

TRICARE RESERVE SELECT

1.0. GENERAL

TRICARE Reserve Select (TRS) is a premium-based TRICARE health plan available for purchase by qualified members of the Reserve Components (RCs) that offers health coverage for RC members and their eligible family members. The RCs will validate members' qualifications to purchase TRS coverage and will identify qualified members in the Defense Enrollment and Eligibility Reporting System (DEERS).

1.1. Benefits/Scope Of Care

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 to Active Duty Family Members (ADFM)s shall be followed for all individuals (including covered RC members themselves) covered under TRS. TRS members and their covered family members are eligible for direct care in a Military Treatment Facility (MTF), including MTF pharmacies with the same access priority as ADFMs not enrolled in TRICARE Prime. The contractor shall implement Right of First Refusal (ROFR) procedures for TRS members and family members to the same extent that the contractor is required to implement them for ADFMs under TRICARE Standard/Extra. The contractor shall review and modify MTF Memoranda of Understanding (MOU) as necessary to reflect MTF requirements for accommodating and ensuring that TRS members and their covered family members are provided the same level of service as ADFMs under TRICARE Standard/Extra.

1.2. Specific Programs Not Available Under TRS

Specific programs not available under TRS include those listed below:

- 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 (PPPWD)/Extended Care Health Option (ECHO)*
- Eligibility to purchase Continued Health Care Benefit Program (CHCBP) coverage is unaffected unless coverage under TRS terminates for any reason before CHCBP eligibility expires for the TRS member or covered family members, in which case they may purchase CHCBP coverage until 30 days after the date that TRS coverage terminates.*
- Uniformed Services Family Health Plan (USFHP)*
- TRICARE Prime*

- *TRICARE Prime Remote for ADSMs*
- *TRICARE Prime Remote for ADFMs*
- *TRICARE Overseas Program (TOP) Prime*
- *Supplemental Health Care Program (SHCP) Funds, except for civilian care referred by Military Health System (MHS) Facilities as specified in Chapter 18 to the same extent that SHCP covers civilian care for MHS beneficiaries who are not ADSMs.*
- *Special Supplemental Food Program*

2.0. TRS PREMIUM TIERS

Selected Reserve members may qualify to purchase TRS coverage under one of three premium tiers as determined by the member's RC. Each year the Government will determine the share of the total premium under each of the three premium tiers that the member is required to pay for TRS member-only coverage and for TRS member and family coverage. The government will provide the premium rates to the contractor no later than 60 calendar days prior to effective date of premium rate. Unless otherwise specified, the premium rates will be in effect for a full calendar year. The member's share of the premium shall be paid monthly.

3.0. QUALIFYING TO PURCHASE TRS COVERAGE

The RCs will validate members' qualifications to purchase TRS coverage and will identify qualified members in the DEERS. The contractor shall rely solely upon DEERS to identify members who have been qualified to purchase TRS coverage. The contractor shall refer RC members to their respective RC for issues concerning qualifying to purchase TRS coverage. To qualify for any of the tiers, an RC member must execute a Service Agreement with their RC and be in the Selected Reserve throughout the period of coverage. The qualifications unique to each tier are listed below for contractor information purposes only.

3.1. Tier 1 Qualifications

To qualify for Tier 1 the RC member must have been called or ordered to active duty for a contingency operation since September 11, 2001 and have met qualifications for length of the active duty service. For survivors of TRS members, see [paragraph 4.3.3](#).

3.2. Tier 2 Qualifications

To qualify for Tier 2 the RC member must submit required documentation to their RC and certify that he or she meets one of the following:

- *The RC member is an eligible unemployment compensation recipient as determined under the member's State law, which includes Federal unemployment compensation laws administered through the State.*
- *The RC member is an employee who is employed by an employer that does not offer a health benefits plan to employees.*

- *The member is an employee in a category of employees to which the employer does not offer a health benefits plan. The category is based on hours, duties, employment agreement, or such other characteristics, but is not based upon membership in the Selected Reserve.*
- *The member is self-employed and the self-employment income is the member's primary source of annual income, as reported to the IRS, other than service in the Selected Reserve.*

3.3. Tier 3 Qualifications

To qualify for Tier 3, the member must be otherwise qualified, but ineligible for TRS Tier 1 or Tier 2.

