

TRICARE RESERVE SELECT

1.0. GENERAL

The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2005 (Public Law 108-375), allows certain members of the Selected Reserves (SelRes) to purchase TRICARE Standard coverage for themselves and their eligible family members. The procedures outlined below are interim procedures designed to allow the effective implementation of TRICARE Reserve Select (TRS) throughout the Department of Defense (DoD) personnel, reserve and medical communities concurrent with a start up and initial operating period for program administration involving the 3 new TRICARE Managed Care Support Contracts (MCSCs).

2.0. ELIGIBILITY FOR ENROLLMENT REQUIREMENTS

2.1. *Eligibility for enrollment in TRS is determined by the reserve components (RCs) and recorded on DEERS. The contractor shall rely solely upon DEERS for all eligibility determinations. RC members with issues concerning TRS eligibility shall be referred to their respective reserve component.*

2.2. *A Selected Reservist determined to be eligible may enroll for either of the following types of coverage.*

- *TRS member-only coverage.*
- *TRS member and family coverage.*

3.0. ENROLLMENT AND PREMIUM COLLECTION

3.1. Premiums

3.1.1. *The monthly premium for TRS member-only and TRS member and family coverage will be determined annually by the Government and provided to the contractor 60 calendar days prior to implementation. Contractors will include advance notification of increased premium on the November and December monthly bill. For those members not receiving a monthly bill, the MCSC shall issue a letter advising the member of the increasing premium amount no later than 30 calendar days prior to the premium increase and initiate all actions required to allow the continuation of the electronics fund transfer (EFT) transaction with the increased premium amount.*

3.1.2. *TRS members are responsible for all premium payments for the type of coverage elected (i.e., TRS member-only or TRS member and family). All billing will be monthly; neither annual nor quarterly billings will be authorized. The contractor shall accept payments by personal check, cashier's check, money order, credit/debit card (e.g., Visa/MasterCard) and EFT from a TRS member-designated financial institution. Each bill shall provide an opportunity to change method of payment. The contractor shall not generate bills if the TRS member elects to use the EFT or automatic credit/debit*

card payment processed on the first business day of the month of coverage. The MCSC shall advise members at the time of EFT election that a \$20 insufficient funds fee will be assessed, if sufficient funds are not available.

3.1.3. *The MCSC shall be responsible for initiating EFTs and automatic credit/debit card payments with the member's financial institution upon being requested to do so, in writing, by the TRS member. The MCSC shall direct bill the TRS member when a problem occurs in initially setting up the EFT or there are insufficient funds to process a monthly EFT. MCSC may apply a fee of \$20 for insufficient funds. The MCSC shall include notice of the \$20 fee when billing the member. If the MCSC is unable to obtain the requested premium payment from the TRS member's account for any reason after an EFT is established, the TRS member will be responsible for paying the overdue premiums and any assessed fee by means of direct billing.*

3.1.4. *All premium payments shall be made payable to the MCSC.*

3.2. Enrollment Procedures

The following procedures will apply during the start-up and initial operating period of TRS. The contractor shall enroll and disenroll all TRS members and collect all applicable premiums in accordance with the following procedures. The TRICARE South Region MCSC shall perform these services for TRS members residing outside the fifty United States. All enrollment applications shall be processed within ten calendar days of receipt when DEERS reflects TRS enrollment eligibility.

3.2.1. Initial Enrollments

3.2.1.1. *The contractor shall accept enrollment applications from RC members at any time prior to and for 60 days following the RC member's initial TRS enrollment eligibility date as recorded on DEERS. Following enrollment, TRS coverage shall be effective on the first day of TRS eligibility as shown on DEERS. Upon receipt of an application, the contractor shall verify TRS eligibility in DEERS through the Defense Online Enrollment System (DOES).*

3.2.1.2. *If DEERS shows the RC member ineligible for enrollment in TRS, the contractor shall notify the member by letter of his/her ineligibility for TRS on DEERS and advise the member to contact his/her reserve component to ensure that TRS eligibility is correctly reflected on DEERS before the member becomes ineligible to enroll. This letter will also include a statement explaining that the MCSC will query DEERS every 15 days as described below and further advise the member that when his/her enrollment has been completed he/she will receive an enrollment card and welcome package from DMDC. The contractor shall pend all TRS applications and query DEERS every fifteen days until 60 days after the member is no longer eligible to enroll in TRS. The 60 day period shall begin with the end of the active duty period shown on DEERS or TAMP eligibility, whichever is later. If shown as eligible for TRS enrollment on DEERS, the contractor shall process the enrollment effective the first day of TRS eligibility as reported on DEERS. If the RC member is shown as ineligible for enrollment on DEERS as of 60 days after the member's TRS enrollment deadline, the contractor shall return the application and any premium payments to the RC member advising him/her that he/she cannot be enrolled in TRS based on the DEERS TRS eligibility response.*

