

MR. DAVID MCINTYRE, PRESIDENT AND CEO OF TRIWEST

Written Testimony of

David J. McIntyre, Jr.
President and CEO
TriWest Healthcare Alliance

Introductory Comments

Senator Craig, Governor Kempthorne and distinguished leaders of the State of Idaho's Veterans Affairs and National Guard and Reserve community, I would like to thank you for inviting me to appear before you today to discuss the health care issues impacting our nation's active and retired service members and their families. It is a pleasure for me to join Dr. Perlin, General Lafrenz and Mayor Reese, and to have the opportunity to share with you the efforts TriWest Healthcare Alliance is making and will continue to make to address the unique needs of this brave group of individuals.

My name is David McIntyre. I am the president and CEO of TriWest Healthcare Alliance, the Department of Defense contractor privileged to support the military in the delivery of health care services to those who currently serve in our nation's armed forces, those who preceded them, and their families, in the 21-state state TRICARE West Region?which includes those who reside in the state of Idaho. Since 1996, when TriWest, which is owned, in part, by Regence BlueShield of Idaho, was awarded its first TRICARE contract, our organization's singular focus has been on developing and maintaining responsive programs and services that meet the needs of our deserving customers. As the demand on our nation's military has expanded, given the Global War on Terror, and we've seen many of our Guard and Reserve component members mobilized to active duty, TriWest's focus has further developed to encompass the distinct and sometimes unique needs of these civilian service members and their dedicated families.

I am proud to appear before you today to discuss TriWest's work on behalf of our active duty, Guard and Reserve, and veteran customers right here in the state of Idaho, and to share with you how our organization is prepared to continue to partner with the VA and National Guard and Reserves to make good on the promise of TRICARE both here and throughout these United States.

Initial Challenges Lead to Collaborative Solutions

During our nearly decade-long tenure as the Department of Defense's partner in delivering access to health care services in the West, TriWest has developed many key process and program improvements that have benefited the entire TRICARE community. Our efforts in such areas as case management, disease management, cross-contractor continuity of care and behavioral health care have been well received by the Military Health System and, in a number of cases, have been implemented program-wide.

While we experienced some initial challenges establishing a sufficient network of quality providers during our early days in Idaho, we overcame these obstacles by reaching out to many of you so that, together, we could improve the quality and convenience of care for our Idaho beneficiaries. Indeed, the successes we have since experienced in Idaho, which I will discuss in

more detail later in my testimony, are due in no small part to the support of Governor Kempthorne and the congressional delegation under Senator Craig's leadership. As the Senator and others are aware, Idaho leaders, in collaboration with our organization and the Departments of Defense and Veterans Affairs, have played a key role in improving the delivery of TRICARE services in this state—to the benefit, particularly, of the men and women of the United States' Guard and Reserve component, many of whom have been deployed from Idaho to fight the Global War on Terror.

On behalf of our entire organization, I extend our sincere gratitude for your support during those early days, and am pleased now to share with you how TriWest's efforts have continued to develop and are making the TRICARE program function effectively and efficiently for the men, women and children of Idaho's military families. Later in this testimony, I also look forward to discussing how I believe we can leverage our core competencies to work hand-in-hand with the local and national Veterans Affairs departments to further improve delivery of health care to the heroes who serve today, those who served in the past, and their deserving family members.

Honing Our Efforts to Improve Delivery of Care

Provider Network

In each service area of our 21-state West Region, TriWest is committed to establishing a comprehensive network of primary and specialty health care providers from whom our beneficiaries can receive cost-effective, convenient care. It is our mission to contract providers in both rural and urban areas to minimize unnecessary travel by our valued customers, and to ensure that immediate health care is available to these families when they need it. In states like Idaho, that means taking measures to expand our network's availability outside the government-mandated 40-mile radius (i.e., catchment area) of our region's military treatment facilities—an effort to which we are thoroughly dedicated.

