

TRICARE Cost-Sharing Changes in 2025

Updated November 13, 2024

The U.S. Department of Defense (DOD) administers a statutory health entitlement (under Title 10, [Chapter 55](#), of the *U.S. Code*) through the [Military Health System](#) (MHS). The MHS offers health care benefits and services through its [TRICARE program](#) to approximately [9.5 million beneficiaries](#) that include servicemembers, military retirees, and family members. Health care services are available through DOD-operated hospitals and clinics, collectively referred to as [military treatment facilities](#) (MTFs), or through [civilian health care providers](#) participating in the TRICARE program. The [Defense Health Agency](#) (DHA) manages the TRICARE program.

With the exception of active duty servicemembers, beneficiaries are subject to certain cost-sharing requirements based on beneficiary category, health plan or benefit program, and the [sponsor's](#) initial enlistment or appointment date. [Beneficiary cost-sharing requirements](#) include premiums (i.e., *enrollment fees*), deductibles, copayments, coinsurance, and a catastrophic cap. Periodically, DHA reviews and adjusts certain beneficiary cost-sharing amounts for the various TRICARE health plans and benefit programs based on statutory requirements or changes to coverage costs. This Insight reviews changes to TRICARE's beneficiary cost-sharing amounts that are scheduled to take effect on January 1, 2025. These changes may generate constituent inquiries during the next [TRICARE open enrollment season](#) from November 11, 2024 to December 10, 2024 (see below) or during the [transition in TRICARE contracts](#).

What TRICARE health plans and benefit programs are scheduled to have modified cost shares in 2025?

For calendar year (CY) 2025, [DHA is to increase](#) certain beneficiary cost-sharing amounts for the following TRICARE health plans and benefit programs:

- [TRICARE Prime](#),
- [TRICARE Select](#),
- [TRICARE Reserve Select](#),
- [TRICARE Retired Reserve](#),
- [TRICARE Young Adult](#), and the
- [Continued Health Care Benefit Program](#).

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DHA also announced a reduction in [TRICARE Dental Program](#) monthly premium rates that will be in effect from November 1, 2024 through February 28, 2025, at which time new rates are to be announced. There are no scheduled changes to the cost-sharing amounts for the [TRICARE Pharmacy Program](#) or [TRICARE for Life](#). A detailed listing of cost-sharing amounts by health plan or benefit program is available on the [TRICARE Costs and Fees Sheet](#) or by using the [TRICARE compare cost tool](#).

How does DHA determine the change in cost-sharing amounts?

DHA generally adjusts the TRICARE beneficiary cost-sharing amounts based on (1) specified amounts established in federal statutes; (2) statutory formulas; or (3) actuarial adjustments equal to the cost of coverage. **Table 1** specifies the method by which DHA determines periodic adjustments to beneficiary cost-sharing amounts.

Table 1. Adjustment Methods Used for TRICARE Enrollee Cost-sharing Amounts

Health Plan or Benefit Program	Adjustment Method	Authority
TRICARE Prime	<ul style="list-style-type: none"> Amounts specified in statute and statutory formula 	10 U.S.C. §1075a
TRICARE Select	<ul style="list-style-type: none"> Amounts specified in statute and statutory formula 	10 U.S.C. §1075
TRICARE Reserve Select	<ul style="list-style-type: none"> Enrollment fee: actuarial adjustment Other cost-sharing amounts: mirrors TRICARE Select 	10 U.S.C. §1076d
TRICARE Retired Reserve	<ul style="list-style-type: none"> Enrollment fee: actuarial adjustment Other cost-sharing amounts: mirrors TRICARE Select 	10 U.S.C. §1076e
TRICARE Young Adult (Prime or Select)	<ul style="list-style-type: none"> Enrollment fee: actuarial adjustment Other cost-sharing amounts: mirrors TRICARE Prime or TRICARE Select 	10 U.S.C. §1110b
Continued Health Care Benefit Program	<ul style="list-style-type: none"> Enrollment fee: actuarial adjustment Other cost-sharing amounts: mirrors TRICARE Select 	10 U.S.C. §1078a
TRICARE Pharmacy	<ul style="list-style-type: none"> Amounts specified in statute and statutory formula 	10 U.S.C. §1074g
TRICARE Dental	<ul style="list-style-type: none"> DHA-administered dental benefit: actuarial adjustment Federal Employee Dental and Vision Insurance Program (FEDVIP): actuarial adjustment 	10 U.S.C. §1076a 5 U.S.C. §8958

Source: See various statutes in Chapter 55 of Title 10 and Chapter 89A of Title 5, *U.S. Code*.

Notes: DHA makes *actuarial adjustments* based on enrollment-weighted average annual costs of previous calendar years and projected administrative and health care costs. For more on how actuarial adjustments are made annually, see [DHA's methodology document](#). Certain DOD beneficiaries (i.e., military retirees and their family members) are eligible for dental benefits through FEDVIP, which annually adjusts its cost-sharing amounts in accordance with [Chapter 89A](#) of Title 5, *U.S. Code*, [Part 894](#) of Title 5, *Code of Federal Regulations*, and [Office of Personnel Management policies](#).

How does DHA notify beneficiaries of modified cost shares?

By law ([10 U.S.C. §1097d](#)), the Secretary of Defense is required to inform beneficiaries who may be affected by a “significant change” to the TRICARE program, including a systemwide change to the program’s structure or benefits, or changes in beneficiary cost shares “of more than 20 percent.” DHA

may inform beneficiaries of impending cost-sharing modifications through [various means](#), including emails to beneficiaries, digital outreach (e.g., social media), information posted on the [TRICARE website](#), and distribution of educational materials to all eligible households.

What and when is the TRICARE open enrollment season?

The [TRICARE open enrollment season](#) is an annual period when beneficiaries may enroll in, terminate, or change their health plan or benefit program. The open enrollment season for calendar year 2025 began on November 11, 2024, and ends on December 10, 2024. Beneficiaries who opt to remain in their current health plan or benefit program are not required to re-enroll. Beneficiaries who are newly eligible or would like to change their enrollment may do so by submitting an online [Beneficiary Web Enrollment](#) request or contacting the [appropriate TRICARE contractor](#).

Once the annual open enrollment season closes, beneficiaries may only make changes to their health plan or benefit program within 90 days after a [qualifying life event](#) (QLE). **Table 2** lists the DHA-designated military or family-related life changes deemed as a QLE.

Table 2. TRICARE Qualifying Life Events

Military Changes	Family Changes
<ul style="list-style-type: none">• Permanent change of station/moving• Initial military commissioning or enlistment• Reserve Component member activation/deactivation• Injured on active duty• Separating from active duty• Retiring• Military-directed change of primary care manager• Military-directed health plan change• Change in overseas command sponsorship	<ul style="list-style-type: none">• Marriage• Divorce or annulment• Having a baby or adopting a child• Children going to college• Children becoming adults• Becoming Medicare-eligible• Moving• Death in family• Loss or gain of other health insurance

Source: 32 C.F.R. §199.17(o) and TRICARE, “Qualifying Life Events,” accessed November 1, 2024, at <https://www.tricare.mil/LifeEvents>.

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