

GAO Highlights

Highlights of [GAO-25-107370](#), a report to congressional committees

Why GAO Did This Study

DOD offers health care services to over 9 million eligible beneficiaries through its TRICARE program. TRICARE beneficiaries may obtain care through either military medical treatment facilities, including medical centers, hospitals, and clinics or through the private sector care system of civilian providers. Within DOD, DHA is responsible for TRICARE, including the award, administration, and oversight of 13 health, dental, and pharmacy contracts used to provide care and services through civilian providers. As of September 30, 2024, these current contracts were collectively valued at about \$168 billion.

The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 includes a provision for GAO to report on key characteristics of certain contracts related to the TRICARE program. Some of these key characteristics include total contract values, the products or services procured, and health care or service delivery time frames. Among other things, this report describes changes in the key characteristics between the current and prior TRICARE health, dental, and pharmacy contracts.

GAO analyzed DHA documentation for the current and prior TRICARE contracts for health, dental, and pharmacy benefits. In addition, GAO reviewed data from the Federal Procurement Data System. GAO also interviewed DHA officials responsible for each of the TRICARE contracts.

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DEFENSE HEALTH CARE

Key Characteristics of TRICARE Contracts

What GAO Found

The Department of Defense’s (DOD) Defense Health Agency (DHA) has 13 contracts with private sector companies to provide TRICARE health, dental, and pharmacy benefits generally through networks of civilian providers.

Current TRICARE Contracts for Health, Dental, and Pharmacy Benefits		
Contract name and N° of contracts		Overall purpose and time frames with contract options
 TRICARE Managed Care Support	2	Manages private sector health care in the U.S. <i>January 1, 2024 - December 31, 2032</i>
 TRICARE Overseas Program	1	Manages private sector health care outside the U.S. <i>September 1, 2020 – August 31, 2028</i>
 TRICARE Medicare Eligible Program	1	Provides claims processing and customer support for the TRICARE for Life plan. <i>May 1, 2021 – April 30, 2028</i>
 US Family Health Plan	6	Manages specific health and pharmacy benefits in six locations. <i>October 1, 2023 – September 30, 2033</i>
 Active Duty Dental Program	1	Manages civilian dental care for active-duty service members. <i>May 1, 2021 – April 30, 2029</i>
 TRICARE Dental Program	1	Manages civilian dental care primarily for active-duty dependents. <i>December 1, 2023 – February 28, 2030</i>
 TRICARE Pharmacy Program	1	Administers the TRICARE Pharmacy Program. <i>September 23, 2021 – December 31, 2029</i>

Source: GAO analysis of Defense Health Agency documents; GAO and RaulAlmu/stock.adobe.com (illustration). | GAO-25-107370

GAO identified changes in the key characteristics of these current contracts compared with the prior version of these contracts that had recently ended. For example, 11 of the 13 current contracts had an increase in their total contract value at the time of award (i.e., the sum value of the contract’s base period including all option years). GAO found various reasons that contributed to the higher award values, including changes in geographic service areas and longer periods of performance. DHA officials also told GAO that health care costs have increased significantly over the last 10 years due to inflation and the COVID-19 pandemic.

GAO also found that seven of the 13 TRICARE contracts were competitively awarded and of those, four received fewer bids for the current contracts compared with the prior contracts. The remaining three competitively awarded contracts received the same number of bids for the current and prior contracts, with one contract receiving a single bid each time. In addition, DHA awarded six of the seven contracts to the incumbent contractors.