Thanks to the hard work of our Provider Network Development team, our shareholder and network subcontractor partner Regence BlueShield of Idaho, and many of you, our local network has blossomed more than 10 fold since our initial arrival in the state, with approximately 1,600 providers now contracted to serve the health care needs of local military families. Senator Craig, I want to extend a personal thanks on behalf of our customers and your constituents for your assistance in helping us contract Boise's Saint Alphonsus Regional Medical Center. This facility and its providers join us in being committed to delivering high-quality health care to the local community, and we are pleased that, as a result of your outreach, they are a part of our network.

In other network development efforts, we appealed to the Department of Defense for a CMAC waiver that would allow us to reimburse specialty providers in the Mountain Home catchment area 115 percent of CMAC. In January 2003, we received approval for this waiver for such specialties as Allergy, Dermatology, Gastroenterology, Neurology, Neurosurgery, Orthopedic Surgery, Otolaryngology, Rheumatology, and Thoracic Surgery—which proved instrumental in our ability to further grow our Idaho provider network. Senator Craig's strong support for this waiver was critical to its adoption.

Our Network Development team continues to make important strides by working closely with many key facilities to address any concerns they might have in order to avoid their loss in the

network. Among other efforts, we have assigned some facilities individual points of contact at our Phoenix hub office (whom they can contact directly with questions or requests for assistance); communicated directly with providers regarding reimbursement rates, military treatment facility (MTF) referrals, and primary care manager reassignments; and we've held monthly feedback sessions with Idaho MTFs to ensure we are aware of the unique issues they face on their end. In addition, those physicians whose practice patterns demonstrate high quality and the appropriate use of medical resources have been designated as members of our Gold Card Program, which expedites care and eliminates and/or expedites much of the paperwork hassle typically associated with treating a TRICARE beneficiary.

Our progress with network development has eased the health care delivery burden for those TRICARE beneficiaries residing in Idaho and improved our relationship with the beneficiaries and providers hailing from this state and we will not cease our focus on continually expanding our provider base.

Rural Access to Care

Throughout our West Region territory, including here in Idaho, we serve many families who reside far from the managed-care environments of urban centers, or outside the 40-mile catchment area surrounding the state's military treatment facilities (MTF). While these remote areas present a unique health care delivery challenge including a lack of providers of all types, as well as those who do not participate in certain insurance plans or government health care programs, a lack of coordination within the health care system and a lack of access to emergency care TriWest's operational structure has been refined over our years of existence to allow us to provide the best possible service to our customers who reside in rural communities.

Specifically, we have established teams of customer service, support and education professionals based near rural areas to provide the military families living in these locations with resources closer to home. These services can also be available to returning veterans that are the responsibility of the VA. Our TRICARE Service Centers at Mountain Home Air Force Base and Fairchild Air Force Base offer some of our rural customers a more convenient place to go for face-to-face assistance with program and health care related inquiries. Additionally, we have a service area director responsible for ensuring that operations in Idaho run smoothly across the state, and a beneficiary education representative whose responsibility it is to educate military families on their TRICARE entitlement through local briefings.

Coupled with our efforts to contract providers throughout the state, these teams of support staff provide remote-based families with specialized and dedicated care. Furthermore, we have worked in concert with the Department of Defense to bring their experts to Idaho to help train the state's family support units, whose primary focus it is to assist the local National Guard and Reserve members and their families in making use of their new TRICARE benefits. Because Guard and Reserve families are often based in small communities rather than near MTFs like our 'traditional' customers, who reside near bases due to assignment or, if retired, for proximity to base benefits this specialized local assistance is invaluable. This is especially true in terms of behavioral health support, given that 60 percent of rural areas are designated behavioral health profession shortage areas, and suicide rates (particularly in the rural west) are as much as three

times as high as they are in urban areas. Addressing these concerns with support services and care as close to these rural areas as we can is our best defense.

It is our desire to provide our rural customers with access to a comparable quality and quantity of health care services afforded our urban-based beneficiaries, where care is available, and we will continue to focus on improving our processes and programs in Idaho and in other remote areas in the West Region to that end. We recognize that Governor Kempthorne faces these same challenges in serving rural veterans, and we are equally committed to being available as a resource for the state of Idaho whenever and however we can help.

