



## Congress: Support H.R. 475, The Health Care Fairness for Military Families Act

Please ensure military families have the same health care protections for their young adult children as their civilian counterparts covered by commercial plans

**Military kids** currently impacted by this issue were toddlers or preschoolers on 9/11 and made many sacrifices as part of military families.

## Parity for TRICARE Young Adults

### Background

We urge Congress to fix a TRICARE eligibility gap for young adults that has existed for more than a decade. Commercial plans that offer dependent child coverage are required to make the coverage available until the adult child reaches the age of 26. There is no separate premium for families who elect to keep adult children on commercial plans. This protects young adults' access to affordable health care even if they elect to pursue advanced degrees or face barriers obtaining their own employer-sponsored coverage.

In contrast, TRICARE policy terminates coverage for young adults at age 21 (or 23 if a full-time student). The FY 2011 National Defense Authorization Act established TRICARE Young Adult (TYA) extending eligibility to age 26 but, unlike families covered by commercial plans, TYA enrollees are required by law to cover the full cost of the program via a separate monthly premium. For 2021, the monthly premium to cover a young adult is \$459 for TYA Prime (up 22% versus 2020) and \$257 for TYA Select (up 13% versus 2020.)



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### TRICARE Young Adult Program Is Not Sustainable

Young adult health care coverage is an issue that can impact any military family, but it is particularly important for career service-members and their families who are most likely to be covered by TRICARE when their children reach adulthood. In 2018, approximately 85% of TYA enrollees were the children of working-age retirees while 15% were the children of active duty families.

TYA premiums have increased dramatically since the program's inception, leading to lower enrollment and a beneficiary pool skewed toward those with chronic medical conditions. TYA Prime premiums are up 160% since 2012 (an average annual increase of more than 14%) while the cost of TYA Select has grown 69% (up more than 7% per year, on average.)

As premiums have increased, the number of healthy young adults enrolling in TYA has declined. That results in a beneficiary pool — particularly for TYA Prime — with a disproportionate number of young adults who have significant medical needs. These needs, with fewer beneficiaries covering program costs, lead to further premium increases, creating a cycle of higher costs and fewer families paying them. This process likely will continue until TYA is no longer a viable program.

### Military Health System Reform Should Mean More Than Just Fee Increases

Military Health System (MHS) reforms passed into law with the FY 2017 NDAA have meant one hit after another in terms of out-of-pocket costs, particularly for retirees.

Since 2018, provider office visit copays have more than doubled. Pharmacy copays have increased twice, while a growing number of prescription drugs are no longer covered by TRICARE at all. As of Jan 1, 2021, retirees on TRICARE Select have an

all-new enrollment fee and a higher catastrophic cap. Retirees are also being moved out of military treatment facilities, where their care was free, and into the civilian network, where they face cost sharing.

MHS reform should be about more than just shifting costs to beneficiaries. Eliminating TYA premiums not only brings TRICARE on par with other employer sponsored plans, but it also targets an improvement at a beneficiary segment that is paying significantly more out of pocket as a result of MHS reform. And these changes should not come at the expense of others who've earned their benefits: MOAA opposes funding this expansion by raising TRICARE fees or cutting other uniformed services programs.

### Military Kids Serve, Too

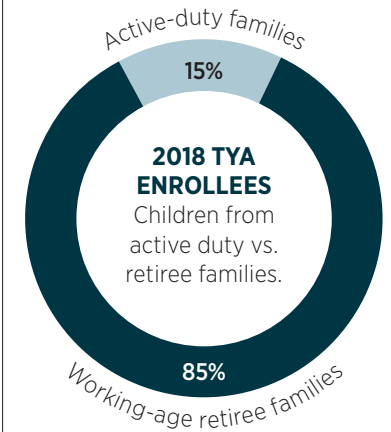
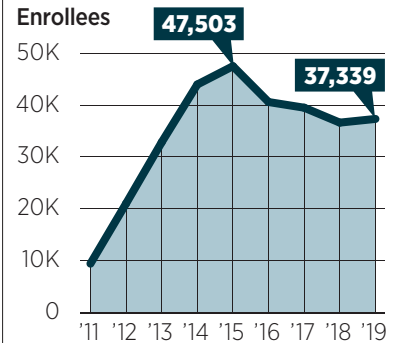
We appreciate Congress and DoD have recognized the unique challenges military kids face. According to the Department of Defense Education Activity, the average child in a military family will move six to nine times during their school years. Deployments and other family separations are also a fact of life for military kids and a growing body of research shows many kids suffer emotional and educational impacts from these experiences. Yet current TRICARE policy leaves military kids transitioning into adulthood without the same health care protections afforded to families with commercial health care plans.

Ensuring health care access and affordability is particularly important during the current pandemic. As COVID-19 impacts higher education pathways and makes it more difficult for young adults to find jobs, we must ensure military families who have sacrificed so much in support of our nation have the same health care protections for their young adult children as their civilian counterparts covered by commercial plans.

## BY THE NUMBERS:

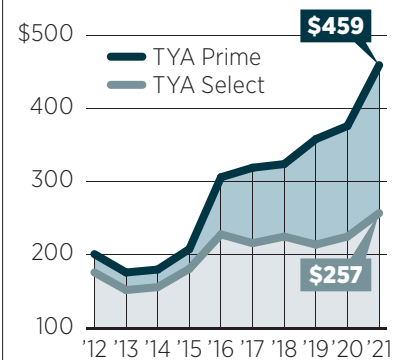
### ENROLLMENT DECLINE

TYA Enrollment has declined 21% since its peak in 2015.



### MONTHLY PREMIUMS

2021 has seen an increase of 22% for Prime and 13% for Select.



SOURCE: ANNUAL EVALUATION OF THE TRICARE PROGRAM