4.0. TRS ENROLLMENT PROCEDURES

The contractor shall process enrollment-related transactions through the Defense Online Enrollment System (DOES). The contractor shall perform all premium and billing functions of applicable premiums in accordance with [paragraph 5.0](#). The TRICARE South Region contractor shall perform these services for TRS members residing outside the fifty United States.

4.1. TRS Application Procedures

To purchase TRS coverage, qualified RC members must complete and submit the applicable TRICARE enrollment form, along with an initial payment of the appropriate monthly premium within deadlines specified in the paragraphs below. The contractor shall collect the applicable TRICARE enrollment application at TRICARE Service Centers (TSCs), by mail, or by other means determined by the contractor. The contractor shall not process new enrollment transactions into the DOES unless the initial payment received for the first month of coverage is the correct amount (within one dollar) for the year of coverage, premium tier, and type of coverage. The procedures for determining the effective date of coverage are specified in [paragraph 4.3](#), and its subordinate paragraphs.

4.1.1. Notification Procedures if Application is Not Accepted for Processing

If it is more than 15 days from the application deadline (as specified below) and (a) the application is incomplete, (b) the initial premium payment is missing, or (c) the initial premium payment is not in the correct amount (within one dollar); the contractor shall return a copy of the original application to the member with an appropriate explanation of what is needed before the contractor will accept the application for enrollment processing. If it is 15 days or less from the start date of coverage and at least one of the circumstances described above exist, the contractor shall attempt to make positive contact with the TRS member via phone, e-mail, or other reasonable means to provide the explanation in addition to sending the notification with the return of a copy of the original application. Complete applications received up to five calendar days after the start date of coverage shall be accepted if the application is postmarked by the start date of coverage. Applications received more than five days after the start date of coverage shall be returned to the member with any premium amount submitted explaining that the member has submitted the application too late to be processed.

4.1.2. Tier 1

4.1.2.1. *The contractor shall not accept applications and the appropriate premium payments from members qualified under Tier 1 based upon active duty that ended on or before April 26, 2005, unless*

directed by the TRICARE Regional Director. The contractor shall return the application and premium payment to the member with an appropriate explanation. The contractor shall include notification that the member may request reconsideration from the TRICARE Regional Director as specified in [paragraph 4.7](#).

4.1.2.2. The contractor shall accept applications and the appropriate premium payments until 30 days before the start date of coverage from members qualified under Tier 1 based upon qualifying Active Duty that ended after April 26, 2005, unless the start date of coverage was delayed up to one year in the case of a member of the Individual Ready Reserve (IRR) as follows. A member of the IRR otherwise qualified for coverage under Tier 1 has one year to find and occupy a position in the Selected Reserve before meeting the full qualifications for Tier 1. The contractor will recognize a former IRR member that is now part of the Selected Reserves and qualifies for TRS by the existence of an Active Duty or TAMP eligibility period that has ended within the past year. These members will have a break in eligibility from the time the Active Duty or TAMP ends until the start of the TRS qualifying period. These eligibility segments may be viewed in the DOES application. In that case, the contractor shall accept applications and the appropriate premium payments until 60 days after the start date of coverage.

4.1.2.3. For those Selected Reservists who do not qualify for TAMP and come directly from active duty to TRS the contractor shall accept applications up to sixty days after release from active duty.

4.1.3. Open Season for Tiers 2 and 3

4.1.3.1. Open Season is the time period during which a RC member who qualifies for coverage under Tier 2 and Tier 3 may purchase TRS coverage, change type of coverage, or request to terminate coverage. One open season will be offered in the fourth quarter of each calendar year and will last a minimum of 30 days. The opening date will be specified each year by the government not later than the 30th day of September each year. The closing date for open season will be November 25th each year, regardless whether it falls on a weekend or a holiday. The contractor shall accept TRS applications along with the correct premium payment during the annual open season for new coverage under Tier 2 or Tier 3 by mail with a postmark dated on or before November 25th each year. Applications submitted along with the correct premium payment at TSCs, or by other means determined by the contractor, that are received by the contractor by the deadline, November 25th each year shall be accepted by the contractor. The contractor shall accept requests during open season to renew existing coverage within the same tier with or without a change in type of coverage. The contractor shall also accept requests to terminate coverage. The contractor shall process these applications and requests in accordance with procedures specified in [paragraph 5.0](#) and its subordinate paragraphs.

