



UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

MAY 30 2013

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Senate Report 112-173, page 128, to accompany S. 3254, the National Defense Authorization Act for Fiscal Year 2013, requested the Assistant Secretary of Defense for Health Affairs to assess participation in the Extended Care Health Option (ECHO) program by eligible dependents with special needs through consultation with ECHO-eligible families, and explore options to provide more flexible benefits under that program without increasing costs to the Department. The report was due on February 1, 2013. The Department apologizes for the delay. The report is late due to the additional time required to compile the information and analyze the data.

Results indicate the Department should focus on outreach to families with special needs children to ensure they are aware of and understand the ECHO program, the benefits available, and provide these families assistance during the permanent change of station process. This can be done at little to no cost to the Department. TRICARE is collaborating with the Services' Exceptional Family Member Program managers on informing beneficiaries about the ECHO program. A similar letter is being sent to the Chairpersons of the other congressional defense committees.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families.

Sincerely,


Jessica L. Wright
Acting

Enclosure:
As stated

cc:
The Honorable James M. Inhofe
Ranking Member



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WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

MAY 30 2013

The Honorable Howard P. "Buck" McKeon
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Senate Report 112-173, page 128, to accompany S. 3254, the National Defense Authorization Act for Fiscal Year 2013, requested the Assistant Secretary of Defense for Health Affairs to assess participation in the Extended Care Health Option (ECHO) program by eligible dependents with special needs through consultation with ECHO-eligible families, and explore options to provide more flexible benefits under that program without increasing costs to the Department. The report was due on February 1, 2013. The Department apologizes for the delay. The report is late due to the additional time required to compile the information and analyze the data.

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Sincerely,


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Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member



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PERSONNEL AND
READINESS

MAY 30 2013

The Honorable Barbara A. Mikulski
Chairwoman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

Senate Report 112-173, page 128, to accompany S. 3254, the National Defense Authorization Act for Fiscal Year 2013, requested the Assistant Secretary of Defense for Health Affairs to assess participation in the Extended Care Health Option (ECHO) program by eligible dependents with special needs through consultation with ECHO-eligible families, and explore options to provide more flexible benefits under that program without increasing costs to the Department. The report was due on February 1, 2013. The Department apologizes for the delay. The report is late due to the additional time required to compile the information and analyze the data.

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Jessica L. Wright
Acting

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As stated

cc:
The Honorable Richard C. Shelby
Vice Chairman



UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

MAY 30 2013

The Honorable Harold Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Senate Report 112-173, page 128, to accompany S. 3254, the National Defense Authorization Act for Fiscal Year 2013, requested the Assistant Secretary of Defense for Health Affairs to assess participation in the Extended Care Health Option (ECHO) program by eligible dependents with special needs through consultation with ECHO-eligible families, and explore options to provide more flexible benefits under that program without increasing costs to the Department. The report was due on February 1, 2013. The Department apologizes for the delay. The report is late due to the additional time required to compile the information and analyze the data.

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Thank you for your interest in the health and well-being of our Service members, veterans, and their families.

Sincerely,


Jessica L. Wright
Acting

Enclosure:
As stated

cc:
The Honorable Nita M. Lowey
Ranking Member

Report to Congress



The Department of Defense Report to Congress on Participation in the Extended Care Health Option (ECHO)

**Requested by: Page 128, Senate Armed Services Committee Report 112-173,
accompanying the National Defense Authorization Act (NDAA) for Fiscal
Year 2013**

The estimated cost of report or study for
the Department of Defense is
approximately \$7,390 for the 2013 Fiscal
Year. This includes \$5,100 in expenses and
\$2,290 in DoD labor.

Generated on 2013Apr15 RefID: 7-
28309CB

REPORT ON PARTICIPATION IN THE EXTENDED CARE HEALTH OPTION (ECHO)
PROGRAM BY ELIGIBLE DEPENDENTS WITH SPECIAL NEEDS

INTRODUCTION

This report is in response Senate Armed Services Committee Report 112-173, accompanying the National Defense Authorization Act for Fiscal Year 2013, page 128, which requested that the Assistant Secretary of Defense for Health Affairs enhance current reporting requirements to include information on access, quality, and care for young children and beneficiaries with special needs. The Committee requested the Department to assess participation in the Extended Care Health Option (ECHO) program by eligible dependents with special needs through consultation with ECHO-eligible families, and to explore options to provide more flexible benefits under that program without increasing costs to the Department.

