

# Transitional Coverage for Reservists

## Issue Brief ♦ Health Care Survey of DoD Beneficiaries

HEALTH PROGRAM ANALYSIS & EVALUATION DIRECTORATE

During the last two years, TRICARE has expanded health benefits for reservists in the periods before and after they are activated for a contingency operation. In July 2004, the Department of Defense extended TRICARE benefits to reservists with delayed-effective-date active duty orders. Under “early” TRICARE, reservists and their families receive, without paying a premium, the same medical and dental benefits as non-enrolled active duty personnel.<sup>1</sup>

After deactivation, reservists may use TRICARE Standard, Extra, or Prime for up to 6 months through the Transitional Assistance Management Program (TAMP). Under the National Defense Authorization Act (NDAA) for 2005, eligibility under TAMP was permanently extended to 180 days effective October 28, 2004.<sup>2</sup>

After TAMP ends, certain reservists and their families may purchase TRICARE Reserve Select (TRS)<sup>3</sup>, if they enter into a Service Agreement to serve in the Selected Reserves for one year or longer. Effective April 27, 2005, TRS offers comprehensive health coverage similar to TRICARE Standard/Extra.<sup>4</sup> In calendar year 2006, monthly premiums for TRS were \$81 for member-only coverage and \$253 for member and family member coverage.<sup>5</sup> Upon meeting the annual deductible for outpatient services, TRS members pay 15 percent for TRICARE network provider care or 20 percent for non-network care.<sup>6</sup>

### Coverage before and after activation

According to data from the 2005 HCSDB, before becoming eligible for TRICARE through activation for a contingency operation, roughly four in five reservists and reservist family members have civilian coverage, as shown in Table 1. Sixty percent of reservists have civilian coverage through their own policies, and 14 percent through a family member. By contrast, 40 percent of

Type of Coverage	Reservist on active duty/deactivated in past 12 months	Reservist family member on active duty/deactivated in past 12 months
	Percent	
Own Policy	60	35
Policy of a reservist spouse or parent	5	40
Policy of a non-reservist in family	9	6
Did not have civilian insurance	26	20

reservist family members have coverage through the policy of the reservist in their family and 41 percent through their own or a non-reservist family member’s policy.

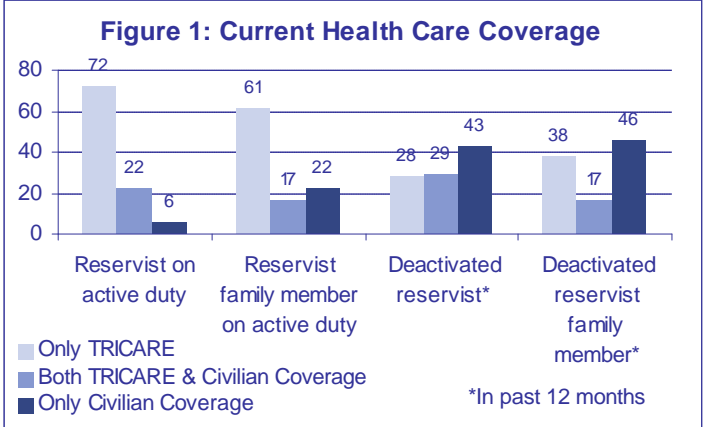


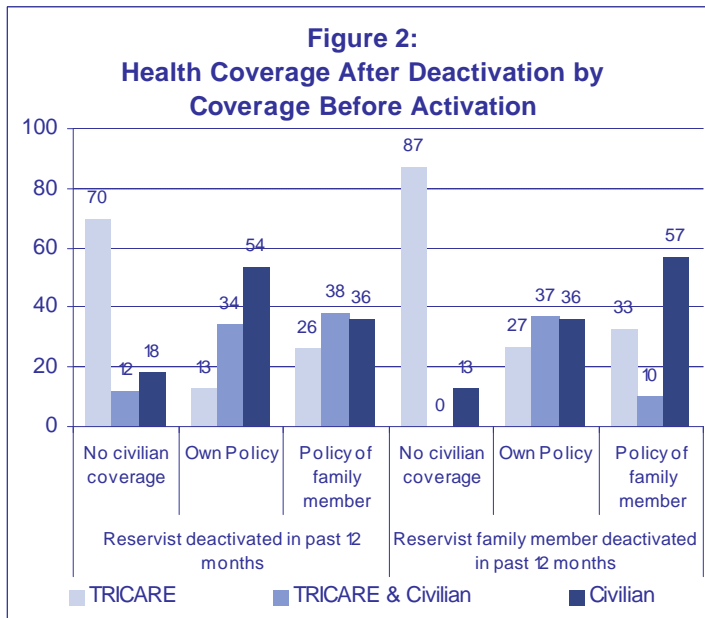
Figure 1 shows that once reservists become eligible for TRICARE, about one in four retains civilian coverage during activation, including 6 percent who say that they have only civilian coverage. Among active reservists’ family members, about 40 percent retain civilian coverage, consisting of 17 percent covered by both TRICARE and civilian plans and 22 percent with only civilian coverage.

