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OF
ARIEL A. DE JESUS, JR
DEPUTY DIRECTOR
NATIONAL SECURITY DIVISION
THE AMERICAN LEGION
BEFORE THE
SENATE ARMED SERVICES SUBCOMMITTEE
ON PERSONNEL ON
"TRICARE PHARMACY PROGRAMS"

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Introduction

Chairman Tuberville, Ranking Member Warren, and distinguished members of this Subcommittee, on behalf of National Commander Dan K. Wiley and more than 1.5 million dues-paying members of The American Legion, we thank you for the opportunity to offer our testimony for the record.

The American Legion is guided by active Legionnaires who dedicate their time and resources to serve veterans, servicemembers, their families, survivors, and caregivers. As a resolutions-based organization, our positions are guided by more than 106 years of advocacy and resolutions originating at the post level. Every time The American Legion testifies, we offer a direct voice from the veteran community to Congress.

I want to thank the members of this Committee for supporting our nation's uniformed servicemembers, veterans, and their families. The American Legion believes the national security of the United States of America is upheld by maintaining a robust and well-funded Tricare Pharmacy Program.

Background and The American Legion's Relevant Work

The American Legion appreciates the opportunity to provide its views on the TRICARE Pharmacy Program, one of the most vital and frequently utilized benefits within the Military Health System. Access to affordable, timely, and high-quality prescription medications is essential to maintaining military readiness, managing chronic and acute medical conditions and supporting behavioral health. Ensuring access would improve the overall quality of life for active-duty servicemembers, National Guard and Reserve personnel, military retirees, survivors, and their families. As the nation's largest veterans service organization, The American Legion has long advocated for policies that preserve beneficiary access, affordability, and choice while ensuring the TRICARE Pharmacy Benefit continues to meet the evolving healthcare needs of the military community.

The American Legion's recommendations are further informed by its BASE (Base Assessment and Servicemember Experience) program, which provides direct engagement with servicemembers,

retirees, families, healthcare professionals, and installation leadership. We have visited stateside and overseas installations to inform our work including Marine Corps Air Station Yuma, Fort Sam Houston, Naval Station Great Lakes, Naval Base Guam, Camp Ederle, Ramstein Air Base, and Landstuhl Regional Medical Center. During our visits, Legion representatives identified pharmacy-related challenges including staffing shortages, specialty medication availability, prescription fulfillment delays, continuity of care during permanent change of station moves, and barriers affecting beneficiaries in rural and overseas locations. These firsthand observations reinforce the need for continued congressional oversight of the TRICARE Pharmacy Program to ensure that future pharmacy network changes enhance, not diminish, beneficiary access, preserve patient choice, strengthen contractor accountability, and deliver the high-quality pharmaceutical care earned by those who serve our Nation.

Importance of the TRICARE Pharmacy Benefit

The American Legion believes the TRICARE Pharmacy Program is an indispensable component of the Military Health System. Consequently, the pharmacy program is a vital element of military readiness, force health protection, and the long-term health and well-being of servicemembers, retirees, survivors, and their families. Access to timely, affordable, and clinically appropriate prescription medications is essential for preventing and managing chronic disease, treating acute illnesses and injuries, supporting behavioral health, and ensuring continuity of care throughout a beneficiary's lifetime. For many military families, the pharmacy benefit is the most frequently utilized component of TRICARE and serves as a critical link between healthcare providers and successful patient outcomes. The American Legion maintains that decisions affecting pharmacy access should be viewed through the lens of readiness, beneficiary health, and continuity of care—not solely as opportunities for cost savings.

The American Legion's position is grounded in resolutions, including *Resolution No. 102, Oppose TRICARE Fee Increases,*[1] which rejects shifting the cost of earned healthcare benefits onto military beneficiaries through higher fees or pharmacy copayments, and *Resolution No. 85, Military Quality of Life Standards*,[2] which recognizes accessible, high-quality healthcare as a fundamental quality-of-life issue that directly affects recruitment, retention, readiness, and family resilience. Collectively, these and other healthcare resolutions affirm The American Legion's commitment to protecting the earned healthcare benefits of those who have served by preserving beneficiary choice among Military Treatment Facility pharmacies, the TRICARE Retail Pharmacy Network, and the TRICARE Pharmacy Home Delivery Program.

