

October 10, 2018

## Defense Health Primer: TRICARE Extended Care Health Option (ECHO)

Since the 1950s, Congress has been creating various programs to support military quality of life, including TRICARE, Transition Assistance Program, Department of Defense (DOD) schools, child care centers, and Morale, Welfare, and Recreation programs. Military families who have special needs also encounter additional challenges with accessing and maintaining consistent health care, child care, and education across frequent moves. To address those issues, Congress created the TRICARE Extended Care Health Option (ECHO) in 2001. The purpose of ECHO is to provide supplemental services for military families with special needs, similar to home and community-based services offered by state Medicaid programs (e.g., rehabilitative services, durable equipment, assistive technology devices, institutional care, home health, autism therapies).

### Background

From 1967-2004, DOD administered the *Program for Persons with Disabilities* (PFPWD), which offered health services for military family members with special needs. The purpose of PFPWD was to provide additional non-medical services, not generally covered by TRICARE, to military families who “face unique challenges in accessing special needs services due to the nature of military service.” Services provided to beneficiaries through PFPWD were statutorily capped at \$2,500 per month. Prior to 1997, PFPWD was known as the *Program for the Handicapped*.

As part of a broad effort to reform sub-acute care benefits (e.g., skilled nursing care, case management, long-term care, and disability support services), section 701 of the National Defense Authorization Act for FY2002 (NDAA; P.L. 107-107) replaced this program by directing DOD to provide “extended benefits” to assist military family members with the “reduction of disabling effects” caused by a physical or mental disability/condition. In 2004, DOD issued a final rule (i.e., 69 *Federal Register* 44942-44952) to replace PFPWD with ECHO, broadening the services available to allow service members to focus on their “mission-related responsibilities.” Since then, Congress and DOD further expanded the types and amounts of available services (e.g., increasing the annual benefit cap to \$36,000 [P.L. 110-417 §721], adding respite care hours, and covering certain therapies for autism spectrum disorder).

### Eligibility & Registration

Dependents of active duty service members are the only category of DOD beneficiaries eligible for ECHO. Neither reservists and their dependents nor retirees and their dependents are eligible. To participate in ECHO, the dependent must be enrolled in a TRICARE health plan (e.g., Prime, Select, or the Uniformed Services Family

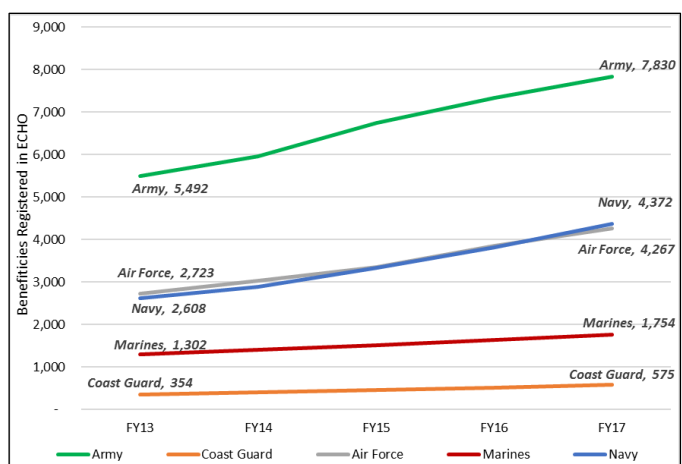
Health Plan), enrolled in their service’s Exceptional Family Member Program, and have a qualifying physical or mental disability/condition. Eligible dependents register for ECHO through their respective TRICARE contractor’s case management program.

#### Qualifying Physical or Mental Disabilities/Conditions

- Autism Spectrum Disorder
- Moderate or severe intellectual disability
- Serious physical disability
- Extraordinary physical or psychological condition that results in a beneficiary being homebound
- Neuromuscular development condition or other condition in an infant or toddler that is expected to precede a diagnosis of moderate or severe intellectual disability or a serious physical disability
- Multiple disabilities, which may qualify if there are two or more disabilities affecting separate body systems

In FY2017, there were 18,898 beneficiaries registered for the ECHO program, which was a 34% increase in registrants since FY2013. Army beneficiaries represent the largest group of ECHO participants. Additionally, autism spectrum disorder is the most common diagnosis, impacting approximately 78% of ECHO participants.

**Figure 1. Beneficiaries Registered in ECHO, FY2013-FY2017**



Source: Department of Defense, 2018.

**Notes:** Due to their low counts, beneficiaries of the Public Health Service (PHS) and National Oceanic and Atmospheric Administration (NOAA) registered in ECHO are omitted from this graphic. In FY2017, PHS had 95 beneficiaries and NOAA had 4 beneficiaries registered in ECHO.

