THE MILITARY FAMILY ADVOCACY GROUP (MFAG)

COMPREHENSIVE DATA & EVIDENCE BRIEFING

Subject: Empirical Survey Data, Statutory Violations, and Fiscal Impact Metrics Regarding TRICARE Administrative Care Exclusions and Warfighter Attrition
Date: August 5, 2026
Prepared By: Mariah Wilkins, M.S. CJ, Executive Director, The Military Family Advocacy Group (MFAG)

EXECUTIVE DATA SUMMARY

This document synthesizes primary empirical field data collected by The Military Family Advocacy Group (MFAG) across its national military health surveys, alongside statutory analysis and fiscal modeling.

The data demonstrates that administrative care exclusions enforced by the Defense Health Agency (DHA) and its managed care contractors (e.g., Humana Military) create an active force retention crisis among elite active-duty warfighters, shift millions of dollars in healthcare burdens onto state taxpayers and systematically deny medically necessary care to military dependents.

SECTION 1: NATIONAL MILITARY FAMILY HEALTHCARE EXPERIENCE SURVEY

1. Military Status & Force Representation

- **Active-Duty Family Member / Spouse:** 67%
- **Active-Duty Service Member:** 33%
- **Retired Military / Family Member:** 11.9%
- **Impacted Career Fields / Communities:** C-17 Pilots, Explosive Ordnance Disposal (EOD), Nuclear Engineers (ETN5), Pararescue (PJs), Special Operations, Medical Corps, and Infantry/Combat Arms.

2. Force Readiness & Active-Duty Retention

- **Has administrative friction or healthcare access issues with TRICARE caused you or your sponsor to consider separating early from active-duty service?**
  - **Yes – High influence on decision to separate:** 63%
  - **Yes – Moderate influence:** 38%
  - **Total Retention Impact: 100%** of respondents reported separation considerations due to TRICARE friction.

3. Specialty Denials & Non-Clinical Denial Basis

- **Care Denials by Specialty (Past 24 Months):**
  - Developmental / Pediatric Specialty Care (ABA, Speech, OT): **63%**
  - Behavioral / Mental Health (Therapy, Inpatient, IOP): **38%**
  - Chronic Disease Management (Diabetes, Autoimmune, Oncology): **38%**
  - Physical Rehabilitation / Pain Management: **13%**

- **Was the denial or restriction based on a NON-CLINICAL or administrative rule (e.g., location/setting of care, provider type, demonstration rules) rather than your doctor's medical opinion?**
    - **Yes:** 88%
    - **Unsure:** 13%

4. Setting-Based Exclusions Enforced by Contractors

- **Refused Care Settings Recommended by Civilian Doctors:**
    - Educational / School Setting: **50%**
    - Telehealth / Out-of-State Specialist Facility: **25%**
    - Community or Home Setting: **13%**
    - No setting restrictions experienced: 25%

5. Consumer Protection & The Appeals Gap

- **Did you file a formal appeal or reconsideration request?**
    - No – The process was too confusing or overwhelming: **63%**
    - Yes: **38%**
- **Outcome of the TRICARE Appeal Process:**
    - Upheld / Care denied again by contractor/DHA: **57%**
    - Abandoned process due to administrative exhaustion: **43%**
    - Reversal Rate: **0%**
- **Were you offered an Independent External Review by a neutral third-party physician?**
    - No – Reviewed internally by contractor/DHA only: **63%**
    - Unsure: **38%**

6. Personal, Financial, & Taxpayer Impact

- **Actions Forced Due to TRICARE Denials:**
    - Delayed or completely forfeited necessary medical treatment: **88%**
    - Paid out-of-pocket for medical/behavioral care: **63%**
- **Annual Out-of-Pocket Expense Resulting from Denials:**
    - $5,001 – $10,000+: **38%**
    - $1,000 – $5,000: **13%**
    - N/A: **50%**
- **Secondary Coverage & Cost-Shifting:**
    - Forced to enroll in **State Medicaid Waivers**: **57%**
    - Forced to enroll in **Private Insurance**: **14%**

SECTION 2: TRICARE AUTISM CARE DEMONSTRATION (ACD) & RETENTION STUDY

1. Demographics & Service Profiles

- **Active Duty vs. Retired:** 75% Active Duty, 25% Retired

- **Branch Breakdown:** Army (58%), Air Force (25%,), Navy (17%).
- **ASD Diagnosis & Coverage:** 92% diagnosed with ASD; 100% list TRICARE as primary insurance.

2. Clinical Denials & Life-Safety Concerns

- Care Denials for Medically Necessary ABA (ADLs, School): **83%**.
- Services Deemed Medically Necessary by BCBA: **89%**.
- Denied Services Involving Direct Physical Life-Safety Concerns: **64%**.
- Negative Impact on Progress/Well-being: **73%.**

3. Satisfaction & Force Attrition Metrics

- Negative Impact on Satisfaction with Military Life: **100%.**
- Active Duty Considering Early Separation Due to Autism Care Denials: **70%.**
- Percentage of Choice to Separate Attributable to Denials:
  - 100% of decision: **30%** (Count: 3)
  - 80% of decision: **40%** (Count: 4)
  - 50% of decision: **20%** (Count: 2)

4. Family Distress & Operational Distraction During Duty Hours

- Family Distress Level: "A Great Deal" **(60%,), "A Lot" (20%).**
- Impact on Duty Hours & Psychological Resilience:
  - **40%** missed duty hours due to care denial emergencies, changed therapy hours, or TRICARE calls.
  - **20%** experience difficulty focusing during duty hours.
  - **20%** feel mentally and physically exhausted by the administrative stress.
  - **20%** reported "All of the Above".
- **Administrative Burden:**
  - **70%** spend between 4 to 12 hours per month calling TRICARE regarding denials.
  - **90%** find mandatory bi-annual TRICARE parental surveys (PDDBI, Vineland-3) "Extremely" or "Very" burdensome.
  - **100%** report feeling betrayed by the military for allowing critical autism services to be denied.