3.3. Initial Enrollment Premium Collection

3.3.1. RC Members Released from Active Duty After April 26, 2005

3.3.1.1. Applications received 60 days or more before the first day of the month (in which TRS coverage is to begin) may be accepted with or without payment of one full month's premium. If the application is received on or before the 60th day prior to the 1st day of the month (in which coverage is to begin) without a premium payment enclosed, the contractor shall bill the TRS member on the tenth day of the month before the month in which coverage is to begin and specify that the premium payment is due the last calendar day of the month before the month in which coverage is to begin. The first bill generated by the contractor shall include the prorated amount on a daily basis necessary to synchronize billing to the first of the month. The daily prorated amount shall be equal to 1/30th of the appropriate premium regardless of how many days are actually in the month.

3.3.1.2. Applications received less than 60 days prior to the first day of the month (in which TRS coverage is to begin) shall include one full month's premium. When the monthly premium is included, the contractor shall accept the premium and record coverage from the begin enrollment date through the preceding date in the next month. Contractors shall accept the premium and record the paid through date (and at a date to be determined, the premium dollar amounts) in either DOES or the batch fee interface. TRS enrollment shall be entered in DOES by the contractors. The first bill generated by the contractor shall include the amount prorated on a daily basis necessary to synchronize billing to the first of the month. The daily prorated amount shall be equal to 1/30th of the appropriate premium, regardless of how many days are actually in the month. For example, if the TRS member's coverage begins on February 5th, the MCSC shall record coverage paid through March 4th. On February 10th, in this example, the contractor shall bill for the prorated amount for the 26 days remaining in March. All subsequent months shall be billed in full monthly installments as provided by TMA except the last month of coverage, which shall be prorated on a daily basis through the end eligibility date recorded in DEERS. In this example, the final month of TRS eligibility shall be prorated based on 4 days billed.

3.3.1.3. Applications received 60 calendar days or less prior to the first day of the month in which coverage is to begin without the first month's premium shall be accepted and the TRS member enrolled effective with the first day of TRS eligibility. The member shall be billed beginning with the first billing cycle for the prorated amount (date coverage begins through the end of the month) plus any amount required to make the account current.

3.3.1.4. Applications received after the first day of the month in which coverage begins, but before the 60th day of TRS eligibility without an enclosed premium, shall be accepted and processed with the effective date of Reserve Select coverage being the first day of Reserve Select eligibility. The contractor shall bill following the procedures established in [paragraph 3.3.1.3](#).

3.3.1.5. Applications received 60 or more days after the first day of Reserve Select eligibility for enrollment shall be returned to the member within 10 calendar days of receipt with a letter advising the member they have missed their enrollment window and are no longer eligible for the TRS. The letter shall also advise the RC member of his/her reconsideration rights. Any premiums received by the contractors shall be returned at this time.

3.3.2. RC Members Released from Active Duty Prior to April 27, 2005

3.3.2.1. *The following provisions apply to the processing of Reserve Select applications received for members released from active duty prior to April 27, 2005.*

3.3.2.2. *Applications shall be accepted from members up to 60 calendar days after the DEERS TRS eligibility begin date, but in no case after December 27, 2005.*

3.3.2.3. *Applications shall be processed in accordance with paragraphs 3.3.1.3., 3.3.1.4., or 3.3.1.5. as appropriate.*

3.3.3. TRS Members Recalled to Active Duty on Orders for More Than 30 Days

3.3.3.1. *TRS members may be placed on active duty orders at any time. If a TRS member returns to active duty for a period of more than 30 days, TRICARE coverage for active duty service members (ADSM) and active duty family members (ADFM) starts and DEERS will automatically suspend eligibility for TRS enrollment for the TRS member and covered family members. When this occurs, the contractor shall refund any prorated premium amounts already paid for coverage after the suspended enrollment date within 30 calendar days of being notified by DEERS and send the updated paid through date to DEERS. The MCSC shall include an explanation for the premium refund. The MCSC must be aware of the fact that DEERS may reflect ADSM and ADFM TRICARE coverage before the ADFM actually reports for duty.*

