

Military's health care costs booming

By Gregg Zoroya - USA Today
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WASHINGTON — Military health care spending is rising twice as fast as the nation's overall health care costs, consuming a larger chunk of the defense budget as the Pentagon struggles to pay for two wars, military budget figures show.

The surging costs are prompting the Pentagon and Congress to consider the first hike in out-of-pocket fees for military retirees and some active-duty families in 15 years, said Rear Adm. Christine Hunter, deputy director of Tricare.

Pentagon spending on health care has increased from \$19 billion in 2001 to a projected \$50.7 billion in 2011, a 167 percent increase.

The rapid rise has been driven by a surge in mental health and physical problems for troops who have deployed to war multiple times and by a flood of career military retirees fleeing less-generous civilian health programs, Hunter said.

Total U.S. spending on health care has climbed from nearly \$1.5 trillion in 2001 to an estimated \$2.7 trillion next year, an 84 percent increase.

As a share of overall defense spending, health care costs have risen from 6 percent since 2004 and will keep growing, said Navy Lt. Cmdr. Kathleen Kesler, a Pentagon spokeswoman.

That upward trend is "beginning to eat us alive," Defense Secretary Robert Gates told Congress in February.

In addition to mental issues, multiple combat tours have created more strains on joints, backs and legs, Pentagon statistics show. Medical visits for such problems rose from 2.8 million in 2005 to 3.7 million in 2009.

Behavioral-health counseling sessions for troops and family members rose 65 percent since 2004. The Pentagon paid for 7.3 million visits last year — treatment of 140,000 patients each week, according to Tricare numbers.

Other factors driving up costs:

- Many new patients are children suffering anxiety or depression because of a parent away at war. Children had 42 percent more counseling sessions last year than in 2005, Tricare numbers show.
- The number of Tricare beneficiaries has grown by 370,000 in the past two years to 9.6 million troops, family members and military retirees.
- Nearly 200,000 prescriptions were filled each day at civilian pharmacies last year.

Active-duty troops and their families receive free health care except for out-of-pocket co-payments of \$3 or \$9 per prescription at civilian pharmacies.

Retirees receive the same benefits by paying \$230 a person or \$460 a family each year, along with small co-payments for various types of care. The fees have not gone up since 1995. By contrast, private insurance plans try to limit expenses with frequent increases in premiums and co-payments

"I want to be generous and fair to all those who serve, but there's a cost-containment problem," Sen. Lindsey Graham, R-S.C., said at a recent hearing. "I don't see how we can sustain this forever, where Tricare is never subject to adjustment in terms of the premiums to be paid."

Hunter said higher out-of-pocket expenses are being explored by the Pentagon, too.

"The difference this year is that we see members of Congress saying we need to have a thoughtful discussion," Hunter said. "Where's the balance here? We want to be grateful for people's service, absolutely. But the costs are up. What's fair?"