

Here's How the 2018 Tricare Changes Impact Retirees



Jonathan Serna, a registered nurse at the William Beaumont Army Medical Center, checks on Henrie Schneider during Schneider's stay at WBAMC's Surgical Ward, April 11. (Marcy Snchez/ William Beaumont Army Medical Center)

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A series of changes to [Tricare](#) ushered in through a periodic contractor update or ordered by Congress have major impacts on current and future military retirees, including how they enroll in coverage and what they pay out of pocket.

FAST FACTS:

- [Tricare for Life](#) users are not impacted.
- Tricare plan names, region borders and managing contractors are changing Jan. 1.
- All [Tricare Standard retirees](#) and [Tricare Retired Reserve](#) users will see point-of-service fee changes.
- Retirees of the future force will face annual enrollment fees for all plans; current retirees continue to pay an enrollment fee for Tricare Prime only.

[Read how the changes impact other users](#), including active-duty families and those with Tricare Reserve Select.

CONTRACTOR, REGION AND PROGRAM NAME CHANGES

Starting Jan. 1, Tricare's [Extra](#) and [Standard](#) plans will be rolled into one system known as Tricare Select, thanks to legislation passed by Congress last year.

At the same time, a regular Tricare contract update is ushering in changes to Tricare's regions and contractors.

Rather than the three region system used today, Tricare will divide into two regions -- Tricare East and West.

Tricare East will be managed by Humana Military. Tricare West will be managed by Health Net Federal Service.

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- [Many Tricare Users Will Face Higher Out-of-Pocket Costs in 2018](#)
- [Here's How Tricare's 2018 Changes Affect You](#)

- [Obamacare Repeal Would Increase Uninsured Veterans: Report](#)

CHANGES TO HOW -- AND WHEN -- YOU ENROLL

Currently, all Tricare users, including retirees, can switch between coverage plans throughout the year for any reason.

But beginning in 2019, all Tricare users will be blocked from switching between plans at will.

Instead, they will need to wait for a "qualifying life event," such as the birth of a baby or a move, or change during an annual open enrollment period each fall.

During open enrollment, users have two options, Tricare officials said. They can choose to change their plan, or they can do nothing and stay in their current plan.

Retirees who want to use Tricare Prime will also need to pay their annual enrollment fee, just as they do now, officials said.

Whether Tricare users must take action each fall or risk losing their plan has been a point of confusion as the new system rolls out.

Tricare clarified Oct. 6 that all users will remain enrolled year after year, assuming they pay their enrollment fees and remain eligible for coverage, officials said.

Users do not need to do anything to remain in their current plan other than pay any annual fee during or after open enrollment, they said.

ENROLLMENT FEE TIMING MOVED

Right now, Tricare Prime retiree users pay an annual enrollment fee every October. Starting in 2018, however, Tricare will switch to a calendar year system.

That means users will start paying those annual fees -- \$282.60 for an individual user and \$565.20 for a family -- in January instead.

The fee amounts are adjusted annually based on a cost-of-living calculation. The enrollment fee also counts toward the annual \$3,000 "catastrophic cap" -- the most any retiree family will pay out of pocket per year.

For the remainder of this year, retirees will pay a pro-rated enrollment fee. Tricare officials said users will be contacted by the current regional contractors with more information on where and how to pay that fee.

Thanks to the contractor change, some Prime users will also need to change where they send that annual payment starting in January. Officials said those users will be contacted by the new contractors with that information.

THREE MONTHS OF 'FREE' COVERAGE

In the past, annual deductibles and caps have reset on Oct. 1 with the start of the new fiscal year. But because the system is switching to a calendar year system, caps will instead now reset in January.

That means for 2018 only, all users who have hit their cap have an extra three months -- October, November and December of this year -- to receive care without additional fees.

Those who have not yet hit their cap or deductibles will continue to pay toward the fee ceilings.

RETIREES COULD FACE HIGHER FEES LATER

Starting in 2021, retirees who use Tricare Standard, which will be known as Tricare Select, may also face an annual enrollment fee of \$150 for an individual and \$300 for a family.

That change, however, is dependent on future congressional action and Tricare meeting a series of benchmarks between now and then.

FLAT RATE OUT-OF-POCKET COSTS

Thanks to a change in how point-of-service charges are calculated, some users, including retirees in the new Select system, may see higher out-of-pocket fees.

Currently, those costs are based on a "percentage of allowable charges" system predicated on a variety of factors, such as region, type of doctor and type of appointment.

Going forward, however, Tricare is moving to a flat-rate system based on average costs across the system. That means while some users will pay less at appointments, others will pay more.

Starting in January, retirees on Tricare Select, currently known as Tricare Standard or Tricare Extra, will pay \$35 per visit for in-network primary care and \$45 per visit for in-network specialty care until they hit their cap. In-network emergency room visits will run \$116, and in-network urgent care use will cost \$35.

Retirees who use Prime will pay \$20 at point-of-service outside a military treatment facility for in-network primary care; \$30 for in-network specialty care; \$60 for in-network emergency room use; and \$30 for in-network urgent care.

[All other fees are available on Tricare's website.](#)

FUTURE TROOPS WILL FACE DIFFERENT, OFTEN HIGHER, FEES

Troops who join after Jan. 1, 2018, and later retire, commonly called "future retirees," will face an entirely different series of costs, including new and higher registration fees, higher catastrophic caps and a different series of flat fees at the point of service.

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