BACKGROUND

The TRICARE Basic Program is a comprehensive health benefit plan offering a full array of medically necessary services to address the needs of all beneficiaries with special needs. TRICARE's Basic Program provides Occupational Therapy to promote the development of self-care skills, Physical Therapy to promote coordination/motor skills, Speech and Language therapy to promote communication skills, child psychiatry and child psychology to address psychopharmacological needs, and psychological testing. Additionally, the full range of medical specialties to address the additional medical conditions common to this population is covered.

The ECHO program is a supplemental program to the TRICARE Basic Program and provides eligible Active Duty Family Members (ADFM) with an additional financial resource for an integrated set of services and supplies designed to assist in the reduction of the disabling effects of the beneficiary's qualifying condition. ECHO is established in law at Section 1079(d)-(f) of title 10 of the U.S. Code. The ECHO is not an enrollment program but does require registration. TRICARE ECHO provides financial assistance only for ADFMs with specific qualifying mental or physical conditions, including:

- Diagnosis of a neuromuscular developmental condition or other condition in an infant or toddler expected to precede a diagnosis of moderate or severe mental retardation or serious physical disability
- Extraordinary physical or psychological condition causing the beneficiary to be homebound
- Moderate or severe mental retardation
- Multiple disabilities
- Serious physical disability

ECHO provides benefits not available through the TRICARE Basic program, such as coverage for:

- Assistive services (for example, those from a qualified interpreter or translator)
- Durable equipment, including adaptation and maintenance
- Expanded in-home medical services through TRICARE ECHO Home Health Care (EHHC)
- Medical and rehabilitative services
- In-home respite care services (can only be used in a month when at least one other ECHO benefit is being received)

- Training to use assistive technology devices
- Institutional care when a residential environment is required
- Special education (does not include tuition for a beneficiary to attend private school)
- Transportation under certain circumstances
- Other services that the Director of TRICARE Management Activity (TMA) determines are capable of reducing the disabling effects of a qualifying condition, such as applied behavior analysis (ABA) services for eligible beneficiaries with an Autism Spectrum Disorder (ASD) diagnosis.

FINDINGS

Assessment of ECHO Claims Data

In assessing the participation within ECHO of military families with special needs, we first examined purchased care claims incurred from Fiscal Year (FY) 2009 through FY 2012 by ECHO beneficiaries. We extracted all purchased care claims incurred during FY 2011 and FY 2012 with a special processing code “PF” (indicating the ECHO program claims) from the Military Health System Data Repository.

The majority of ECHO participants are beneficiaries with an ASD diagnosis. The annual number of TRICARE ADFM beneficiaries with an ASD diagnosis using the ECHO program nearly tripled between FY 2009 and FY 2012 (from 2,292 users to 6,560). The annual growth rate in users has declined over time. Users increased by 59 percent between FY 2009 and FY 2010, by 41 percent between FY 2010 and FY 2011 and by 28 percent between FY 2011 and FY 2012. Average annual costs per user increased by 16 percent between FY 2009 and FY 2010, by 5 percent between FY 2010 and FY 2011, and were constant between FY 2011 and FY 2012 (an increase of 21 percent from \$13,518 in FY 2009 to \$16,410 in FY 2012).

Government costs for ECHO program participants with ASD diagnoses more than tripled between FY 2009 and FY 2012 (from \$31.0 to \$107.7 million, a 247 percent increase). Costs increased by 84 percent between FY 2009 and FY 2010, by 47 percent between FY 2010 and FY 2011, and by 28 percent between FY 2011 and FY 2012 primarily reflecting trends in users.

A primary driver of the large increases in ECHO ASD users and costs is the dramatic growth in ECHO Enhanced Access to Autism Services Demonstration (“Autism Demo”) program participation since the demo began in March of 2008. The Autism Demo was conceived by TRICARE in response to a relative shortage of Behavior Analyst Certification Board (BACB)-certified providers throughout the United States, particularly in the West contract region. However, since 2005, there has been tremendous growth in the number of Board Certified Behavior Analysts (BCBA). Across the United States, the number of BACB-certified BCBA providers grew by 315 percent from 2005 to 2013 (January)—more than 7,302 providers have been added to the ranks of the 2,328 that existed in 2005. Growth has been the most pronounced in the West Managed Care Support (MCS) region where earlier shortfalls were the greatest—today, a total of 2,133 BCBA have been added to a 2005 base of 481 implying a growth rate of 443 percent over the time period. As a result, the annual number of TRICARE ASD beneficiaries who have used the Autism Demo almost quadrupled between FY 2009 and

FY 2012 (from 1,225 to 4,758 users, a 288 percent increase). Autism Demo users increased by 104 percent between FY 2009 and FY 2010 and by 50 percent between FY 2010 and FY 2011 and by 27 percent between FY 2011 and FY 2012.

