

# TRICARE Pharmacy Fees Set to Increase in 2020

By: Kathy Beasley

September 26, 2019



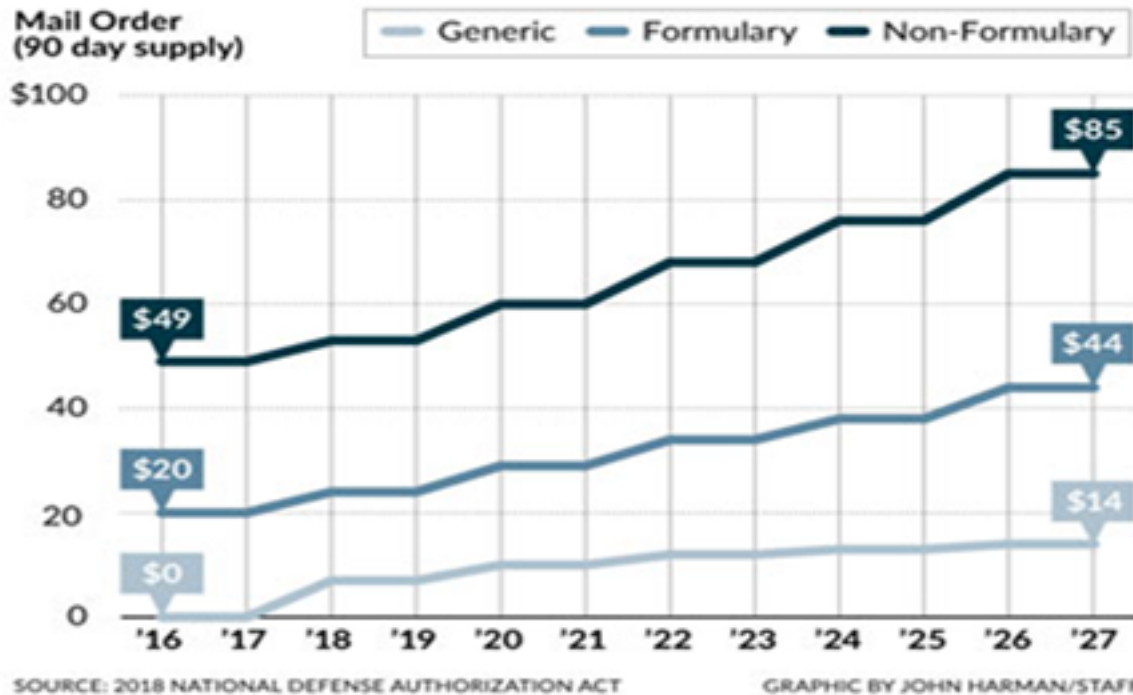
(SDI Productions)

MOAA makes it a priority to prepare our membership well ahead of changes that will impact their earned benefits. In that regard, please consider this an advance notice for your planning purposes.

The cost shares for your medications, if you do not receive them at a DoD military treatment facility, will increase on Jan. 1. Recall back in the 2017 NDAA, TRICARE's pharmacy cost shares changed across all medication tiers, and a new fee table was introduced. Beneficiaries saw their prescription fees start to rise in 2018 and 2019. As we published at the time, these fees will accumulate and continue to rise annually until 2027.

## Prescription costs on the rise

Mail order generic prescriptions have already leapt from \$0 to \$7 since last year and are expected to double to \$14 over the next ten years. Over this same period, mail order formularies will increase 120%, and non-formularies will increase by 73%.



According to a large percentage of respondents who have taken MOAA's health care surveys, many still recall the "sticker shock" they experienced when their mail order generic medication went from \$0 to \$7 – it was not so bad if you only had to take one, but most people take several so it added up very quickly.

Here are the new FY 2020 fees for all TRICARE pharmacy medication tiers and the year over year annual increases:

These annual average increases continue to be substantial, especially if CPI remains tame and retired pay and social security incomes stay flat.

The bottom line is, TRICARE pharmacy fees and other provider visit cost-shares and premiums for both TRICARE Prime and TRICARE Select, are starting to squeeze beneficiaries. MOAA continues to press the DoD to show the results of how much revenue is being generated from beneficiaries and where it is being directed. We maintain any savings should be re-invested into the TRICARE health program, not diverted into other un-specified accounts.

# Pharmacy Increases

## Phased Increases Over 10 Years

	Current Rate	FY 2020 Rate	FY 2027 Rate	Annual % Increase 2019-2020
<b>MTF Pharmacy (90-days)</b>	0	0	0	0%
<b>Retail (30-days)</b>				
Generic	\$11	\$13	\$16	18%
Brand	\$28	\$33	\$48	17%
Non-Formulary	\$53	\$60	\$85	13%
<b>Mail Order (90-days)</b>				
Generic	\$7	\$10	\$14	42%
Brand	\$24	\$29	\$44	20%
Non-Formulary	\$53	\$60	\$85	13%

MOAA intends to focus on, and to bring Congressional attention to, any new TRICARE fee increases as we continue to battle to reduce several past disproportional increases.

### About the Author



Capt. Kathryn M. Beasley, USN (Ret.) retired in 2009 after serving 30 years. As a career Navy Nurse Corps officer, she served in a wide variety of staff and leadership positions within the Navy and DoD. She joined MOAA in 2009 and currently serves as director, health affairs.