3.3.3.2. *When the other (e.g. ADFM, ADSM, TAMP) TRICARE coverage stops, the TRS member becomes eligible for reactivation of enrollment in TRS if the end eligibility date for TRS in DEERS is a date in the future. DEERS will send a notification to the contractor to reactivate TRS coverage. The contractor shall follow the billing procedures specified in paragraph 3.3.1.1. without requiring a new application.*

3.3.3.3. *If a TRS member returns to active duty for a period of 30 days or less, TRS coverage will continue unchanged. If the period of 30 days or less is extended beyond 30 days, the contractor shall follow the procedures in paragraph 3.3.3.1.*

3.4. Changes Due to Qualifying Life Events (QLE)

3.4.1. QLE Changes Resulting in Changes to Type of Coverage

TRS members can only change their type of coverage to TRS member-only or TRS member and family in connection with certain events called qualifying life events. There are two types of QLEs: those that result in a change in immediate family composition and those that result in a change in family health coverage. TRS members are responsible to report all changes in family composition to their responsible reserve component so DEERS will be updated as indicated. DEERS will send the contractor an unsolicited notification for losses only advising the contractor to disenroll the individual. TRS members will report changes in family health coverage to the contractor. All changes between TRS coverage plans will be performed by the contractor. All applications requesting changes in type of coverage shall be received by the contractor no later than sixty days after the date of the QLE otherwise the Contractor shall notify the TRS member that their application was not submitted timely and the requested change will not be made. Regardless of when a timely application is submitted, the effective date for a coverage change shall be the date of the QLE.

3.4.1.1. Changes from TRS Member and Family Coverage to TRS Member-Only

A change to TRS member-only coverage may be made only if the QLE causes the TRS member to be the last eligible family member under TRS. Examples include:

- *Divorce.*
- *Death of spouse or family member.*
- *Change in family health coverage.*
- *Child ages out.*

3.4.1.2. Changes from TRS Member-Only Coverage to TRS Member and Family

Changes from TRS member-only coverage to TRS member and family may not be made except when one of the following QLEs has occurred.

- *Marriage of the TRS member.*
- *The birth or adoption of a child.*
- *Placement by a court of a child as a legal ward in the TRS member's home.*
- *Changes in family health coverage.*

3.4.1.3. Premium Adjustments from Changes in Type of Coverage

3.4.1.3.1. *When a QLE is processed that changes the type of coverage from TRS member-only coverage to TRS member and family coverage, the premium increases. The effective date of the premium increase shall be the date of the QLE; billing for the premium increase shall be the first day of the month following the QLE. The first bill generated after the type of coverage change has been processed shall reflect the higher premium for the month following the billing date plus the amount required to adjust for any underpaid, prorated amount for the month(s) in which the TRS member-only premium was paid after TRS member and family coverage became effective.*

3.4.1.3.2. *When a QLE is processed that changes the type of coverage from TRS member and family coverage to TRS member-only coverage, the premium decreases. The effective date of the premium decrease shall be the day the QLE occurred. The first bill generated after the type of coverage change has been processed shall reflect the lower premium for the month following the billing date minus a prorated amount for any overpaid amount for the remainder of the month after the date of the QLE and any whole months for which the TRS member and family premium was paid after the TRS member-only coverage became effective.*

3.4.2. Changes in Type of Coverage Resulting from a Change in Family Health Coverage

Changes in type of coverage resulting from a change in family health coverage will not be reported by DEERS and must be managed by the contractor. TRS members shall submit an enrollment application to be received by the contractor within 60 days of the QLE to request a change in type of coverage resulting from a change in family health coverage. The contractor shall make the change in type of coverage in DOES effective the date of this QLE. The resulting change in premium shall be handled in accordance with paragraphs 3.4.1.3.1. or 3.4.1.3.2., whichever applies.

3.5. Billing and Collection

3.5.1. All billings for premium payments shall be on the 10th calendar day of each month, or the next business day, for the following month. All bills shall be for full month premiums and/or a prorated amount, if applicable, and shall reflect a due date of the last day of each billing month. Bills shall reflect all payments received through no less than the 5th day of the month.