ECHO users with non-ASD diagnoses had expenditures of \$47.2 million in FY 2012, indicating total annual ECHO program expenditures of \$158.0 million (\$110.7 + \$47.2). More than 97 percent of non-ASD expenditures are for beneficiaries in the EHHC program. There are only 918 non-ASD ECHO beneficiary users, and slightly more than half of them are in the EHHC program.

Consultation with ECHO Beneficiaries

Consultation with ECHO-eligible families to explore options to provide more flexible ECHO benefits without increasing costs to the Department was accomplished through the TRICARE Regional Office (TRO) ECHO case managers, Department of Defense Office of Special Needs (OSN), and the Service-level Exceptional Family Member (EFMP) program managers. These managers are engaged directly with ECHO beneficiaries and were able to provide constructive feedback. Additionally, OSN provided comments from a study, conducted by researchers affiliated with West Virginia University, designed to review and assess access to Medicaid services by military families with special needs. While conducting the field research, the team became aware of the specific concerns raised by Active Duty families with special needs regarding the Military Health System. The following themes concerning the flexibility of the ECHO benefit were raised:

1) Although the ECHO is not an enrollment program it does require registration with the TRICARE MCS contractors (MCSC). The Active Duty sponsor must provide evidence, obtained from the sponsor's branch of Service, that the family is enrolled in the EFMP administered by the sponsor's branch of Service. However, families do not like having to provide documentation from EFMP, nor do they like to enroll in EFMP as they are afraid it will impact the ADSM's career. Additionally, oftentimes families are confused when they enroll in EFMP, believing they are actually registering in ECHO.

2) ECHO requires public facilities be used first for services and items related to training, rehabilitation, special education, assistive technology devices, institutional care in private nonprofit, public, and state institutions and facilities and, if appropriate, transportation to and from such institutions and facilities to the extent they are available and adequate. For a beneficiary aged 3 to 21 who is enrolled in an education program, the local public education agency must certify services or items requested through ECHO are not included on the beneficiary's Individualized Education Program, or if so, are not adequately available. Many parents consider this requirement to be a nuisance. For ABA therapy in particular, local public educational resources are frequently not available, or there are long waiting lists and, thus, parents view this as an unnecessary step in obtaining ECHO ABA benefits. Also, ECHO families are unsure of how to get this information or from whom they need to get the written information.

3) ECHO registered beneficiaries are eligible to receive a maximum of 16 hours of respite care in any calendar month in which they also receive any other ECHO authorized benefit other than the EHHC benefit. Families do not understand why they cannot access this benefit alone and would like the policy relaxed to make the respite care benefit more flexible. This is a source of discontent among ECHO families.

4) Permanent Change of Station (PCS) transfers to another TRICARE MCSC is a concern frequently raised by ECHO families. In the PCS process, portability of health coverage and a smooth transition from one duty assignment to another is obviously a high priority for the military member and their family members. Oftentimes, families are required to submit updated information and provide new documentation from providers in order to continue to receive authorizations for continued ECHO benefits. This, according to families, results in continuity of care issues and makes each PCS move for ECHO families more difficult.

5) ECHO families are not sure about the benefits ECHO provides and perceive a lack of outreach on the ECHO Program. They feel there is a lot of ambiguity around what is considered a covered treatment and therapy and what is considered educational or supportive services. For example, some families have expressed concern about the lack of coverage for diapers as the monthly cost can exceed \$100 for families with older children requiring diapers.

6) The ECHO annual Government liability cap of \$36,000 is not sufficient, and ECHO is not available to retirees.

7) ECHO parents are concerned TRICARE provider networks, particularly ABA services for autistic children, may not have the capacity to meet demands, resulting in long waiting times beneficiaries experienced in accessing TRICARE covered services.

ANALYSIS OF OPTIONS TO PROVIDE MORE FLEXIBLE ECHO BENEFITS WITHOUT INCREASING COSTS TO THE DEPARTMENT

1) EFMP Enrollment Requirement for ECHO Registration: section 1079(d)(1) of title 10, U.S. Code, requires TRICARE beneficiaries must be "registered" in order to receive benefits provided under section 1079(d)-(f) of title 10, U.S. Code. This registration policy enhances efforts to provide an integrated set of services and supplies to eligible TRICARE beneficiaries and insure effective utilization of program resources.

