

106TH CONGRESS
2D SESSION

S. 2087

To amend title 10, United States Code, to improve access to benefits under the TRICARE program; to extend and improve certain demonstration programs under the Defense Health Program; and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 23, 2000

Mr. WARNER (for himself, Mr. LOTT, Mr. LEVIN, Mr. DASCHLE, Mr. HUTCHINSON, Mr. CLELAND, Mr. THURMOND, Mr. KENNEDY, Mr. INHOFE, Mr. SANTORUM, Ms. SNOWE, Mr. ROBERTS, Mr. ALLARD, Mrs. HUTCHISON, Mr. LIEBERMAN, Ms. LANDRIEU, Mr. REED, Mr. CRAPO, Mr. INOUE, Mrs. LINCOLN, and Mr. KERRY) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To amend title 10, United States Code, to improve access to benefits under the TRICARE program; to extend and improve certain demonstration programs under the Defense Health Program; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Military Health Care
5 Improvements Act of 2000”.

1 **TITLE I—DEMONSTRATION**
 2 **PROGRAMS**
 3 **Subtitle A—TRICARE Demonstra-**
 4 **tion Programs for Seniors**

5 **SEC. 101. EXTENSION OF TRICARE SENIOR SUPPLEMENT**
 6 **PROGRAM.**

7 Section 722(a)(2) of the Strom Thurmond National
 8 Defense Authorization Act for Fiscal Year 1999 (Public
 9 Law 105–261; 112 Stat. 2065; 10 U.S.C. 1073 note) is
 10 amended by striking “December 31, 2002” and inserting
 11 “December 31, 2005”.

12 **SEC. 102. TRICARE SENIOR PRIME.**

13 (a) EXTENSION OF DEMONSTRATION PROGRAM.—
 14 Paragraph (4) of section 1896(b) of the Social Security
 15 Act (42 U.S.C. 1395ggg(b)) is amended by striking “3-
 16 year period beginning on January 1, 1998” and inserting
 17 “period beginning on January 1, 1998, and ending on De-
 18 cember 31, 2005”.

19 (b) ADDITION OF MAJOR MEDICAL CENTERS.—
 20 Paragraph (1)(A) of such section 1895(b) is amended by
 21 striking “in a military treatment facility” and inserting
 22 “in a Department of Defense medical center considered
 23 by the Secretary to be a major medical center, in any other
 24 military treatment facility,”.

1 (c) DESIGNATION OF ADDITIONAL SITES.—Para-
 2 graph (2) of such section 1896(b) is amended to read as
 3 follows:

4 “(2) DESIGNATION OF SITES.—

5 “(A) IN GENERAL.—The project estab-
 6 lished under this section shall be conducted at
 7 sites designated jointly by the administering
 8 Secretaries after review of all TRICARE re-
 9 gions.

10 “(B) SPECIFIC SITES.—The sites for the
 11 project shall include the 6 sites designated in
 12 accordance with subparagraph (A) before the
 13 date of the enactment of the National Defense
 14 Authorization Act for Fiscal Year 2001 and the
 15 major medical centers designated after such
 16 date in accordance with that subparagraph.”.

17 **Subtitle B—Other Demonstration**
 18 **Programs**

19 **SEC. 106. COVERAGE BY FEDERAL EMPLOYEES HEALTH**
 20 **BENEFITS PROGRAM.**

21 (a) EXTENSION OF COVERAGE FOR RETIREES OVER
 22 AGE 65.—(1) Section 1108 of title 10, United States
 23 Code, is amended by adding at the end the following:

24 “(m) EXTENSION OF COVERAGE FOR RETIREES
 25 OVER AGE 65.—(1) Eligible beneficiaries referred to in

1 subsection (b)(1) who will be at least 65 years of age on
 2 December 31, 2002, shall be permitted to enroll, or to ex-
 3 tend a previous enrollment entered into under subsection
 4 (d)(2), during a period of open enrollment for the year
 5 2003 (conducted in the fall of 2002).

6 “(2) Subject to paragraphs (2) and (3) of subsection
 7 (f), the period of enrollment, or extension of enrollment,
 8 of an eligible beneficiary under paragraph (1) shall be two
 9 years unless the beneficiary disenrolls before the termi-
 10 nation of the demonstration project.

11 “(3) The agreement under subsection (a) shall pro-
 12 vide for continuation of the demonstration project for a
 13 total of five contract years under the Federal Employees
 14 Health Benefits program for eligible beneficiaries referred
 15 to in paragraph (1).”.