4.1.3.2. A one-time special open season will be offered from August 1, 2006 through November 30, 2006 for RC members who qualify under Tier 2 or Tier 3 to purchase initial, 2007 coverage or both. The effective date of coverage will be specified according to [paragraph 4.3.2.3](#). The contractor shall accept applications and the appropriate premium payments from RC members during this period.

4.1.3.3. TRS applications received by the contractor after the open season closing date described above shall be returned to the RC member along with any premium payments. The contractor shall include notification that the Selected Reservist's application has been submitted late and that the Selected Reservist must submit an application during the next open season or submit an application if a Qualifying Life Event (QLE) occurs.

4.1.4. New Selected Reservists under Tiers 2 and 3

The contractor shall accept applications and the appropriate premium payments from members newly assigned to the Selected Reserves up to 60 days after the start date of coverage as reflected in DOES. TRS coverage start date shall be determined in accordance with the 20th of the month rule. DEERS will identify new Selected Reservists on the printed TRS application form.

4.1.5. Qualifying Life Events

TRS members may request certain changes to their TRS coverage in connection with certain events called QLEs. When any of these events occurs, the contractor shall accept the requests from TRS members (along with any applicable premium for new enrollments) for receipt by the contractor no later than 60 days after the date of the event being claimed as a QLE. The contractor shall follow all applicable procedures to process the transaction through the DOES. TRS members are responsible to report all changes in family composition to their respective RC so DEERS will be updated as appropriate. In the case of a family member losing eligibility in DEERS, DEERS will send the contractor an unsolicited notification advising the contractor to disenroll the individual. The contractor shall follow procedures specified in [paragraph 5.5.](#) for premium adjustments resulting from changes of coverage. The major QLEs that permit a member to request change in type of coverage or request certain other actions are as follows:

A change in family composition:

- *Marriage*
- *Birth or adoption of a child*
- *Placement of a child in the legal custody of the member by an order of the court*
- *Divorce or annulment*
- *Death of a spouse or family member*
- *Last family member becomes ineligible (e.g. child ages out)*

Changes in employment status that could result in change in family health coverage are:

- *RC member or eligible family member gains or loses employment that offers health coverage.*
- *RC member or eligible family member is reemployed after a break in employment.*
- *RC member or eligible family member returns to pay status after employer-sponsored coverage terminated during leave without pay status.*
- *RC member or eligible family member is employed or reemployed after serving on active duty as a member of a RC.*

- *RC member or eligible family member changes employment status that changes employer contribution to premiums of employer-sponsored health plan available to the member, such as a change from full-time to part-time status or the reverse.*

Changes in health coverage status that could result in a loss of coverage by an RC member or eligible family member:

- *Under CHAMPVA, TRICARE (CHAMPUS), or TRICARE for Life (TFL).*
- *Under another federally-sponsored health benefits program.*
- *Under Medicaid or similar State-sponsored program for the needy.*
- *When TRS coverage was suspended to participate in one of these programs.*
- *Under a non-Federal health plan.*

4.1.5.1. Tier 1 QLEs

If a member who is covered under Tier 1 experiences one of the qualifying life events listed in [paragraph 4.1.5.](#), the member may request a change in type of coverage within Tier 1. If the end date of coverage under Tier 1 in DEERS is a date after the date the qualifying life event occurred, the member may request a change in type of coverage without requalifying for the Tier 1 through personnel. The effective date of the change shall be the date of the qualifying life event. The contractor shall accept the request along with any applicable one-month increase in premium amount through 60 days following the event and shall follow all applicable procedures to process the transaction through the DOES. (The member may request termination of coverage at any time; however, they will not be allowed to purchase coverage again under Tier 1, unless the RC validates the member qualifications under a new period of active duty.) The effective date of the change shall be the date of the qualifying life event. See [paragraph 4.1.](#) for TRS application procedures.

4.1.5.2. Tier 2 and 3 QLEs

If a member who is covered under either Tier 2 or Tier 3 experiences one of the qualifying life events listed above, the member may request the following actions:

- *After being qualified by Personnel for Tier 2 or Tier 3 coverage, the member may purchase TRS coverage by completing and submitting the applicable TRICARE enrollment application, along with an initial payment of the appropriate monthly premium to the contractor.*
- *If the end date of coverage under Tier 2 or Tier 3 in DEERS is a date after the date the qualifying life event occurred, the member may request a change in type of coverage within the existing tier without requalifying for the Tier through Personnel.*
- *The member may request to terminate TRS coverage without notifying Personnel. The effective date of the change shall be the date of the qualifying life event.*

4.1.5.3. 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 a TRS 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 [paragraph 5.5](#).