The American Legion recognizes the Defense Health Agency's (DHA) continued efforts to modernize and improve the efficiency of the TRICARE Pharmacy Program while managing rising prescription drug costs. However, modernization must not come at the expense of benefit, continuity of care, or patient choice. Recent changes to the retail pharmacy network have underscored the need to maintain a robust pharmacy network that meets geographic access standards and the needs of beneficiaries requiring specialty medications, chronic disease management, and established pharmacist-patient relationships. The American Legion supports

[1] The American Legion, "Resolution 102: Oppose Tricare Fee Increase," August 30, 2016. https://archive.legion.org/node/337

[2] The American Legion, "Resolution 85: Support for Military Quality of Life Standards." August 30, 2016. Resolution No. 85: Support for Military Quality of Life Standards | Digital Archive

strong congressional oversight of the TRICARE Pharmacy Program, including independent verification of contractor performance, transparent reporting of pharmacy access and beneficiary satisfaction metrics, and policies that ensure every eligible beneficiary continues to receive safe, timely, and affordable prescription medications. Protecting the TRICARE Pharmacy Program is not simply a healthcare priority—it is a readiness imperative and a solemn commitment to those who have served our Nation.

Retail Pharmacy Network

The American Legion remains concerned that recent cuts in the TRICARE Retail Pharmacy Network have been driven, in part, by longstanding concerns from retail pharmacies regarding reimbursement rates, pharmacy benefit manager (PBM) contracting practices, and rising operating costs. As noted in GAO-25-107187, *Defense Health Care: DOD Should Improve Monitoring of TRICARE Beneficiaries' Access to Prescription Drugs,*[3] the Defense Health Agency reduced the required minimum retail pharmacy network from 50,000 to 35,000 pharmacies, resulting in a reduction of more than 13,000 participating retail pharmacies between 2022 and 2024. Pharmacy organizations have consistently reported that reimbursement under the Fifth-Generation TRICARE Pharmacy Contract often fails to adequately cover medication acquisition costs, dispensing expenses, staffing, and other operating costs. They have also raised concerns regarding limited transparency in pharmacy benefit manager (PBM) reimbursement methodologies, burdensome administrative requirements, and contract terms that provide little flexibility for pharmacies to negotiate sustainable participation.[4] These financial and operational pressures have contributed to the withdrawal of thousands of retail pharmacies from the TRICARE network, particularly independently owned pharmacies that serve rural and medically underserved communities.

The reduction in the number of participating pharmacies has had a direct impact on many TRICARE beneficiaries. Although the Defense Health Agency has stated that statutory geographic access standards continue to be met,[5] The American Legion has received numerous inquiries from beneficiaries whose trusted local pharmacies are no longer part of the TRICARE network, requiring them to travel significantly farther to obtain prescription medications. These changes have placed an added burden on aging retirees, beneficiaries with mobility limitations, caregivers, and those living in rural communities with limited pharmacy options. Additionally, many older beneficiaries may be unable or unwilling to rely on mail-order pharmacy services, making access to a local retail pharmacy essential for maintaining continuity of care. The American Legion is troubled that increased travel distances, reduced operating hours, higher prescription volumes at remaining pharmacies, and disruptions in established pharmacist-patient relationships may negatively affect medication adherence and health outcomes.

The American Legion believes that every TRICARE beneficiary—regardless of age, mobility, or geographic location—should have timely access to affordable prescription medications through a

[3] Defense Health Care: DOD Should Improve Monitoring of TRICARE Beneficiaries' Access to Prescription Drugs | U.S. GAO GAO-25-107187 Published: Feb 13, 2025. https://www.gao.gov/products/gao-25-107187

[4] Semuels, Alana. 2024. "Why Your Pharmacy Experience Is Miserable." TIME. Time. September 18, 2024. https://time.com/7022116/pharmacies-struggling/.

[5] Department of Defense, Defense Health Agency. *Report to the Committees on Appropriations of the Senate and the House of Representatives: TRICARE Pharmacy Services*, August 2025

robust and sustainable pharmacy network that supports military readiness, beneficiary health, and long-term quality of life. Congress should require the Department of Defense (DoD) to ensure adequate access to pharmacies, strengthen oversight, and preserve beneficiary choice.

Contractor Oversight

It is important for the DoD to conduct annual reviews of TRICARE's contracts and provide data and audits to Congress. This oversight is crucial for the transparency of taxpayer resources used effectively for their intended purpose: allowing servicemembers, veterans, and military families to access prescription medications in a timely manner.

TRICARE's largest pharmacy contractor, Express Scripts, is the largest pharmacy benefit manager in the United States, managing the TRICARE pharmacy mail-order program and a retail pharmacy network.[6] Since 2022, Express Scripts' management of TRICARE's retail pharmacy network has forced approximately 400,000 active-duty and retired military families to find a new in-network pharmacy after more than 13,000 retail pharmacies exited the network. Additionally, Express Scripts reportedly charges the DoD, on average, $484 more to dispense generic drugs through mail-order pharmacies Express Scripts owns than through competing pharmacies.[7] This contractual arrangement gives Express Scripts an incentive to overcharge TRICARE patients and funnel them to its pharmacies.