3.5.2. If payment is not received and processed prior to the next billing, the contractor shall bill for the overdue premium payment plus the next month's premium. The bill shall inform the TRS member that premiums must be paid in advance and that failure to pay the TRS premium will result in the permanent (irrevocable) termination of TRS coverage. If the premium is not paid by the second monthly billing, the contractor shall bill for two months of overdue premiums plus the next month's premium. The contractor shall include the same message on the bill regarding the consequences of failure to pay the premium as due. If the first month's overdue premium is not received by the 12th day of the month following the third month's bill, the contractor shall send a delinquent notice advising the TRS member that unless all overdue premiums are received by the last day of the month, coverage will be terminated effective with the last day of the month and that the TRS member will be financially liable for all overdue premiums and fees. The notification will advise the member that the collection will be turned over to the Federal Government who has the ability to inform the TRS members Reserve Component Commander, offset against reserve pay, report to credit bureaus and pursue bad debts using all available means. The delinquent notice will also advise the TRS member that failure to pay will result in the permanent, irrevocable termination of TRS coverage.

3.5.3. An example of the above is a TRS member who is paid through May 31. The May 10th billing for June is for \$200 (an example of a monthly premium, only). If the payment is not received and processed prior to the June 10th billing, the June bill will reflect a total of \$400 due. If the \$400 is not received and processed prior to the July 10th billing, the July bill will reflect a total of \$600 due. If the \$600 is not received by July 31st, coverage shall terminate effective July 31st. If the TRS member pays at least a single month's premium, the contractor shall accept the \$200 partial overdue payment to continue coverage and shall continue overdue billing procedures for any unpaid premium.

3.5.4. If the TRS member fails to pay following issuance of the delinquency notice under paragraph 3.5.2. above, the contractor shall disenroll the TRS member (and family member(s) as appropriate) and issue notice of disenrollment to the TRS member within 15 calendar days following the end of the month in which the delinquency notice was mailed.

3.5.5. Upon issuance of notice of disenrollment for failure to pay premiums, the contractor shall also refer the case to the TMA Office of General Counsel within 15 calendar days. The bad debt file forwarded to TMA General Counsel shall include, as a minimum:

- A completed cover sheet (Chapter 11, Addendum A, Figure 11-A-14) with only those data fields appropriately related to the TRS member's failure to pay premiums.
- Copies of all billings for the overdue premiums, the delinquency notice, and the notice of disenrollment.
- Copies of all correspondence received from the TRS member or representative relating to the failure to pay premiums and all contractor responses.

3.6. Change of Residence/Region

As part of each monthly bill, the contractor shall provide information for the TRS member to submit a change of address to the servicing contractor. When the servicing contractor notices that a new address is in another TRICARE region or outside the fifty United States, the contractor shall initiate the actions necessary in DOES to transfer premium collection and other applicable administrative services to the new servicing contractor. The jurisdiction shall be based on the TRS member's reported change of address. A TRS member without a current paid-through date may transfer regions. The gaining contractor shall perform the premium collections for delinquent and future payments.

4.0. RECONSIDERATIONS

The contractor shall advise TRS members that all reconsideration requests for involuntary disenrollments, late initial enrollments, and late applications for QLEs shall be submitted to the appropriate TRICARE Regional Director for determination. The contractor shall honor the decisions of the TRICARE Regional Director.

5.0. SCOPE OF CARE

5.1. *The TRS health plan delivers the TRICARE Standard benefit to all covered individuals. TRICARE Standard and TRICARE Extra cost-sharing, deductible and catastrophic caps applicable for ADFMs shall be followed for all individuals (including TRS members themselves) covered under TRS.*

5.2. *Specific programs not available under TRS include those listed below.*

- *Direct Care in a Military Treatment Facility (MTF) including MTF pharmacies and TRICARE Plus.*
- *TRICARE Reserve Family Member Demonstration Program (and its successor program that includes waiver of deductibles and higher TRICARE payments to providers).*
- *The Program for Persons with Disabilities (PFPWD)/Extended Health Care Option (ECHO)*
- *Continued Health Care Benefit Program (CHCBP), except that if for any reason the member becomes disenrolled from TRS before the date that is 18 months after discharge or release from the most recent period of active duty upon which CHCBP eligibility was based, the member or the member's family members may be eligible to be included in CHCBP coverage by paying the applicable premium.*
- *Uniformed Services Family Health Program (USFHP).*
- *TRICARE Prime.*
- *TRICARE Prime Remote for ADSMs.*
- *TRICARE Prime Remote for ADFMs.*