Behavioral Health Care/Post-traumatic Stress Disorder

In this time of global conflict, as our nation's service members deploy to areas of unknown danger leaving their loved ones miles away, and a number of us, including myself, have been to some of those areas, we recognize the clear need for emotional support both from a service and health care perspective. For this reason, meeting the behavioral health care needs of our region's beneficiaries is among TriWest's primary objectives. Because this specialized care is vital to the quality of life of our uniformed customers and their families, we have made some important strides to improve access to behavioral health services for the men, women and children of the West Region.

Most specifically, with the advent of our current TRICARE contract, we ceased outsourcing behavioral health services and support and brought them under our corporate umbrella out of a belief that the full spectrum of health care needs of our customers need to be served on a consolidated basis. In doing this, we also retain control over the quality of behavioral health services available to our regional beneficiaries and have the ability to identify trends in this specialty area so that we might address the unique emotional needs of our military families with the same diligence with which we respond to their physical needs.

In addition, we are undertaking two post-deployment behavioral health initiatives that will have direct implications for providers in Idaho. First, we are developing a behavioral-health subsection on our web site at www.triwest.com that will include information on post-deployment issues that service members and their families may encounter, including post-traumatic stress disorder (PTSD). In this subsection, we plan to offer information and tools that behavioral health and primary care providers can easily access and utilize with TRICARE beneficiaries, such as fact sheets, brochures, evaluation outlines and practice guidelines. Secondly, we are coordinating an effort to support primary care providers treating beneficiaries with behavioral health issues by linking them with a behavioral health case manager who can provide the information they need or connect them with a psychiatrist or child psychiatrist for telephone consultation.

To respond specifically to the behavioral health care needs of our returning Guard and Reserve members, TriWest has collaborated with these units to serve as a liaison for beneficiary education about eligibility and benefits for their personnel. Further, we are establishing points of contact with the VA and National Guard in order to coordinate access and the delivery of behavioral health services. Along these same lines, we are developing a pilot program with the National Guard in northern California that, if expanded, would be made available in Idaho as well. The project involves placing trained behavioral health providers with units that have recently deployed or returned from Iraq and Afghanistan to work with them in a psychoeducational model

on deployment-related behavioral health issues. In addition to training presentations, these providers would be available for individual consultation and referral to those members needing additional services.

In Oregon and Washington, TriWest has also been involved in coordinating with the National Guard Bureau (which includes the Army National Guard and the Air National Guard) and the Department of Veterans Affairs (which includes the Veterans Benefits Administration and the Veterans Health Administration) regarding assistance for services and benefits to the National Guard personnel returning from theaters of combat operations and separating from active duty. In doing this, we have played a key role in providing for the continuity of health care benefits for these personnel through the Transitional Assistance to Military Personnel and TRICARE Reserve Select programs.

We recognize that meeting the post-deployment needs of active duty service members and their families is a task that exceeds the responsibility and resources of any one government agency or contractor. It is for this reason that we are committed to integrating the resources of existing government programs and educating beneficiaries about the various options available to them. We believe this strategy will also maximize the resources available and ensure that the needs of service members and their families are appropriately met.

To that end, we are focused on educating about and making available services directed at their psychosocial needs (e.g., Military OneSource, Family Readiness Groups, chaplains, childcare resources, financial counseling, employment), as well as behavioral health services available through the direct care system of the military treatment facilities; the VA hospitals and veteran centers; state vocational rehabilitation agencies; state employment agencies; TriWest's network; and the community. The last of these?community resources?is an essential element for service members separating from duty and returning to civilian life, particularly those who choose not to enroll in TRICARE Reserve Select, the new program option for eligible Guard and Reserve members and their families. Community resources are also important alternatives for TriWest when working with service members' families or other companions who are not themselves eligible for TRICARE (e.g., caregivers of injured service members). Our goal is to connect these individuals with state agencies whose services may assist them with transitioning to civilian life (such as resources related to employment, housing and job training). Our current initiatives in Washington state and Oregon are doing just that, and we believe the same successes can be had in Idaho as well.