DHA relies on contractor data to monitor pharmacy services and access for beneficiaries. DHA's *Quality Assurance Surveillance Plan* outlines DHA's oversight of contractor performance and deliverables through periodic audits to verify contractor data.[8] Even with this plan, DHA has not audited contractor data for monitoring beneficiary access. A 2025 GAO report revealed discrepancies in contractor-reported data on beneficiaries affected by pharmacies leaving the network and on beneficiaries' use of specialty drugs.[9] By auditing contractor data, DHA can identify and correct these inaccuracies, ensuring TRICARE beneficiaries have reliable, uninterrupted access to prescription medications they need. To ensure that these audits are completed periodically, DoD must provide audit reports to Congress to promote transparent oversight of TRICARE's pharmacy contract.

Beneficiary Choice and Affordability

Pharmacy copayment increases continue to place a significant burden on military retirees, survivors, military families, and beneficiaries managing chronic medical conditions. While annual

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[6] Military.com, "Express Scripts' Tricare Pharmacy Contract Could Be Costing Military Families Money, Lawmakers Warn," Patricia Kime, July 1, 2024, https://www.military.com/daily-news/2024/07/01/express-scripts-tricare pharmacy-contract-could-be-costing-military-families-money-lawmakers-warn.html

[7] NCPA National Community Pharmacists Association, "Senate Armed Services Subcommittee on Personnel holds hearing," NCPA, May 22, 2026, https://ncpa.org/newsroom/qam/2026/05/22/senate-armed-services-subcommittee-personnel-holds-hearing

[8] U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G.

[9] GAO, "Defense Health Care: DOD Should Improve Monitoring of TRICARE Beneficiaries' Access to Prescription Drugs," February 2025. GAO-25-107187, DEFENSE HEALTH CARE: DOD Should Improve Monitoring of TRICARE Beneficiaries' Access to Prescription Drugs.

copayment adjustments may seem modest individually, their combined effect over time can create a significant financial burden for beneficiaries who rely on multiple maintenance medications to manage diabetes, cardiovascular disease, cancer, respiratory illnesses, behavioral health conditions, and other chronic diseases. Retirees living on fixed incomes and surviving spouses are particularly vulnerable to these recurring increases. The National Defense Authorization Act for Fiscal Year 2018 established the current TRICARE prescription drug cost structure, which remains in effect through December 31, 2027.[10] As Congress considers future defense healthcare legislation, we encourage Congress to evaluate the cumulative impact of pharmacy cost-sharing on beneficiary affordability, medication adherence, and long-term health outcomes. Cost-sharing policies should encourage—not discourage—beneficiaries from obtaining medically necessary prescription medications, as delayed or forgone treatment frequently results in poorer health outcomes and higher overall healthcare expenditures.

The American Legion further believes that military beneficiaries should never bear the financial or healthcare consequences of contractual disputes, reimbursement negotiations, or other business matters among pharmacy benefit managers, retail pharmacies, and government contractors. Beneficiaries should not face higher out-of-pocket costs, lose access to their local pharmacy, or experience interruptions in medically necessary prescription therapies due to issues beyond their control.[11] Congress should ensure that the DHA's pharmacy contracts prioritize beneficiary access, affordability, continuity of care, and patient choice over commercial contracting considerations. Accordingly, we urge Congress to extend the current TRICARE prescription drug cost protections beyond the December 31, 2027, sunset date to preserve affordable access to prescription medications and provide long-term certainty for servicemembers, retirees, survivors, and their families.

Overseas Pharmacy Access

Military families overseas encounter distinct challenges in accessing healthcare and obtaining prescriptions, primarily due to supply chain disruptions, reimbursement delays, and restrictions imposed by host nations. About 170,000 servicemembers, along with approximately 120,000 military family members are stationed abroad. Additionally, approximately 40,000 military retirees and 7,000 surviving beneficiaries residing overseas rely on DoD benefits.[12] The quality of military healthcare is vital to mission success, both for troops and those stationed in the United States. The Department of Defense Inspector General's (DoDIG) December 2025 report on overseas military healthcare access revealed that the DHA struggles to effectively manage primary care standards at military medical treatment facilities (MTFs) outside the continental United States (OCONUS).[13] The report found that treatment delays for servicemembers and families stationed OCONUS increased risks of negative outcomes, complications, and lower patient satisfaction. Overseas military medical staff experienced burnout and low morale and were at risk of decreased

[10] "H.R.2810 - 115Th Congress (2017-2018): National Defense Authorization Act for Fiscal Year 2018." www.Congress.Gov. December 12, 2017. https://www.congress.gov/bill/115th-congress/house-bill/2810.
[11] The American Legion, "Resolution 102: Oppose Tricare Fee Increase," August 30, 2016. https://archive.legion.org/node/337
[12] 2023. Review of *Statistical Report on the Military Retirement System*. https://media.defense.gov/2023/Oct/06/2003315292/-1/-1/0/MRS%20STATRPT%202022%20V999.PDF.
[13] Wallace, Joe, and Joe Wallace. 2025. "Benefits." MyMilitaryBenefits. December 16, 2025. https://mymilitarybenefits.com/benefits/ig-report-serious-delays-overseas-military-healthcare-access/.