Title 32, Code of Federal Regulations, section 199.5(h)(2), requires Active Duty sponsors to provide evidence of enrollment in the EFMP provided by their branch of Service at the time they register their family member(s) for the ECHO. The Director, TMA, or designee does have the authority to waive the EFMP enrollment requirement if circumstances exist that make enrollment in the EFMP unnecessary or inappropriate. The EFMP enrollment requirement for ECHO registration could be eliminated at no or little cost to the Department through a regulatory change. However, it is not recommended TRICARE eliminate this requirement. The EFMP was established to assist in assignment coordination so that medical and educational needs of family members are considered when assignments are made. Relaxing the EFMP requirement would make it more difficult for Service assignment managers to ensure ADSMs with special needs

family members are not given accompanied orders to duty stations where there are inadequate educational and medical resources to address those needs.

2) Public Facility Use Certification: This is a statutory requirement in accordance with sSection 1079(d)(1) of title 10, U.S. Code. This requirement mainly impacts those ECHO beneficiaries with an ASD diagnosis. Services and items available through the EHHC or Respite Care benefits do not require a public facility use certification. Improved communications explaining the requirement and how to satisfy the requirement may help ease parental concerns.

3) ECHO Respite Care Benefit: Respite care is short-term care for a patient in order to provide rest and change for those who have been caring for the patient at home, usually the patient's family. Requiring other ECHO-authorized benefits to be in-place as a condition of receiving ECHO respite care is a reasonable demand management tool. It is not recommended a regulatory change be sought to eliminate this requirement, as increased costs to the Government will likely occur.

4) PCS Continuity: TRICARE is cognizant that continuity of care for ECHO families as they PCS is a significant concern. The TROs and the three MCSCs work very hard at improving the transfer process across regions, and communication and collaboration between all parties involved has improved the transition. The TROs will continue efforts in this area.

5) ECHO Benefit Confusion: The TRICARE Beneficiary Education and Support Division ensures TRICARE beneficiaries have access to necessary information to make appropriate health care decisions. The Division coordinates with the Department of Defense, the Assistant Secretary of Defense for Health Affairs, Services, TROs, and contractor partners to ensure consistent TRICARE information is available that is evidence-based and is conveyed using targeted tactics and tools. Although marketing and education is done on a consistent basis, it is recommended the Division work with the TROs and contractors to develop a new or updated marketing and education plan targeted at ECHO beneficiaries.

6) Government Cap and ECHO Availability to Non-Active Duty Family Members: This is a statutory requirement in accordance with section 1079(d) of title 10, U.S. Code, and will take congressional action to increase the cap or open ECHO to non-Active Duty families. Such legislative action would likely result in significant increased costs to the Department.

7) The TROs and MCSCs strive to identify areas where there are provider shortfalls. Since the vast majority of ECHO beneficiaries have an ASD diagnosis, ABA provider availability is of particular concern. Although the annual growth rate in users of ABA services has declined over time, the demand for ABA services by military families continues to grow at double-digit rates. This has resulted in more than tripling Government costs since FY 2009 to provide these services to military family members with ASD estimated diagnoses (from \$31.0 to \$107.7 million, a 247 percent increase). Given that only half of the estimated ADFM population with ASD is currently receiving ABA services while using a disproportionate 32 percent of the 9,043 BACB-certified providers in the United States in FY 2012, TRICARE remains concerned about the availability of qualified providers to meet the demands of the military and non-military population, despite the growth of BCBA's nationwide. Through ECHO, TRICARE continues to

increase access to ABA services and is leading the nation in fielding an effective ABA provision model that mitigates the national shortfall in available ABA providers. However, reducing or eliminating the national shortfall of board-certified providers of ABA will require a concerted national effort.

CONCLUSION

The Senate Armed Services Committee Report 112-173, accompanying the National Defense Authorization Act for Fiscal Year 2013, section 703, specifically requested the Department to explore options to provide more flexible benefits under that program without increasing costs to the Department through consultation with ECHO families. As noted in this report, modifying a number of the ECHO features concerning families would require statutory and regulatory changes that, in turn, would likely result in increased costs to the Department. Instead, the Department should focus on outreach to families with special needs children to ensure they are aware of and understand the ECHO program, the benefits available, and are provided assistance during the PCS process. This can be done at little-to-no cost. The TRICARE Policy and Operations Division, Office of the Chief Medical Officer, Beneficiary and Education and Support Division, the TROs, OSN, and the Service EFMP managers have begun efforts to collaborate on informing beneficiaries about the ECHO program to provide families with a better understanding of the program and information to facilitate access to ECHO benefits.