In other collaborative efforts, in various areas throughout our 21-state region, we have worked hand-in-hand with the Department of Defense, the Department of Veterans Affairs and the National Guard and Reserves to establish responsive programs and services for beneficiaries suffering from PTSD. Our joint efforts have been widely praised throughout the TRICARE community, for they are proof positive that we are dedicated to providing our returning military heroes with a service and support network that is committed to easing their rehabilitation and re-acclimation as much as possible.

In the area of PTSD, we recognize that continued collaborative work with local and national entities is of utmost importance?and we are anxious to embark on cooperative PTSD efforts in Idaho. By joining forces with your teams, Dr. Perlin and General Lafrenz, including Dr. Dewey,

Chief of Behavioral Health at the Boise VAMC (a nationally published author on PTSD), I believe we can make a difference in the lives of returning service members and provide them with the comfort, confidentiality and customized care they have undoubtedly earned.

Provider Outreach and Education

When it comes to providing our military customers with access to best-value health care in the West Region, contracting high-quality, dedicated providers is just the first step. We recognize that communicating with and educating our network of providers about the intricacies of TRICARE is the best way to ensure that they understand the unique needs of their military patients, the coverage available under the program, and the most efficient way to handle all associated administrative functions.

Our Provider Relations and Education team, in cooperation with our network subcontractors (Regence BlueShield of Idaho in this service area), is dedicated to providing our health care partners with the instruction they and their staffs need to help the TRICARE program function most efficiently for our beneficiaries. To do this, the team hosts bi-annual briefings throughout our 21-state region that are designed to inform providers about the latest program changes, claims processing updates, coverage guidelines and other details. Annually, we host just shy of 500 briefings across the region²¹ of which take place in Idaho. These briefings, which are also available in an online format accessible through our web site at www.triwest.com, reach approximately 11,500 providers each year (nearly 500 of whom reside in Idaho). In addition to our briefing efforts in Idaho, our team also hosts information booths at Idaho Health Care Conference meetings throughout the year, giving us an opportunity to interact one-on-one with our Idaho provider partners.

In addition, our Provider Relations and Education team works in conjunction with local media outlets²² such as the Idaho Medical Association (IMA) newsletter²³ to distribute TriWest and TRICARE-specific information directly to providers in our local communities. For example, the IMA newsletter recently featured articles discussing the new TRICARE Reserve Select benefit for Guard and Reserve members and their families, and educating providers on TriWest's bonus-payment program. By partnering with these local publications, hosting briefings and making regular visits to many of our key facilities, TriWest is succeeding in keeping our network informed about the TRICARE program and their unique role in serving America's military families.

Beneficiary Outreach and Education

At TriWest, our motto is to do 'Whatever It Takes' to make good on the promise of TRICARE²⁴ and this mindset is never more prominent than it is in our dealings with the military families we are so privileged to serve. We are committed to providing our beneficiary customers with the tools, services and support they need to make their TRICARE entitlement work most effectively for them, and for that reason we place great emphasis on communicating with and educating these men and women and their families through as many avenues as are available to us.

Most notably, our locally based staff dedicates their time (both personal and professional) to attending beneficiary advisory board meetings and local health-related conferences, and to hosting TRICARE educational briefings throughout our 21 states. Since the beginning of health care delivery under our West Region contract in June 2004, our beneficiary education

representatives, customer services representatives, service area directors and clinical liaison nurses have engaged more than 230,000 beneficiaries at upwards of 4,600 briefings across our region. To date this year, our Idaho-based education staff has conducted nearly 60 briefings throughout the state, reaching more than 1,600 local beneficiaries with vital program-related details. Recently, TriWest's local beneficiary education representative, Ms. Karen Robertson-Gordon, has been participating with the National Guard and local agencies in a local planning group that has been organizing educational efforts that will be available to Idaho's returning National Guard and Reservists. Through these briefings, we hope to keep our customers updated on utilization information, health and wellness issues, and new services or programs for which they might be eligible.