4.1.5.4. Addition of Family Member Without a Change in Type of Coverage or Premium Tier

TRS members may submit requests to add eligible family members to an existing TRS member and family coverage plan within the same premium tier at any time. However, they must be sure to establish eligibility for the family member on DEERS first through their Personnel office or a RAPIDS office (military ID card issuing facility <http://www.dmdc.osd.mil/rsl/owa/home>). The effective date shall be the date of receipt by the contractor.

4.2. Type of Coverage

A Selected Reservist determined to be eligible for Tier 1, Tier 2 or Tier 3 may purchase either of the following types of coverage. See TRICARE Systems Manual (TSM) [Chapter 2, Addendum M](#) for a full list of TRS Health Care Delivery Plan Coverage Code Values.

- TRS member-only coverage
- TRS member and family coverage

4.3. Period of Coverage

DEERS will identify the coverage start date and the coverage termination date as default values in DOES. The contractor shall routinely accept the default start date and the coverage termination date as listed in DOES, unless circumstances of a particular situation indicate otherwise, such as when an administrative error has been identified or when the TRICARE Regional Director has reviewed a case and provided an alternate start date and the coverage termination date.

4.3.1. Tier 1 Period of Coverage

The period of coverage for Tier 1 will be one or more whole years unless otherwise extended as specified in [paragraph 4.6](#).

4.3.2. Tiers 2 and 3 Period of Coverage

The period of coverage for Tiers 2 and 3 will not exceed one year, and may be renewed for one year at a time during the annual open season.

4.3.2.1. For complete applications received along with the correct premium payment from newly assigned Selected Reserve members whose qualifications have been validated by their RC under Tier 2

or Tier 3, the period of coverage shall begin in accordance with the 20th of the month rule processing rules established for TRICARE Prime enrollment processing.

4.3.2.2. For RC members purchasing coverage during the annual open season the period of coverage begins January 1st of the year immediately following the open season and ends December 31st of that year.

4.3.2.3. For RC members validated for Tier 2 or Tier 3 coverage who are purchasing coverage during the special one-time open season in 2006, the contractor shall establish the start date of coverage according to the following rule. For complete applications received along with the correct premium payment with a postmark dated on or before September 25, 2006; coverage begins October 1, 2006 and ends December 31, 2006. For complete applications received along with the correct premium payment with a postmark dated after September 25, 2006, but on or before November 25, 2006; coverage begins January 1, 2007 and ends December 31, 2007.

4.3.2.4. In order to renew coverage for another year, TRS members must have their RC re-validate their qualifications for Tiers 2 and 3 each year and the RC will update the end date of the Service Agreement in DEERS. DEERS will then adjust the coverage termination date in real-time from December 31st of the current year to December 31st of the following year. Contractors shall accept requests from TRS members to change type of coverage during the Open Season and process the transaction through the DOES. If DOES will not accept the transaction, the contractor shall follow procedures specified in [paragraph 4.4.1](#). Coverage will terminate upon the termination date as it is recorded in DEERS if the renewal is not accomplished by the end of the annual open season.

4.3.3. Survivor Coverage

4.3.3.1. If a member of the Selected Reserves dies while in a period of TRS coverage under Tier 1, the surviving family members may purchase (or continue) TRS Tier 1 coverage for up to six months beyond the date of the member's death upon payment of monthly premiums.

4.3.3.2. The premium amount paid shall be the TRS member-only rate if there is only one surviving enrolled member and at the TRS member and family rate if there are two or more survivors covered by TRS.

4.3.3.3. All applications requesting survivor coverage shall be received by the contractor no later than sixty days after the date of death of the Selected Reservist, otherwise the Contractor shall return the application with any unused premiums and notify the applicant that it was not submitted timely and the requested change will not be made.

4.3.3.4. Upon death of the TRS member who had TRS member and family coverage under Tier 2 or Tier 3, any covered family members will be disenrolled effective the last day of the month of the loss.