16 (2) Subsection (d) of such section is amended—

17 (A) in paragraph (1), by striking “three con-
 18 tract years” and inserting “six contract years”; and

19 (B) in paragraph (2), by striking “December
 20 31, 2002” in the second sentence and inserting “De-
 21 cember 31, 2005”.

22 (3) Subsection (f)(1) of such section is amended by
 23 adding at the end the following: “A beneficiary may not
 24 extend the enrollment unless eligible to do so under sub-
 25 section (m)(1).”.

1 (b) ADDITIONAL AREAS OF COVERAGE.—Subsection
 2 (c) of such section is amended—

3 (1) by striking “, but not more than ten,”; and

4 (2) by striking the third sentence and inserting
 5 the following: “In establishing the areas, the Sec-
 6 retary and Director shall include an area that in-
 7 cludes the catchment area of one or more military
 8 medical treatment facilities, an area that is not lo-
 9 cated in the catchment area of a military medical
 10 treatment facility, an area in which there is a Medi-
 11 care Subvention Demonstration project area under
 12 section 1896 of title XVIII of the Social Security
 13 Act (42 U.S.C. 1395ggg), and one area for each
 14 TRICARE region. Each area selected after the date
 15 of the enactment of the National Defense Authoriza-
 16 tion Act for Fiscal Year 2001 shall be an area that
 17 is not located in the catchment area of a military
 18 medical treatment facility.”.

19 **SEC. 107. IMPLEMENTATION OF REDESIGNED PHARMACY**
 20 **SYSTEM.**

21 (a) ENROLLMENT FEE AND DEDUCTIBLES RE-
 22 QUIRED.—Subsection (b) of section 723 of the Strom
 23 Thurmond National Defense Authorization Act for Fiscal
 24 Year 1999 (Public Law 105–261; 112 Stat. 2068; 10
 25 U.S.C. 1073 note) is amended to read as follows:

1 “(b) ENROLLMENT FEES, DEDUCTIBLES, AND
 2 OTHER CHARGES.—(1) The Secretary may require each
 3 eligible individual described in subsection (e) who partici-
 4 pates in the redesigned pharmacy system to pay an enroll-
 5 ment fee. The Secretary shall ensure that any such enroll-
 6 ment fee required after December 31, 2000, is lower than
 7 the enrollment fee charged under this subsection on such
 8 date.

9 “(2) The Secretary may also impose one or more
 10 cost-sharing requirements for each individual referred to
 11 in paragraph (1) for benefits under the redesigned phar-
 12 macy system as follows:

13 “(A) An annual deductible requirement for each
 14 such individual.

15 “(B) Any premiums, copayments, or other
 16 charges that the Secretary would otherwise collect
 17 from individuals similar to such individual.”.

18 (b) PERIODIC PAYMENT OF PREMIUMS.—Subsection
 19 (b) of such section is further amended by adding at the
 20 end the following:

21 “(2) An individual may elect to pay a premium
 22 charged under this subsection on a monthly or quarterly
 23 basis.”.

24 (c) EFFECTIVE DATE.—The amendments made by
 25 this section shall take effect on January 1, 2001, and shall

1 apply with respect to participation in the redesigned phar-
 2 macy system under section 723 of Public Law 105–261
 3 for months beginning on or after that date.

4 **TITLE II—TRICARE PRIME** 5 **PERMANENT AUTHORITIES**

6 **SEC. 201. ADDITIONAL BENEFICIARIES UNDER TRICARE** 7 **PRIME REMOTE PROGRAM IN CONUS.**

8 (a) COVERAGE OF OTHER UNIFORMED SERVICES.—

9 (1) Section 1074(c) of title 10, United States Code, is
 10 amended—

11 (A) by striking “armed forces” each place it ap-
 12 pears, except in paragraph (3)(A), and inserting
 13 “uniformed services”;

14 (B) in paragraph (1), by inserting after “mili-
 15 tary department” in the first sentence the following:
 16 “, the Department of Transportation (with respect
 17 to the Coast Guard when it is not operating as a
 18 service in the Navy), or the Department of Health
 19 and Human Services (with respect to the National
 20 Oceanic and Atmospheric Administration and the
 21 Public Health Service)”;

22 (C) in paragraph (2), by adding at the end the
 23 following:

1 “(C) The Secretary of Defense shall consult
2 with the other administering Secretaries in the ad-
3 ministration of this paragraph.”; and

4 (D) in paragraph (3)(A), by striking “The Sec-
5 retary of Defense may not require a member of the
6 armed forces described in subparagraph (B)” and
7 inserting “A member of the uniformed services de-
8 scribed in subparagraph (B) may not be required”.