- *Supplemental Health Care Program (SHCP) Funds.*

6.0. CLAIMS PROCESSING

6.1. *The contractors shall process TRS claims under established TRICARE Standard and TRICARE Extra ADFM cost-sharing rules and guidance. The TRS member and TRS family members are subject to the same cost-share and deductibles as an ADFM.*

6.2. *Premium payments made for TRS shall not be applied to the fiscal year deductible or catastrophic cap limit.*

6.3. *Non-Availability Statements (NAS) requirements are not applicable to TRS enrollees as they are not eligible for direct care in an MTF.*

7.0. DISENROLLMENT FROM TRS COVERAGE

7.1. *The contractor shall disenroll the TRS member when they become aware of the situations listed below. The effective date of disenrollment is the day through which premiums are paid.*

7.1.1. *TRS member's written request to disenroll.*

7.1.2. *Failure to pay monthly premium payments in accordance with the procedures in this chapter.*

7.2. *DEERS will advise the MCSC of the ineligibility of TRS beneficiaries and the effective the day of the loss of their TRS eligibility for the following events. The MCSC shall disenroll the TRS member/family member, as appropriate.*

7.2.1. *TRS member's transfer or resignation from the Selected Reserve.*

7.2.2. *Death of the TRS member (family members will be disenrolled effective the last day of the month of the loss).*

7.2.3. *Expiration of TRS eligibility.*

7.3. *Disenrollment actions initiated by the TRS member are irrevocable. When TRICARE coverage supersedes TRS, TRS coverage is suspended (not terminated) until the superseding TRICARE coverage ends or the end TRS eligibility date for TRS occurs, whichever is later.*

8.0. COMMUNICATIONS AND CUSTOMER SERVICE

8.1. Marketing and Education

8.1.1. *The contractor shall market TRS to the same extent as they market TRICARE Standard and TRICARE Extra.*

8.1.2. *The marketing materials (i.e., public notices, flyers, informational brochures, etc.) will be developed and printed centrally by DoD, TMA, Office of Communications and Customer Service. The*

contractor shall distribute all documents associated with the TRS Program to the same extent and through the same means as TRICARE Standard materials are distributed.

8.2. Customer Service

The contractor shall provide all customer service support in a manner equivalent to that provided TRICARE Standard beneficiaries. TRS eligibility queries that cannot be answered by the contractor shall be referred to the reserve component.

9.0. ANALYSIS AND REPORTING

TRS workload shall be included, but not separately identified in all reports.

10.0. PAYMENTS FOR CONTRACTOR SERVICES RENDERED

10.1. Claims Reporting

The contractor shall report TRS program claims according to [Chapter 3](#). The contractor shall process payments on a non-financially underwritten basis for the healthcare costs incurred for each TRS claim processed to completion according to the provisions of [Chapter 3](#).

10.2. Fiduciary Responsibilities

10.2.1. *The contractor shall act as a fiduciary for all funds acquired from TRS premium collections, which are government property. The contractor shall develop strict funds control processes for its collection, retention and transfer of premium funds to the government. All premium collections received by the contractor shall be maintained in accordance with these procedures.*

10.2.2. *The contractor shall select a commercial bank that is a member of the Federal Reserve Bank. A separate non-interest bearing account shall be established for the collection and disbursement of premiums. The bank name, address, and account number shall be provided to the COR and to the TMA Contract Resource Management (CRM). The contractor shall make daily deposits of premium collections, net of refund payments, to the established account.*

10.2.3. *The contractor shall wire transfer the premium collections weekly to a specified government account as directed by TMA-CRM Finance and Accounting Office. The government will provide the contractor with information for this government account. The contractor shall notify the TMA-CRM Finance and Accounting Office by e-mail within one business day of the deposit specifying the date and amount of the deposit.*

10.2.4. *The contractor shall maintain a system for tracking and reporting premium billings, collections, and enrollments. The system is subject to government review and approval.*

10.2.5. *The contractor shall electronically submit monthly reports of premium activity supporting the wire transfer of dollars to the Contracting Officer.*