4.4. Enrollment Processing

The contractor shall process all enrollment-related transactions through DOES for members with a DEERS residential address in the contractor's region. The TRICARE South Region contractor shall perform enrollment-related transactions for TRS members residing outside the 50 United States. Upon receipt of an application, the contractor shall verify TRS eligibility in DEERS through DOES. During the special one-time open season in 2006, the contractor shall process TRS applications

accepted for processing from qualified members as shown on DOES as specified in paragraph 4.3.2.3. within 21 calendar days of receipt. In all other situations the contractor shall process TRS applications received from qualified members as shown on DOES within ten calendar days of receipt when the application is complete and one month of the applicable premium has been paid.

4.4.1. Applications Received for Member Without TRS as an Eligible Plan in DOES

4.4.1.1. If DOES does not show TRS as an eligible health plan for the RC member and it is more than 15 days before the start date of coverage, the contractor shall notify the member by letter of his/her ineligibility for TRS on DEERS and send a letter advising the member to contact his/her service/RC to ensure that TRS eligibility is correctly reflected on DEERS before the member becomes ineligible to purchase coverage. (The service/RC will typically access the TRICARE Reserve Select Application (TRSA) through the worldwide web and logon with TRS verifying official security credentials in order to update DEERS. This will result in TRS being shown as an eligible plan in the DOES.)

4.4.1.2. This letter will also include a statement explaining that the contractor will query DEERS every 15 days as described below and further advise the member that when his/her enrollment has processed to completion he/she will receive a TRS card and welcome package from DMDC. The contractor shall enclose in the letter any additional documentation received in error from the member along with a reference to the TRS website at <http://www.tricare.osd.mil/reserve/reserveselect> so the member can contact their respective RC POC. If DOES does not show TRS as an eligible health plan for the Reserve member and it is 15 days or less before the start date of coverage, the contractor shall attempt to make positive contact with the TRS member via phone, e-mail, or other reasonable means to provide the information included in the letter specified in this paragraph in addition to issuing the letter.

4.4.1.3. The contractor shall pend all TRS applications and query DEERS every 15 days until the projected start date of coverage. For Tier 1, the start date of coverage is the day after the end date of the active duty period shown on DEERS or the day after the end of TAMP coverage, whichever is later. If DOES shows TRS as an eligible health plan for the Reserve member, the contractor shall process the enrollment and accept the default start date of coverage shown in DOES. If the projected start date of coverage is reached and DOES still does not show TRS as an eligible health plan for the Reserve member, the contractor shall return the application and any premium payments to the RC member within 10 calendar days advising him/her that he/she cannot be enrolled in TRS based on the DEERS TRS eligibility response. The notification shall also inform the RC member of his/her reconsideration rights. Any premiums received by the contractors shall be returned at this time.

4.4.2. TRS Newborn Policy

4.4.2.1. Newborns from Member-Only to Member and Family Procedures

For a newborn of a TRS member-only coverage the newborn shall have automatic TRS coverage for a period of sixty days from birth and continued coverage if the TRS member registers the newborn in DEERS and submits a TRS member and family enrollment application for the newborn. The DEERS registration and TRS member and family enrollment application and increased premium must be accomplished no later than 60 days from the date of the Qualifying Life Event (date of newborn's birth) to have TRS member and family coverage for the newborn beyond 60 days.

4.4.2.2. Newborn Added to Existing TRS Member and Family Plan

For a newborn of a Selected Reserve covered under the TRS member and family plan, the newborn shall have automatic TRS coverage for the period of 365 days from birth and continued coverage if the TRS member registers the newborn in DEERS and submits a TRS member and family enrollment application adding TRS coverage for the newborn. The DEERS registration and TRS member and family application must be accomplished no later than 365 days from the date of the newborn's birth in order to receive TRS member and family coverage for the newborn beyond the automatic 365 days.

4.5. Termination of TRS Coverage

DEERS will terminate TRS coverage when the end date of coverage recorded in DEERS is reached. The contractor shall return any excess premium amounts paid.