SECTION 3: FISCAL & STATUTORY ANALYSIS

1. Human Capital Flight & Pipeline Retraining Costs

When administrative care barriers force mid-career operators to separate early, the Department of Defense incurs massive direct replacement costs:

$$\text{Pipeline Replacement Cost per Fighter Pilot / EOD / Special Operator} = \$5{,}600{,}000 \text{ to } \$10{,}000{,}000 +$$

Replacing a single experienced mid-career operator costs significantly more than providing continuous, evidence-based healthcare for their dependents throughout a 20-year military career.

2. Federal Cost-Shifting to Local State Taxpayers

Because TRICARE contractors enforce non-clinical exclusions, military families are forced onto state Medicaid Home and Community-Based Services (HCBS) waivers:

Net Tax Burden Shifted to State Taxpayers per Child ≈ $6,383 annually

This practice shifts healthcare costs from a federal defense program directly onto local state budgets and taxpayers.

3. Core Statutory Violations Under Title 10, U.S. Code

- **10 U.S.C. § 1079(a)(12) – Medical Necessity Override:** TRICARE replaces treating physicians' and BCBAs' clinical diagnostic determinations with un-elected administrative manual rules ([TOM CH 18 Sec 3]).
- **10 U.S.C. § 1092 – Demonstration Authority Abuse:** Operating the Autism Care Demonstration (ACD) perpetually for 12+ years misuses temporary research authority to suspend standard Chapter 55 medical benefit rules, consumer protections, and congressional oversight.
- **10 U.S.C. § 1073 – Network Adequacy Breach:** Managed care contractors publish directories containing up to an **85%–90% failure rate** ("ghost networks"), misrepresenting local network availability to military leadership during PCS assignments.

SECTION 4: THE LEGISLATIVE REMEDY

Legislative Solution Overview: The Military Health Care Accountability and Parity Act of 2026

To eliminate administrative loopholes, strip legacy regulatory exemptions, and hold the Defense Health Agency (DHA) accountable, Congress must pass targeted statutory amendments to Title 10, United States Code.

Legislative Pillar	Statutory Core Mechanism	Impact on Military Families & Readiness
1. Strip Grandfathered Exemptions	Amends 10 U.S.C. § 1079 to mandate full compliance with federal health insurance market reform standards, Non-Quantitative Treatment Limitation (NQTL) parity (MHPAEA), and essential health benefits.	Eliminates TRICARE's legacy legal shield, forcing defense health contractors to adhere to the exact same market parity standards as commercial civilian health plans.

Legislative Pillar	Statutory Core Mechanism	Impact on Military Families & Readiness
2. Mandatory Independent Appeals	Formally applies Public Health Service Act (PHSA) § 2719 market rules to TRICARE, granting beneficiaries the right to an Independent External Review by neutral physicians.	Ends the DHA and contractor practice of adjudicating their own care denials, restoring standard consumer protection rights to active-duty families.
3. Prohibition on Setting Exclusions	Statutorily prohibits the Secretary of Defense from restricting coverage or provider reimbursement based solely on the geographic, educational, or community setting of care.	Ends administrative bans on in-school care transition hours and Activities of Daily Living (ADLs) sensory desensitization protocols when prescribed by authorized clinicians.
4. Permanent Benefit Integration	Mandates that any care or service offered under a temporary pilot or demonstration program for more than 5 consecutive fiscal years automatically transitions to a permanent TRICARE Basic benefit.	Sunsets perpetual "demonstration" limbo under 10 U.S.C. § 1092, bringing programs like the Autism Care Demonstration (ACD) under permanent statutory oversight.

Section-by-Section Analysis of Proposed Amendments

- **SEC. 2(1) Full Parity & Market Reform Mandate:** Overrides TRICARE's legacy "grandfathered" status under ACA Section 1251 and Title 10, requiring complete alignment with federal market reforms, NQTL parity, and updated clinical consensus recommendations established by national scientific bodies (such as NASEM).
- **SEC. 2(2) Elimination of Non-Clinical Administrative Exclusions:** Explicitly bars the Secretary of Defense from denying medically necessary care based on the educational, home, or community location of delivery, or applying administrative classifications that conflict with standard diagnostic criteria (e.g., DSM-5 parameters).
- **SEC. 2(3) Automatic Integration of Long-Term Demonstrations:** Establishes a 5-year statutory cap on temporary healthcare demonstration projects under 10 U.S.C. § 1092, requiring mature programs to normalize as standard TRICARE Basic medical benefits subject to independent external review.