PREFACE

The Balanced Budget Act of 1997 directed The Health Care Financing Administration (HCFA) and the Department of Defense (DoD) to conduct a subvention demonstration to test the feasibility of establishing Medicare managed care plans within the DoD TRICARE program for beneficiaries who are eligible for both DoD and Medicare health insurance benefits. These plans, called TRICARE Senior Prime plans, are intended to expand access to military health care services for dually eligible beneficiaries while maintaining budget neutrality. The legislation also authorized military treatment facilities in the demonstration sites to enter into provider contracts with Medicare health plans, called Medicare Partners agreements. Under a Memorandum of Agreement, DoD and the Department of Health and Human Services authorized an independent evaluation of the demonstration to be performed for HCFA and DoD. In September 1998, HCFA awarded RAND the contract to perform this evaluation.

This Interim Report describes the results from our early evaluation efforts. Chapter 1 provides an introduction, Chapter 2 documents our evaluation methods and data, and Chapter 3 describes the policy framework. In Chapter 4, we describe the six demonstration sites and provide data on early enrollment. In Chapter 5, we report the results of our initial round of site visits conducted with all six sites. Chapter 6 provides a preliminary review of the payment methods, and Chapter 7 concludes with some implications for future policy.

Future reports will focus on quantitative evaluation of data from both demonstration and control sites. These efforts will examine the impact of the demonstration on access, utilization, costs, quality, and satisfaction for both the dual eligibles and other populations. They also will document the findings from another round of site visits.

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