For instance, when the TRICARE Reserve Select program launched earlier this year, we deployed a comprehensive communication and education campaign designed to reach beneficiaries in their local communities. This campaign included hosting local-area briefings, seminars and special events targeting Guard and Reserve members; publishing program-related articles in base newspapers throughout the region; producing Frequently Asked Questions pamphlets for distribution to beneficiaries; and establishing a TRICARE Reserve Select section on our web site at www.triwest.com, where online seminars and other program-related materials would be readily available for this branch of our customer base.

In addition to these efforts, our local Idaho beneficiary education representative and service area director conducted more than 20 briefings and meetings to support deploying units, create constructive interaction with them, and ensure an effective education program is in place in the state. The feedback and response our team has received from the Idaho Guard and Reserve has been positive, and it is abundantly clear that these brave service members and their families are greatly appreciative of TriWest's efforts to support their rapid activation and mobilization schedules. To help maintain ongoing interaction with our Guard and Reserve beneficiaries and to ensure that senior military leaders have direct communication with TriWest, our Idaho service area director has been appointed as the single point of contact for all Guard and Reserve issues in Idaho.

Along with communicating and educating our beneficiaries about the new benefits available to Guard and Reserve members and their families, our Marketing and Education team, along with beneficiary education representatives based throughout our region, also recently deployed an educational behavioral health campaign. As discussed earlier, we recognize the immediate need for behavioral health care initiatives in our region (and, for that matter, nationwide), and this campaign helped us to communicate these measures with the individuals who can most readily benefit from these focused programs.

The campaign included developing a comprehensive library of behavioral health information; creating sections of our web site at www.triwest.com where this information could be housed for easy, confidential access; providing links to the behavioral health-related resources available through such partner organizations as the Boise VAMC; distributing related articles to local and base papers; utilizing explanations of benefits reports to identify beneficiaries who might benefit from focused behavioral-health education; and developing wallet cards containing contact information for further behavioral-health support. A portion of this campaign also focused

specifically on our Guard and Reserve beneficiaries and the unique behavioral health issues these civilian service members and their families now face.

By educating our beneficiaries about the TRICARE program, the supplementary services available through TriWest and the initiatives our organization has designed to help them best utilize their health care entitlement, we are well on our way to making good on the promise of TRICARE for these most-deserving military families.

Working in Tandem, We Can Meet Their Varied Health Care Needs

At TriWest, we recognize that strength comes from collaboration. We understand that by joining forces with organizations, agencies and other members of the Military Health System community, we can better serve the men and women of our nation's armed forces and their families. Thus far, I have shared with you many of the measures TriWest has taken across our region, and specifically in Idaho, to meet the unique needs of our military family customers. Now, I would like to discuss the opportunities I believe are available for our organization to join forces with many of you—particularly with Dr. Perlin and his VA team—to further serve this most gracious population.

First, I would like to commend Dr. Perlin for his leadership, his intuitive direction for the VA and his dedication to developing a 'veteran-centric' health care system for returning service members. His efforts on behalf of these men and women (and the families to whom they are so gratefully returning) have been extraordinary—particularly in light of all that is going on—and our organization certainly understands the challenges he and his team have faced in responding to their needs.

While the unique and directed efforts of the Veterans Administration are irreplaceable—with its vast system of hospitals, teaching programs, veteran-focused clinical research capabilities, and expertise in prosthetics, brain and spinal cord injuries, amputee rehabilitation and care for combat-related behavioral health disorders—I believe that by working at your right hand, and by supplementing the VA's service and support, we at TriWest can be of great assistance to you as the VA continues to work on behalf of these honorable veterans. Specifically, there may be areas where our established operations can minimize costs for the VA while maximizing benefit to the veteran—particularly in regard to patient appointing, advice lines, referral and case management, and, most importantly, utilization of our extensive network of primary and specialty providers.

Current Initiatives Lead to Future Opportunities

TriWest's involvement in VA-DoD sharing in Idaho is longstanding. In 2001, we established a VA-DoD planning group between the Boise VAMC and the 366th Medical Group at Mountain Home AFB that proved to be one of the initial successes of our innovative Central Region Federal Health Care Alliance (CRFHCA) initiative. The success of this planning group led to the development of the Joint Strategic and Operational Planning Process (JSOPP), which formalized joint VA-DoD health care market planning and was included as a value-added component of our 2003 TRICARE Next Generation bid proposal.

