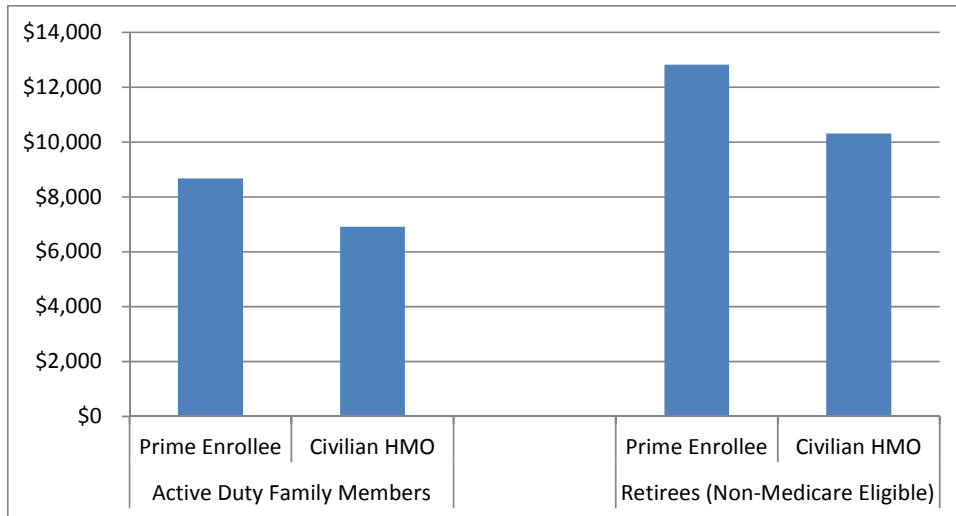


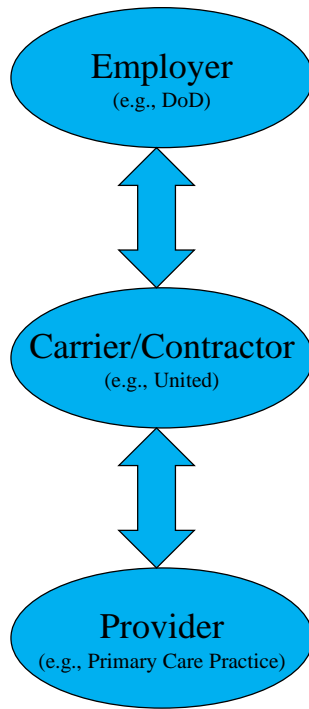
Source: 2015 TRICARE Evaluation Report, pp. 78 and 79.

**Figure 1. 2014 Utilization Comparison for Inpatient Care**



Source: 2015 TRICARE Evaluation Report, p. 95.

**Figure 2. 2014 Cost per Family Comparison**



**Figure 3. Healthcare Markets and Contracting Environment**

**Competitiveness**

Very Competitive



Non-Competitive

**Risk Bearing**

Full Risk Bearing



"Pass through" Contracting

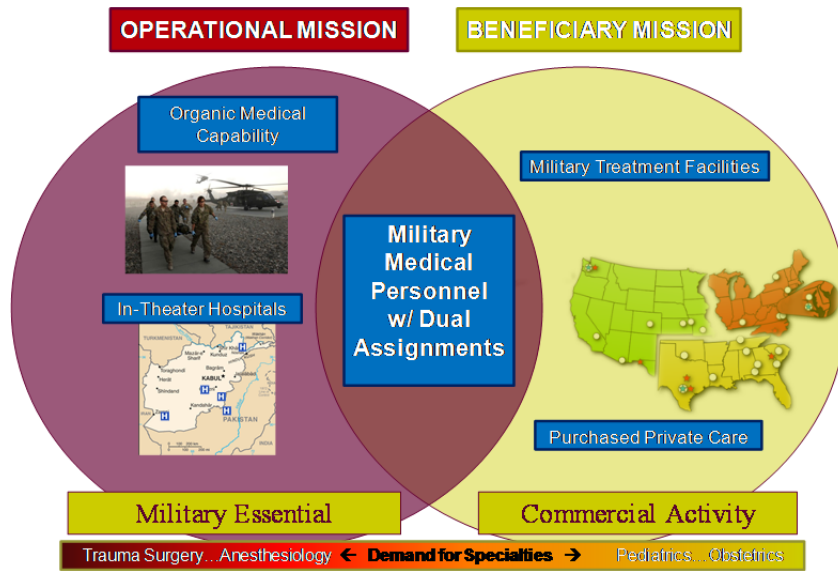
**Flexibility**

Full Flexibility



Rigid Direction

**Figure 4. Three Elements of TRICARE Reform**



**Figure 5. Dual-Mission Framework of MHS**

**Table 1. Plan Choices for Military Beneficiaries Compared to Federal Civilians**

<b>Market Area</b>	<b>Military Beneficiaries</b>	<b>Federal Civilians</b>
Las Vegas, NV	2	19
Pensacola, FL	2	18
Leesville, LA	2	16

**Table 2. Provider Networks for Military Beneficiaries Compared to Federal Civilians**

<b>Market Area</b>	<b>Specialty</b>	<b>TRICARE</b>	<b>GEHA</b>	<b>BCBS</b>
Fayetteville, NC 28310 (Fort Bragg)	Family Practice	64	123	148
	OB/GYN	28	86	111
	Orthopedic Surgery	19	43	163
Phoenix, AZ 85004	Family Practice	94	158	124
	OB/GYN	114	126	138
	Orthopedic Surgery	84	111	108
San Diego, CA 92136	Family Practice	111	149	149
	OB/GYN	53	93	78
	Orthopedic Surgery	90	142	130