readiness. Although guidelines permit referrals to TRICARE-approved civilian providers, accessing care abroad is difficult due to language and cultural barriers, as well as insurance claim processing and settlement issues.[14]

Accessing prescription medications involves additional challenges. TRICARE Pharmacy Home Delivery is available overseas only for beneficiaries with an APO/FPO address or those stationed at a U.S. Embassy or State Department location, and prescriptions must be issued by a U.S.-licensed provider.[15] Refrigerated medications cannot be shipped to APO/FPO addresses. Beneficiaries in Germany, Norway, and Saudi Arabia are ineligible for the home delivery program because of country-specific legal restrictions. In the Philippines, recipients must obtain medications from TRICARE-certified pharmacy providers. When military pharmacies or home delivery are not available, servicemembers and their families need to obtain prescriptions from host-nation pharmacies. They must pay the full price upfront and submit claims to the TRICARE Overseas Program claims processor, with proof of payment, to be reimbursed. Collectively, these challenges create compounding barriers that significantly undermine healthcare access and continuity for servicemembers, families and veterans, placing undue hardship on those who continue to sacrifice so much for our nation.[16]

The aforementioned issues become more pressing as the Department of Defense prepares for the TRICARE Overseas Program (TOP) 2028 contract, which plans to increase dependence on artificial intelligence, third-party agents, and telehealth. Concerns have been raised about the lack of protections for existing specialized services and resources within the draft TOP 2028 contract. The program serves over half a million beneficiaries, including retirees living abroad and servicemembers with their families. It complements the military's direct care system through private-sector networks with host-nation providers. TOP also supports Combatant Commands in delivering comprehensive healthcare in remote areas and conducts aeromedical evacuations when military resources are unavailable. Around 340,000 TRICARE beneficiaries stationed overseas rely on TOP for medical care.[17] If existing provider networks, pharmacy services, and specialized overseas resources are not properly safeguarded, beneficiaries could encounter increased obstacles in accessing timely care and prescription medications. The American Legion urges Congress to require annual reporting on overseas healthcare and pharmacy access, establish minimum performance standards for the TRICARE Overseas Program, require independent audits of contractor performance, a review of host nation agreements for medical support, and ensure that any future contract changes preserve beneficiary access and continuity of care.

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[14] "Appointment Delays Hamper Care at DOD Medical Facilities Outside Continental US, Report Says." 2025. Stars and Stripes. December 15, 2025. https://www.stripes.com/theaters/us/2025-12-15/delays-medical-appointments-overseas-report-20098431.html.

[15] The American Legion" Resolution 202: Military Mail at Overseas Embassies", August 30, 2016, https://archive.legion.org/node/405

[16] Miller, A. (2025, November 28). *Tricare Pharmacy Program*. Military.Com. https://www.military.com/benefits/tricare/tricare-pharmacy-program.html

[17] Lilley, Kevin. 2026. "Pharmacy Access, Enrollment Issues, Overseas Support: Advocates Outline Concerns With TRICARE Contract Plans." Https://Www.Moaa.Org/Content/Publications-and-Media/News-Articles/2026-news-articles/Benefits/Pharmacy-Access,-Enrollment-Issues,-Overseas-Support-Advocates-Outline-Concerns-with-Tricare-Contract-Plans/. April 28, 2026.

Conclusion

Chairman Tuberville, Ranking Member Warren, and distinguished members of this Subcommittee, The American Legion thanks you for your leadership on these important issues and for the opportunity to present our position and recommendations.

We believe the TRICARE Pharmacy Program is more than a healthcare benefit—it is a critical readiness capability and an enduring promise to those who have worn the uniform and to those who continue to serve today. Every servicemember, retiree, survivor, and military family deserves uninterrupted access to affordable prescription medications through a pharmacy system that prioritizes beneficiary needs over administrative efficiency or commercial contracting interests. Many veterans who rely on these overseas services work directly for the U.S. military, delivering critical operational and quality-of-life support that is typically best provided by those who have served in uniform.

The American Legion urges Congress to strengthen oversight of TRICARE pharmacy contracts, preserve a robust and sustainable retail pharmacy network, improve access for beneficiaries stationed overseas, protect patient choice, and ensure that military families are never adversely affected by disputes between pharmacy benefit managers, contractors, and retail pharmacies. Additionally, Congress should extend the current TRICARE prescription drug cost protections beyond the December 31, 2027, sunset date to provide long-term affordability and certainty for beneficiaries.

Questions concerning this testimony can be directed to Bailey Bishop, Legislative Deputy Director, at b.bishop@legion.org