserve members has been a high priority since the inception of the all-volunteer force. Hiring Guard members who have health insurance (TRICARE) is a significant direct economic benefit to an employer who might otherwise contribute all or part of health care costs for employees. The cost to an employer for a Guard member on staff with TRICARE coverage: \$0.

Improving the TRICARE network

Many National Guard and Reserve training sites and armories are in areas not located near a military treatment facility. TRICARE administrators have indicated that increasing the number of potential patients using the TRICARE Standard system would increase the level of care by the TRICARE providers and also attract local healthcare providers to become TRICARE primary care managers.

The Cost

Recognizing the benefits of healthcare readiness, Congress directed the General Accounting Office¹ to conduct a study on opening the TRICARE health program to members of the selected reserve. The GAO study reported back more than 21 percent of reservists do not have health insurance. Forty percent of those individuals without insurance are in the junior enlisted ranks.²

The cost of a family healthcare plan through a civilian HMO averages \$7,541 a year.³ The *TRICARE Cost per user is \$1,513 for a single reservist⁴ or \$126.08 per month and \$5,173 for a family⁵ or \$431.08 per month.*

¹ National Defense Authorization Act (2002 NDAA) for Fiscal Year 2002, Pub. L. No. 107-107 § 721, 107 Stat. 1012, 1167 (2001).

² GAO Report: Defense Health Care: Most Reservists Have Civilian Health Coverage but More Assistance is Needed When TRICARE is Used, GAO-02-829 p.8

³ Employer Health Benefits: 2002 Summary of Findings. The Kaiser Family Foundation and Health Research and Education Trust Pub #3252.

⁴ GAO Report: p.24

⁵ Ibid, p.24

Number of Reservists⁶ - 864,558

Number of Reservists without healthcare coverage - 21%⁷

Number of Reservists covered by FEHB (Federal Workers who are also Reservists) - 14% of members with healthcare insurance.⁸

In order to establish the number of uninsured Reservists

$864,558 \times 0.21 = 181,557$ Reservists without healthcare insurance

$864,558 - 181,557 = 683,001$ Reservists with healthcare insurance

$683,001 \times 0.14 = 95,620$ Reservists with FEHB

TRICARE cost per user per year⁹

\$1,513 for a single reservist

\$5,173 for a family (includes the member and one or more family members).

Assuming 21% of reservists would enroll (those without coverage) into TRICARE, the costs would be as follows:

Cost to Federal Government to fully fund

$181,557 \times \$1,513.00 = \mathbf{\$274,695,741}$ per year for member only.

$181,557 \times \$5,173.00 = \mathbf{\$939,194,361}$ per year for family coverage

Cost to the reservist to cover the entire monthly cost to the member for

Single Coverage = \$1,513.00 per year or \$126.08 per month

Family Coverage = \$5,173.00 per year or \$431.08 per month

If there was a 60/40 co share between the federal government and the service member:

Cost to Federal Government

Single Coverage (member only) - $\$274,695,741 \times 0.60 = \mathbf{\$164,817,445}$

Family - $\$939,194,361 \times 0.60 = \mathbf{\$563,516,617}$

Cost to Servicemember

Single - \$603.84 per year or **\$50.32** per month

Family Policy - \$2,069.16 per year or **\$172.43** per month

Recommendation:

The National Guard Association of the United States urges the Congress of the United States authorize and appropriate funds which would allow all members of the National Guard and their families access to TRICARE coverage on a cost-share basis, regardless of duty status.

⁶ National Defense Authorization Act (2003 NDAA) for Fiscal Year 2003.

⁷ GAO Report: Defense Health Care: Most Reservists Have Civilian Health Coverage but More Assistance is Needed When TRICARE is Used, GAO-02-829 p.3

⁸ Ibid. p.24

⁹ Ibid. p.24