Our JSOPP initiative further strengthened these established relationships by formalizing the Boise/Mountain Home Market Area Executive Management Team (EMT), which has not only been responsible for a variety of health care improvements for both VA and TRICARE

beneficiaries, but also has served as an example of how joint VA-DoD planning can be applied in a number of locales across our region. The VAMC/AFB relationship is tremendously strong and boasts a successful history, and Mr. Wayne Tippetts, Director of the Boise VAMC, and Col. Helen Horn-Kingery, Commander of the 366th Medical Group at Mountain Home AFB, are actively involved in enhancing that relationship for an even brighter future. Specifically, the Boise VAMC has provided pathology supervision for the Mountain Home laboratory via a VA-DoD Sharing Agreement for several years, thus enabling it to maintain College of American Pathology certification. Additionally, these partner facilities established an agreement for the conduct of separation/compensation and pension physicals at least two years prior to it becoming a requirement earlier this spring. Education opportunities have been and continue to be shared on a regular basis as well, with behavioral health services acting as a lynchpin of the current relationship between the two facilities. The two facilities actively share behavioral health educational opportunities, and the MTF draws on the Boise VAMC's considerable expertise in Post-Traumatic Stress Disorder when it comes to referring active duty service members in need of such care.

In addition to these current successes, the Boise/Mountain Home EMT led by Mr. Tippetts and his Boise VAMC staff of Mr. James Sola, Dr. David Lee and Mr. Grant Ragsdale, along with Colonel Horn-Kingery and her administrator, Lieutenant Colonel Patrick Dawson meets quarterly to consider ongoing ways to partner for more efficient use of federal health care resources in the Treasure Valley. Recently the two organizations partnered in the preparation of a Joint Incentive Fund (JIF) project for fiscal year 2005, having submitted a proposal for the procurement of a mobile MRI van that would serve both facilities. This project is currently being evaluated and a decision on award of the funds is due in September. Additional projects being considered for sharing include opportunities for the VA to provide radiology support to the MTF when its radiologist is away; the MTF staff to provide interpretation of cardiac echo cardiograms for the VA; the VAMC to support non-invasive cardiology services at the MTF; contingency agreements to allow for the use of one another's beds when overflows or emergencies dictate; and the enhanced behavioral health support and possible increases in the VAMC's operating-room time through the use of MTF personnel who must maintain their skills by doing more complex cases than can be supported at the MTF.

Thanks to the success of these local collaborative efforts, we believe there may be additional areas where TriWest can partner with the local VA agencies to maximize the availability of resources and services for our Idaho TRICARE and veteran beneficiaries. Opportunities for consideration include the following:

Robust Provider Network

As discussed, TriWest is responsible for establishing, maintaining and growing a network of primary and specialty providers in our West Region territory just as our colleague TRICARE contractors are responsible for doing the same in their regions. I believe it would make good business sense for the federal government to have the VA take advantage of our network of providers, particularly in places such as Idaho where large geographic distances and relatively few VA facilities can hinder access to care for those in need and eligible for services.

In short, by partnering with TriWest (and, in the same manner, with the other TRICARE contractors), the VA could leverage our network providers to address access challenges for those individuals who are not near VAMCs or CBOCs, or when specific VA care is not locally available; to refer patients to specialty care at VA facilities or within the TRICARE network if travel would impose an unnecessary and avoidable burden on the veteran; and to coordinate (in conjunction with our Disease and Case Management teams) community-based care for veterans with such illnesses as Post-Traumatic Stress Disorder.

Our provider partners are held to high care and service standards, and are contractually obligated to meet TRICARE requirements for HIPAA-compliant claims submission, patient appointing and procedural activities. Again, it would be our privilege to lend our services, expertise and support to the VA (and, in turn, our nation's deserving veterans) by leveraging our provider networks for their use.