## ECHO Features

ECHO pays for services and supplies designed to reduce the disabling effects of a qualifying condition and generally not covered under a TRICARE health plan. There are three distinct categories of ECHO benefits: general services and supplies, ECHO Home Health Care (EHHC), and applied behavioral analysis for autism spectrum disorder. In general, beneficiaries are required to access other federal, state, or local services, such as home and community-based services, prior to utilizing ECHO.

### ECHO-covered Services & Supplies

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|---|---|
| • Assistive interpreter or translation services                     | • Rehabilitative services   |
| • Durable equipment, including adaptation and maintenance equipment | • Training for special education and assistive technology devices |
| • Applied Behavioral Analysis                                       | • Transportation to/from institutions or facilities               |
| • Expanded in-home medical services                                 | • Institutional care  |
| • Short-term relief for primary caregivers (Respite care)           |   |

Respite care is a widely-used ECHO service that covers up to 16 hours each month when another ECHO service or supply is being utilized. Beneficiaries may also be eligible for additional respite care (i.e., up to 8 hours per day, 5 days per week) under EHHC.

## Beneficiary Costs

There are no costs to register in ECHO. However, cost-shares are required for months in which the ECHO benefit was utilized. Cost-shares are based on the sponsor's pay grade, ranging from \$25 to \$250 per month, and do not count towards a beneficiary's TRICARE health plan deductible or catastrophic cap. ECHO benefits are capped at \$36,000 per beneficiary, per fiscal year. Annual service and supply costs exceeding this amount are the responsibility of the beneficiary. Respite care provided under EHHC does not count towards the general benefit cap, however, it is limited to what TRICARE would pay if the beneficiary resided in a skilled nursing facility.

## ECHO Concerns & Reform Efforts

Participation in state Medicaid programs often includes a residency requirement. This can limit eligibility and access for military families because of their frequent moves.

Since ECHO's creation, there have been multiple program evaluations conducted by DOD, advocates of families with special needs, and most recently, the *Military Compensation and Retirement Modernization Commission* (MCRMC). Common concerns highlighted in these reports include:

- Disparate home and community-based services delivered by state Medicaid programs and ECHO (e.g., limited respite care hours, lack of coverage for custodial care and incontinence supplies).

- Inadequate data collection to assess beneficiary satisfaction, utilization of services, and impacts on military personnel retention.
- Lack of flexibility to select ECHO services without regard to their age or type/severity of disability, also known as *consumer-directed care*.
- Lack of access to ECHO benefits for retirees and their dependents.

DOD has addressed some of these concerns. In 2015, TRICARE policy was revised to cover certain incontinence supplies as an ECHO benefit. In August 2018, DOD published a proposed rule (i.e., 83 *Federal Register* 41026) to eliminate the requirement for use of another ECHO service in order to access respite care. While Congress has enacted no ECHO-related provisions since the FY2017 National Defense Authorization Act (P.L. 114-328 §716), Congress continues to express concern for ECHO's current limitations. In the Senate report (S.Rept. 115-262) accompanying the FY2019 NDAA (P.L. 115-232), the committee strongly encourages DOD to "expand ECHO respite services to align with the average number of respite hours" provided by state Medicaid programs. Upon submission (expected November 2018) of DOD's final report on a plan to "improve pediatric care and related services for children of members of the Armed Forces," Congress may consider additional legislation to address gaps in ECHO coverage, eligibility, and program administration.

### Relevant Statutes, Regulations, and Policies

Sections 1079(d) through 1079(f) of Title 10, U.S. Code – Contracts of medical care for spouses and children: plans  
Section 199.5 of Title 32, U.S. Code of Federal Regulations – TRICARE Extended Care Health Option (ECHO)  
TRICARE Policy Manual 6010.60-M, Chapter 9, Section 1.1 – Extended Care Health Option (ECHO)

### CRS Products

CRS In Focus IF10530, *Defense Primer: Military Health System*, by Bryce H. P. Mendez  
CRS Report R43328, *Medicaid Coverage of Long-Term Services and Supports*, by Kirsten J. Colello

### Other Resources

Department of Defense, *Report on Efforts Being Conducted by the DOD on the Plan to Improve Pediatric Care for Children of the Members of the Armed Forces*, June 2018.  
Military Compensation and Retirement Modernization Commission (MCRMC), *Report of the MCRMC*, January 2015.  
Department of Defense, *Report on Including Dependents of Military Retirees in the Extended Care Health Option Program for a Limited Transitional Period Following Retirement*, April 2009.

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