9 (2)(A) Subsections (b), (c), and (d)(3) of section 731
10 of the National Defense Authorization Act for Fiscal Year
11 1998 (Public Law 105–85; 111 Stat. 1811; 10 U.S.C.
12 1074 note) are amended by striking “Armed Forces” and
13 inserting “uniformed services”.

14 (B) Subsection (b) of such section is further amended
15 by adding at the end the following:

16 “(4) The Secretary of Defense shall consult with the
17 other administering Secretaries in the administration of
18 this subsection.”.

19 (C) Subsection (f) of such section is amended by add-
20 ing at the end the following:

21 “(3) The terms ‘uniformed services’ and ‘ad-
22 ministering Secretaries’ have the meanings given
23 those terms in section 1072 of title 10, United
24 States Code.”.

1 (3) Section 706(b) of the National Defense Author-
2 ization Act for Fiscal Year 2000 (Public Law 106–65; 113
3 Stat. 684) is amended by striking “Armed Forces” and
4 inserting “uniformed services (as defined in section
5 1072(1) of title 10, United States Code)”.

6 (b) COVERAGE OF IMMEDIATE FAMILY.—(1) Section
7 1079 of title 10, United States Code, is amended by add-
8 ing at the end the following:

9 “(p)(1) Subject to such exceptions as the Secretary
10 of Defense considers necessary, coverage for medical care
11 under this section for the dependents referred to in sub-
12 section (a) of a member of the uniformed services referred
13 to in section 1074(c)(3) of this title who are residing with
14 the member, and standards with respect to timely access
15 to such care, shall be comparable to coverage for medical
16 care and standards for timely access to such care under
17 the managed care option of the TRICARE program known
18 as TRICARE Prime.

19 “(2) The Secretary of Defense shall enter into ar-
20 rangements with contractors under the TRICARE pro-
21 gram or with other appropriate contractors for the timely
22 and efficient processing of claims under this subsection.

23 “(3) The Secretary of Defense shall consult with the
24 other administering Secretaries in the administration of
25 this subsection.”.

1 (2) Section 731(b) of the National Defense Author-
2 ization Act for Fiscal Year 1998 (Public Law 105–85; 111
3 Stat. 1811; 10 U.S.C. 1074 note) is amended—

4 (A) in paragraph (1), by adding at the end the
5 following: “A dependent of the member, as described
6 in subparagraph (A), (D), or (I) of section 1072(2)
7 of title 10, United States Code, who is residing with
8 the member shall have the same entitlement to care
9 and to waiver of charges as the member.”; and

10 (B) in paragraph (2), by inserting “or depend-
11 ent of the member, as the case may be,” after “(2)
12 A member”.

13 (c) EFFECTIVE DATE.—(1) The amendments made
14 by subsection (a)(2), with respect to members of the uni-
15 formed services, and the amendments made by subsection
16 (b)(2), with respect to dependents of members, shall take
17 effect on the date of the enactment of this Act and shall
18 expire with respect to a member or the dependents of a
19 member, respectively, on the later of the following:

20 (A) The date that is one year after the date of
21 the enactment of this Act.

22 (B) The date on which the amendments sub-
23 section (a)(1) or (b)(1) apply with respect to the
24 coverage of medical care for and provision of such
25 care to the member or dependents, respectively.

1 (2) Section 731(b)(3) of Public Law 105–85 does not
2 apply to a member of the Coast Guard, the National Oce-
3 anic and Atmospheric Administration, or the Commis-
4 sioned Corps of the Public Health Service, or to a depend-
5 ent of a member of a uniformed service.

6 **SEC. 202. ELIMINATION OF COPAYMENTS FOR IMMEDIATE**
7 **FAMILY.**

8 (a) NO COPAYMENT FOR IMMEDIATE FAMILY.—Sec-
9 tion 1097a of title 10, United States Code, is amended—
10 (1) by redesignating subsection (e) as sub-
11 section (f); and

12 (2) by inserting after subsection (d) the fol-
13 lowing new subsection (e):

14 “(e) NO COPAYMENT FOR IMMEDIATE FAMILY.—No
15 copayment shall be charged a member for care provided
16 under TRICARE Prime to a dependent of a member of
17 the uniformed services described in subparagraph (A),
18 (D), or (I) of section 1072 of this title.”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 subsection (a) shall take effect on October 1, 2000, and
21 shall apply with respect to care provided on or after that
22 date.