Virtual CBOCs

Because the density of veteran populations in some communities does not seem to be significant enough to warrant the construction of a bricks-and-mortar CBOC, there could be a great benefit in partnering with TriWest (and the other TRICARE contractors) to allow our network providers to serve as 'virtual' CBOCs for these veterans for whom access to care might otherwise be marginal. Coupled with benefit management and case management, these virtual CBOCs could provide veterans with convenient access to high-quality, cost-effective care without requiring extensive travel on their part.

To ensure continuity of care, the VA and its TRICARE partners would obviously need to establish some key parameters for virtual CBOCs. For instance, these virtual care centers could focus primarily on addressing returning veterans' medical and behavioral health care needs for a specified period of time; authorization by a case manager would be required prior to care at a virtual CBOC to ensure that the VA had the opportunity to continue to be the veteran's provider of choice; and the maintenance of comprehensive medical records would be required for all enrolled veterans. In fact, this may provide an opportunity to demonstrate the use of the VA 'VISTA Office' electronic medical record between the VA and TriWest's virtual CBOC's.

A primary benefit of the virtual CBOC concept is that this approach would allow for locally based access to care and case management in coordination with community resources such as social, pastoral and other behavioral-health support services designed to help the veteran integrate back into the community. In our role as the VA's partner in the virtual CBOC paradigm, TriWest could establish a 'Veterans Advocate' program in which we serve as the veterans' connection to local, state or federal community services to which he or she may be entitled.

I encourage you to consider how the establishment of virtual CBOCs throughout the nation might benefit our veterans and optimize the VA's delivery of care. Perhaps we could initiate this venture by conducting pilot demonstrations in Idaho to assess the value and cost-effectiveness of virtual CBOCs, and to determine how these care centers would best benefit our joint veteran customers.

Best Federal Pricing

Overall, I believe that by collaborating to address issues related to veteran health care delivery,

not only can we improve the availability of services and support for these most-deserving men and women and their families, but we can help minimize and contain the VA's financial burden as well.

As a TRICARE contractor, we have proprietary network agreements and preferred provider agreements with network discounts; our provider partners are required to submit claims electronically for beneficiaries; and, most importantly, their billed charges are capped. These contractual requirements mean significant cost savings and best federal pricing for us, the Department of Defense, and the Military Health System, and could potentially do the same for the VA and its beneficiaries.

Concluding Remarks

Earlier this year, I had the opportunity to join Governor Kempthorne and senior officials from the Department of Defense for a town hall with Idaho's Guard and Reserve components and their families prior to their deployment to discuss what could be done to optimally respond to their needs as they prepared for the sacrifices that lay ahead. Governor, I want to thank you for your focus and for making sure that all of us were focused. I hope that you'll agree that we made good on our commitments to those whose sacrifices and service we so admire.

In late April, I was honored to join those same senior officials from the Department of Defense on a trip to the Middle East to walk among the heroic men and women of our nation's armed forces who are serving so far from their families and their freedoms?including a number of the individuals who were in the auditorium that day prior to their deployment. I went because I wanted to thank them for their service and sacrifices, but more than that to make sure that we were making good on our promise to take care of their families while they were gone.

It was abundantly clear from the encounters I had with the troops from Idaho, that there is a deep sense of gratitude for all that both you and the Chairman have done to respond to their needs. The Idaho Guardsmen expressed their sincere appreciation for the consistent follow-through in the care provided and the Chairman's recent tour there. It is a deep honor to serve those who serve all of us. And, those of us in the Military Health System are doing and will continue to do our level best to respond to the health care needs of their families, so that they can stay focused on the important task at hand.

For me personally, seeing their toil, their commitment and their sincere appreciation has only strengthened my resolve to lead TriWest with the needs of these brave service members and their families daily in our minds, so that we can continue to do our part to deliver on the promise of TRICARE in the West Region.

It has been my pleasure to share with you today a little about TriWest's efforts on behalf of these phenomenal men and women, both throughout the West and specifically here in Idaho, and I look forward to discussing in greater detail how we can partner with the state, DoD and the VA to further the effectiveness of our response to these efforts.

Thank you for your time and for your commitment to our national heroes. They are serving for us; and we need to continue to do our level best to meet their needs.