

Hill Protects TRICARE  
Tom Philpott | April 15, 2010



## Hill Protects TRICARE, Looks to Expand Child Coverage

Lawmakers took steps this past week to put military people at ease over how [TRICARE](#) benefits will be protected and, for older children, how coverage likely will be expanded as the Obama administration implements the new national health care reform law.

But Congress continued to take only clumsy temporary steps to relieve another source of anxiety for Medicare and TRICARE users -- a scheduled 21.2 percent reduction in reimbursements to participating doctors. If such a cut were allowed to take effect, it could severely crimp access to care.

First, two pieces of good news.

[EXPANDED CHILD COVERAGE](#) -- A key feature of national health care reform is a requirement that commercial health insurance firm allow family plans to cover children until age 26. Gathering steam now, separately, is a similar expansion of TRICARE to older military children.

Sen. Mark Udall (D-Colo.) was joined by three Democratic colleagues Wednesday in introducing a bill to allow TRICARE coverage to children until age 26 for what Udall called a "reasonable premium." The premium, still to be determined, would be set high enough to cover any extra cost of care.

TRICARE now covers children until age 21 or, if they are full-time college students, until age 23. Udall's bill is identical to the TRICARE Dependent Coverage Extension Act (HR 4923) introduced in the House last month by Rep. Martin Heinrich (D-N.M.).

"If health care reform means that the kids of hedge fund managers can stay on their parents' health insurance until they're 26, kids in military families should be covered to age 26 too," said Sen. Barbara Mikulski (D-Md.), who co-sponsored the Udall bill.

Both Udall and Heinrich serve on the armed services committees, which are expected to embrace the bill and make it part of the fiscal 2011 defense authorization act to be passed later this year.

The start date proposed for expanded child coverage is Oct. 1, 2010. But that likely will be pushed back to give TRICARE officials more time to implement the change. One challenge could be identifying eligible children. DEERS, the Defense Enrollment Eligibility Reporting System, only tracks children who fit the military definition of "dependent." But "children" as defined by the health reform law, and by the Udall and Heinrich bills, could include young adults living and working on their own, some of them even married, a congressional staff member explained.

TRICARE PROTECTION AFFIRMED -- The Senate Monday passed and sent to the president the TRICARE Affirmation Act which explicitly states what Democrats say they did not doubt: that TRICARE meets minimum requirements for individual health insurance under the health reform law.

House Republicans, in opposing national health reform, had argued that many TRICARE beneficiaries were exposed to an annual penalty to be levied on citizens who lack minimum health coverage. It was a silly notion, Democrats countered, considering the value of TRICARE coverage.

Yet to reassure all TRICARE users that national health reform wouldn't harm them financially, the House had passed the TRICARE Affirmation Act unanimously March 20, just a day before it passed national health reform.

Sen. Jim Webb (D-Va.) introduced identical legislation in the Senate, which was approved by unanimous consent April 12. Webb said it should reassure TRICARE beneficiaries, as well as Defense civilian workers in non-appropriated fund activities including military exchanges, that their health benefits satisfy and are not negatively harmed by national health reform.

"No TRICARE or NAF health plan beneficiary will be required to purchase additional coverage beyond what they already have," said Rep. Ike Skelton (D-Mo.), chairman of the House Armed Services Committee, after the Senate passed his original language and sent the bill to the White House.

[MEDICARE/TRICARE REIMBURSEMENTS](#) -- A Medicare fee formula Congress adopted more than a decade ago has been mandating cuts in doctor fees for years. Lacking political will either to impose the cuts or to replace the formula with one more realistic, lawmakers voted year after year to suspend temporarily the formula's effect. The American Medical Association has called it "temporary patches funded by budget gimmicks."

The result has been a growing budget hole for Medicare and a chronic threat of deeper and deeper fee cuts for physicians who treat Medicare and TRICARE patients. TRICARE fees are limited by Medicare rates.

The formula, if allowed to take effect this year, would drop Medicare fees for doctors by 21.2 percent. Congress passed temporary measures to delay its effective date from Jan. 1 this year to March 1, then to April 1. But the Senate left for Easter recess without approving the last delay, leaving the rate cuts to take effect in mid-April unless retroactive relief could be passed.

Medicare officials did delay sending out reimbursement checks for several days in April awaiting tardy Senate action to suspend once more the reduced doctor fees. TRICARE put no such hold on reimbursements, an official said, continuing to pay claims with no change to Medicare rates.

To replace the formula and make a permanent doctor pay fix, Congress would need to find \$240 billion in offsets or allow the budget deficit to climb by suspending pay-as-you-go deficit reduction rules.

The fee issue is separate from national health care reform. It's a long-ignored problem resulting from a mechanism called Sustainable Growth Rate (SGR) adopted in the Balanced Budget Act of 1997.

SRG sets spending targets for Medicare physician services. If annual targets are hit, doctor rates are to be adjusted by medical inflation alone. If targets are exceeded, doctor reimbursements are to be lowered.

Critics say SGR targets were set too low from the start, and haven't taken account of important cost growth factors like the intensity of services provided due to medical advances and technology.

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## **Beware of Phone Scam**

Week of April 19, 2010

The Department of Veterans Affairs (VA) is warning veterans not to give credit card numbers, bank routing information or any personal and financial information over the phone to callers claiming to update, confirm, or verify VA-related information. VA does not call veterans and ask them to disclose personal financial information over the phone. A veteran targeted by scammers alerted VA, saying that someone called claiming to be with the VA pharmacy and asking a lot of questions. VA has not changed its process for dispensing prescriptions or for enrollment. Veterans with questions about VA services should call (877) 222-8387 or the nearest VA medical center.