1 **SEC. 203. IMPROVEMENT IN BUSINESS PRACTICES IN THE**
2 **ADMINISTRATION OF THE TRICARE PRO-**
3 **GRAM.**

4 (a) REQUIREMENT.—Not later than October 1, 2001,
5 the Secretary of Defense shall take actions that the Sec-
6 retary considers appropriate to improve the business prac-
7 tices used in administering the access of eligible persons
8 to health care services through the TRICARE program
9 under chapter 55 of title 10, United States Code, includ-
10 ing the practices relating to the following:

11 (1) The availability and scheduling of appoint-
12 ments.

13 (2) The filing, processing, and payment of
14 claims.

15 (3) Public relations efforts that are focused on
16 outreach to eligible persons.

17 (4) The continuation of enrollments without ex-
18 piration.

19 (5) The portability of enrollments nationwide.

20 (b) CONSULTATION.—The Secretary of Defense shall
21 consult with the other administering Secretaries in the de-
22 velopment of the actions to be taken under subsection (a).

23 (c) REPORT.—Not later than March 15, 2001, the
24 Secretary of Defense shall submit to the Committees on
25 Armed Services of the Senate and House of Representa-

1 tives a report on the actions to be taken under subsection
2 (a).

3 (d) DEFINITIONS.—In this section the terms “admin-
4 istering Secretaries” and “TRICARE program” shall have
5 the meanings given such terms in section 1072 of title 10,
6 United States Code.

7 **TITLE III—OTHER DEFENSE** 8 **HEALTH PROGRAM MATTERS**

9 **SEC. 301. NATIONAL MAIL ORDER PHARMACY PROGRAM.**

10 (a) ESTABLISHMENT.—(1) Chapter 55 of title 10,
11 United States Code, is amended by adding at the end the
12 following:

13 **“§ 1110. Mail order pharmaceuticals**

14 “(a) REQUIREMENT.—(1) The Secretary of Defense
15 shall carry out a program that permits eligible persons de-
16 scribed in subsection (b) to obtain prescription pharma-
17 ceuticals by mail.

18 “(b) ELIGIBLE PERSONS.—A person is eligible to ob-
19 tain pharmaceuticals under the program if the person—

20 “(1) is 65 years of age or older;

21 “(2) would be eligible for medical care under a
22 contract for medical care entered into under section
23 1086 of this title except for the operation of sub-
24 section (d)(1) of such section; and

1 “(3) is enrolled in the supplemental medical in-
2 surance program under part B of title XVIII of the
3 Social Security Act (42 U.S.C. 1395j et seq.).

4 “(c) PHARMACEUTICALS OFFERED.—The Secretary
5 of Defense shall determine the pharmaceuticals that may
6 be obtained by eligible persons under the program.

7 “(d) ANNUAL DEDUCTIBLE.—The Secretary of De-
8 fense may impose an annual deductible requirement for
9 each person obtaining pharmaceuticals under the pro-
10 gram. The amount of any annual deductible imposed
11 under this subsection may not exceed \$150.

12 “(e) CONSULTATION REQUIREMENT.—The Secretary
13 of Defense shall consult with the other administering Sec-
14 retaries in carrying out the program, including in the de-
15 termining of the pharmaceuticals that may be obtained
16 under the program.”.

17 (2) The table of sections at the beginning of such
18 chapter is amended by adding at the end the following:

“1110. Mail order pharmaceuticals.”.

19 (b) COMMENCEMENT OF PROGRAM.—The program
20 required by section 1110 of title 10, United States Code
21 (as added by subsection (a)), shall commence not later
22 than the first day of the first month that begins on or
23 after the date that is 180 days after the date of the enact-
24 ment of this Act.

1 (c) RELATIONSHIP TO DEMONSTRATION PROJECT.—

2 The program carried out under section 1110 of title 10,
 3 United States Code (as added by subsection (a)), is in ad-
 4 dition to the demonstration project carried out under sec-
 5 tion 702 of the National Defense Authorization Act for
 6 Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2431;
 7 10 U.S.C. 1079 note).