**Table 3. Aetna Aexcel Clinical Selected Performance Measures**

Measure	Description	Specialty Attribution
30 Day Readmission Rate – Management Physician	This measure calculates the percentage of acute care inpatient hospitalizations followed by a subsequent acute care inpatient hospitalization within 30 days of the discharge date of the first hospitalization. This measure excludes readmissions that would have been expected based on the clinical nature of the case.	All specialties included in Aexcel.
Adverse Event Rate/Acute Inpatient Hospitalization – Managing Physician	This measure calculates the percentage of acute care inpatient hospitalizations that include an identified undesirable (adverse) event during the hospitalization.	All specialties included in Aexcel.
Adverse Event Rate – Outpatient Procedure	This measure calculates, for members having selected outpatient procedures, the frequency of an adverse event within the 30 days after the procedure.	Gastroenterology, Obstetrics/Gynecology, Orthopedics, Otolaryngology, Plastic Surgery, Surgery, Urology
Asthma: Use of Appropriate Medication	This measure calculates the percentage of members age 5 to 64 who were identified as having persistent asthma and receiving appropriately prescribed medication.	Otolaryngology



**Table 4. Misalignment of Medical Force**

<b>Specialty</b>	<b>FY 2004 Military Requirement</b>	<b>FY 2004 Executed End-Strength</b>	<b>End-Strength Minus Requirement</b>
Pediatrics	286	645	359
Obstetrics	208	387	179
Anesthesiology	318	259	-59
General Surgery	685	443	-242

*Source: "DoD Force Health Protection and Readiness—A Summary of the Medical Readiness Review, 2004–2007," June 2008.*

**Table 5. Top Ten Inpatient Diagnoses in Military Hospitals, 2015**

<b>Clinical Classification Software (CCS) Grouping</b>	<b>Dispositions</b>
Newborn Care	48,490
Normal Pregnancy and Delivery	46,947
Complications of Pregnancy	45,427
Unclassified Care	44,281
High Blood Pressure	43,701
Perinatal Conditions	37,695
Screening/History of Mental Health and Substance Abuse	36,403
Complications of Pregnancy - Care of Mother	32,708
Disorders of Lipid Metabolism	31,305
Nutritional, Endocrine, and Metabolic Disorders	27,887

**Table 6. Top Ten Inpatient Diagnoses in Iraq, 2007**

<b>Clinical Classification Software (CCS) Grouping</b>	<b>Dispositions</b>
Open wounds of head, neck, and trunk	3,488
Open wounds of extremities	2,650
Other injuries and conditions due to external causes	2,274
Fracture of lower limb	992
Nonspecific chest pain	986
Abdominal pain	683
Crushing injury or internal injury	589
Other specified and classifiable external causes of injury	571
Fracture of upper limb	563
Skin and subcutaneous tissue infections	543

**Table 7. Surgical versus Obstetric Workload Mix**

<b>Market</b>	<b>Surgical Workload</b>			<b>Obstetric Workload</b>		
	<b>Military Hospital</b>	<b>Purchased Care</b>	<b>% Military</b>	<b>Military Hospital</b>	<b>Purchased Care</b>	<b>% Military</b>
Las Vegas, NV	1,315	4,749	22%	582	651	47%
Pensacola, FL	657	5,403	11%	368	888	29%
Ft. Polk, LA	192	203	49%	409	24	94%

**Table 8. Military Hospital Inpatient Costs versus Private Sector Care**

<b>Market</b>	<b>Inpatient Military Hospital Cost</b>	<b>Cost of Purchasing Care in Local Market</b>
Nellis Air Force Base, NV	\$34,624,144	\$29,909,465
Naval Air Station Pensacola, FL	\$31,180,755	\$13,747,915
Ft. Polk, LA	\$14,727,029	\$6,604,439

*Source: Lurie, "Comparing the Costs of Military Treatment Facilities with Private Sector Care."*

**Table 9. Average Workload in Ten Largest DoD Markets as Percentage of Civilian Median**

<b>Market</b>	<b>Emergency Medicine</b>	<b>Family Medicine</b>	<b>General Surgery</b>	<b>Orthopedic Surgery</b>
National Capital Area	31%	43%	18%	26%
Tidewater, VA	49%	36%	22%	41%
San Diego, CA	60%	48%	34%	35%
Puget Sound, WA	33%	27%	36%	43%
San Antonio, TX	28%	54%	39%	41%
Bragg/Pope, NC	21%	30%	36%	39%
Ft. Hood, TX	47%	15%	37%	37%
Colorado Springs, CO	35%	39%	28%	36%
Hawaii	34%	22%	39%	41%
Jacksonville, FL	59%	55%	41%	29%

**Table 10. Average Workload in Ten Largest DoD Markets as a Percentile of Civilian Providers**

<b>Market</b>	<b>Emergency Medicine</b>	<b>Family Medicine</b>	<b>General Surgery</b>	<b>Orthopedic Surgery</b>
National Capital Area	1%	2%	0%	0%
Tidewater, VA	8%	1%	0%	3%
San Diego, CA	15%	3%	2%	2%
Puget Sound, WA	1%	0%	2%	4%
San Antonio, TX	1%	6%	3%	3%
Bragg/Pope, NC	0%	0%	2%	2%
Ft. Hood, TX	6%	0%	2%	2%
Colorado Springs, CO	2%	1%	1%	2%
Hawaii	2%	0%	3%	3%
Jacksonville, FL	15%	7%	3%	1%