When deactivated, most reservists resume civilian coverage. About 43 percent report being covered by civilian health insurance alone, and 29 percent by both TRICARE and a civilian plan. Among reservist family members, 46 percent no longer use TRICARE and 17 percent use both TRICARE and civilian coverage.

As shown in Figure 2, most reservists who did not have civilian coverage before activation continue to rely on TRICARE, while those with civilian coverage before activation resume it when deactivated. Seventy percent of reservists and 87 percent of reservists’ family members without civilian coverage prior to activation have only TRICARE coverage following deactivation. By contrast, 54 percent of reservists with their own civilian coverage prior to activation go without TRICARE altogether when deactivated, as do 57 percent of family members covered by a reservist’s civilian policy before activation.

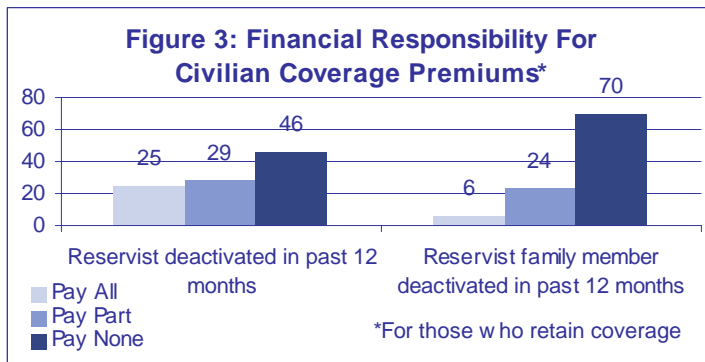
When covered by a non-reservist’s civilian policy before activation, reservists and reservist’s family members are less likely to drop TRICARE when deactivated. Only 36 percent of reservists covered by their family member’s civilian policy before activation drop TRICARE after deactivation, as do 36 percent of reservist family members who had been covered through their own policy.

# Issue Brief: Transitional Coverage for Reservists



## Why civilian coverage?

Figure 3 suggests that many deactivated reservists and their families who use civilian coverage do so because it imposes no additional costs. Forty-six percent of recently deactivated reservists with civilian coverage report that they do not pay any of the premium for their coverage, while 29 percent say they pay partial premiums. Similarly, 70 percent of recently deactivated reservists' family members say they do not pay premiums, and 24 percent say that they pay a share of their premium.



The reasons most often cited for using civilian health insurance instead of TRICARE are highlighted in Figure 4. About 41 percent of active or recently deactivated reservists and 31 percent of family members who use only civilian coverage report that it is easier to get care through their civilian plan. A large number, 31 percent of reservists and 46 percent of family members, report that they simply see no reason to leave their civilian plan. About a third of both groups choose civilian care because they live far from an MTF, and a slightly smaller number because of the wider selection of doctors in their civilian plan.



## Conclusion

Recent expansions of coverage to reservists will help reservists make transitions to and from active duty status. Most reservists are happy with their civilian coverage and revert to it when they are able. Continuity of civilian coverage appears to be eased by policies of some government and private employers to waive activated reservists' premium contributions. Many reservists and their families retain their civilian plan even when covered by TRICARE. For the minority who do not have coverage through their civilian job, TRICARE coverage fills a gap. For this group, and for those, also a minority, who must pay all of their civilian premiums, the TRS benefit may be an important inducement to remain in the reserves.

## Sources

- 1 "“Early” TRICARE Benefit for Some Activated National Guard and Reserve Members and Family Members”, <http://www.tricare.osd.mil/factsheets/viewfactsheet.cfm?id=328>.
- 2 “Transitional Assistance Management Program: A Transitional Health Care Benefit for Service Members and Their Families”, <http://www.tricare.osd.mil/factsheets/viewfactsheet.cfm?id=317>.
- 3 “TRICARE Reserve Select”, <http://www.military.com>. Reservists deactivated on or after April 27, 2005 who had been activated in support of a contingency operation on or after September 11, 2001, and who have served continuously on active duty for 90 days, are eligible.
- 4 “Am I Eligible”, <http://www.tricare.osd.mil/reserve/reserveselect/TRS-Eligibility.cfm>.
- 5 “New! TRICARE Reserve Select (TRS)”, <http://www.tricare.osd.mil/reserve/reserveselect/index.cfm>.
- 6 “TRS Costs”, <http://www.tricare.osd.mil/reserve/reserveselect/TRS-costs.cfm>.

Health Care Survey of DoD Beneficiaries, October, 2005. N= 284 reservists activated in support of contingency operations or recently deactivated, 237 family members of such active or recently deactivated reservists, and 60 who are both reservists and family members.