8 **SEC. 302. PROVISION OF DOMICILIARY AND CUSTODIAL**
 9 **CARE FOR CHAMPUS BENEFICIARIES.**

10 (a) CONTINUATION OF CARE FOR CERTAIN
 11 CHAMPUS BENEFICIARIES.—Subsection (a)(3) of sec-
 12 tion 703 of the National Defense Authorization Act for
 13 Fiscal Year 2000 (Public Law 106–65; 113 Stat. 682; 10
 14 U.S.C. 1077 note) is amended to read as follows:

15 “(3) As used in this section, the term ‘eligible bene-
 16 ficiary’ means the following:

17 “(A) A covered beneficiary (as that term is de-
 18 fined in section 1072 of title 10, United States
 19 Code) who, before the effective date of final regula-
 20 tions to implement the individual case management
 21 program authorized by section 1079(a)(17) of such
 22 title was provided domiciliary or custodial care serv-
 23 ices for which the Secretary provided payment.

24 “(B) A person who formerly was an eligible
 25 beneficiary under subparagraph (A) and is enrolled

1 in the TRICARE Senior Prime plan under the medi-
 2 care subvention demonstration project for military
 3 retirees carried out under section 1896 of the Social
 4 Security Act (42 U.S.C. 1395ggg).”.

5 (b) COST LIMITATION.—Such section 703 is further
 6 amended by adding at the end the following:

7 “(e) COST LIMITATION.—The total amount expended
 8 for services provided under subsection (a) for eligible bene-
 9 ficiaries may not exceed \$100,000,000 in fiscal year 2000
 10 or any fiscal year thereafter.”.

11 **SEC. 303. STUDIES OF ACCRUAL FINANCING FOR HEALTH**
 12 **CARE FOR MILITARY RETIREES.**

13 (a) STUDIES REQUIRED.—The Secretary of Defense
 14 shall carry out two studies to assess the feasibility and
 15 desirability of financing the military health care program
 16 for retirees of the uniformed services on an accrual basis.

17 (b) SOURCES OF STUDIES.—The Secretary shall pro-
 18 vide for—

19 (1) one of the studies under subsection (a) to
 20 be conducted by one or more Department of Defense
 21 organizations designated by the Secretary; and

22 (2) the other study to be conducted by an orga-
 23 nization that is independent of the Department of
 24 Defense and has expertise in financial programs and
 25 health care.

1 (c) REPORTS.—(1) The Secretary shall provide for
 2 the submission of a final report on each study to the Sec-
 3 retary within such time as the Secretary determines nec-
 4 essary to satisfy the requirement in paragraph (2).

5 (2) The Secretary shall transmit the final reports on
 6 the studies to Congress not later than February 8, 2001.
 7 The Secretary may include in the transmittal any com-
 8 ments on the reports or on the matters studied that the
 9 Secretary considers appropriate.

10 **TITLE IV—JOINT DEPARTMENT**
 11 **OF DEFENSE AND DEPART-**
 12 **MENT OF VETERANS AFFAIRS**
 13 **INITIATIVES**

14 **SEC. 401. TRACKING PATIENT SAFETY IN MILITARY AND**
 15 **VETERANS HEALTH CARE SYSTEMS.**

16 (a) CENTRALIZED TRACKING PROCESS.—The Sec-
 17 retary of Defense and the Secretary of Veterans Affairs
 18 shall jointly prescribe a centralized process for the report-
 19 ing, compiling, and analysis of errors in the provision of
 20 health care under the Defense Health Program and the
 21 Department of Veterans Affairs health care system that
 22 endanger patients beyond the normal risks associated with
 23 the care and treatment of the patients.

24 (b) SAFETY INDICATORS, ET CETERA.—The process
 25 shall include such indicators, standards, and protocols as

1 the Secretary of Defense and the Secretary of Veterans
 2 Affairs consider necessary for the establishment and ad-
 3 ministration of an effective process.

4 **SEC. 402. PHARMACEUTICAL IDENTIFICATION TECH-**
 5 **NOLOGY.**

6 (a) BAR CODE IDENTIFICATION TECHNOLOGY.—The
 7 Secretary of Defense and the Secretary of Veterans Af-
 8 fairs shall jointly develop a system for the use of bar codes
 9 for the identification of pharmaceuticals.

10 (b) USE IN NATIONAL MAIL ORDER PHARMA-
 11 CEUTICALS DEMONSTRATION PROJECT.—The Secretary
 12 of Defense, in consultation with the Secretary of Veterans
 13 Affairs, shall experiment with the use of bar code identi-
 14 fication of pharmaceuticals in the administration of the
 15 mail order pharmaceutical demonstration project being
 16 carried out under section 702 of the National Defense Au-
 17 thorization Act for Fiscal Year 1993 (Public Law 102–
 18 484; 106 Stat. 2431; 10 U.S.C. 1079 note).

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