4.5.1. Tiers 1, 2, and 3

4.5.1.1. *DEERS will advise the contractor of the ineligibility of TRS beneficiaries and the effective date of the loss of their TRS coverage for the following events.*

- TRS member's transfer out of or resignation from the Selected Reserve.*
- Death of the TRS member (family members will be disenrolled effective the last day of the month of the loss) unless the survivors of a Tier 1 covered member elect TRS survivor coverage.*
- Failure to pay monthly premium payments in accordance with the procedures in this chapter. The effective date of disenrollment is the last day of the month in which the delinquency notice was mailed. An unsolicited PNT is not sent in this case.*
- Other situations of loss of eligibility as determined by DEERS.*

4.5.1.2. *The contractor shall disenroll the TRS member/family member, as appropriate. The effective date of disenrollment for members covered under Tier 1 shall be the effective date of the loss of their qualification for TRS coverage. The effective date of disenrollment for members covered under either Tier 2 or Tier 3 shall be the last day of the month the event causing the loss of TRS coverage occurred.*

4.5.2. Tier 1

The contractor shall accept requests for termination of coverage from TRS members covered under Tier 1 at anytime and shall enter the end date of coverage into DOES as the last day of the month in which the request was received. The contractor shall follow procedures specified under [paragraph 5.6.](#) for overdue or delinquent payments at the time of disenrollment. The effective date of disenrollment is the last day of the month in which the request was received. Disenrollment actions initiated by the TRS Tier 1 member are irrevocable. When TRICARE coverage supersedes TRS, TRS coverage is suspended (not terminated) as specified in [paragraph 4.6.](#) until the superseding TRICARE coverage ends or the TRS end date occurs, whichever is later.

4.6. Effect of Other TRICARE Benefits on TRS

4.6.1. *During any period in which members covered by TRS receive full TRICARE medical benefits, no premium payments for TRS are due.*

4.6.2. *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 ADSMs and ADFMs starts, and DEERS will automatically suspend TRS coverage 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 suspension date within 30 calendar days of being notified by DEERS and send the updated paid through date to DEERS. The contractor shall include an explanation for the premium refund. The contractor must be aware of the fact that DEERS may reflect ADSM and ADFM TRICARE coverage before the ADSM actually reports for duty.*

4.6.3. *When the other (e.g. ADFM, ADSM, TAMP) TRICARE coverage terminates, the TRS member becomes eligible for reactivation of TRS coverage if the TRS coverage end date in DEERS is a date in the future and DEERS receives timely notification from the Service. (DEERS will adjust the end coverage date as indicated.) DEERS will send a notification to the contractor to reactivate TRS coverage. The contractor shall follow the billing procedures specified in [paragraph 5.3.](#) without requiring a new application.*

4.6.4. *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 [paragraphs 4.6.1.](#) and [4.6.2.](#)*

4.7. Reconsiderations

The contractor shall advise TRS members that all reconsideration requests for involuntary disenrollments, refusal of late initial enrollments, and refusal of late applications for QLEs shall be submitted to the appropriate TRICARE Regional Director for determination. The TRICARE Regional Director will issue decisions in a timely manner for all reconsideration requests received. If changes are to be made to a member's coverage as a result of a reconsideration determination, the TRICARE Regional Director will send instructions to the contractor. The contractor shall process such instructions as appropriate no later than 10 days after receipt from the TRICARE Regional Director.

5.0. PREMIUM BILLING AND COLLECTION

The contractor shall perform all premium and billing functions required for 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 are authorized.

5.1. Jurisdiction for Premium Billing and Collection

5.1.1. *The particular regional contractor servicing the address provided on the TRS application for the TRS member shall assume premium billing and collection functions for the TRS member.*

5.1.2. *As part of each monthly bill, the contractor shall provide the opportunity 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 new 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.

5.2. New Coverage

The contractor shall credit the TRS member for premium payments received for new coverage. The first bill generated shall specify that the premium payment is due for receipt by the contractor no later than the last calendar day of the current month for the following month of coverage. In the case of a start date of coverage at anytime other than the first of a month, 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 (rounded to the penny) regardless of how many days are actually in the month.

5.2.1. Method of Payment

5.2.1.1. The contractor shall accept payments by personal check, cashier's check, money order, credit/debit card (e.g., Visa/MasterCard) and electronic fund transfer (EFT) from a TRS member-designated financial institution. An EFT payment shall be processed on the first business day of the month of coverage. The contractor shall not generate bills if the TRS member elects to use either the EFT or automatic credit/debit card payment method. The contractor shall advise members at the time of EFT election that an insufficient funds fee of up to \$20 U.S. will be assessed, if sufficient funds are not available.

5.2.1.2. The contractor 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 contractor shall direct bill the TRS member when a problem occurs in initially setting up the EFT or when there are insufficient funds to process a monthly EFT. The contractor may apply a fee of up to \$20 U.S. for insufficient funds. The contractor shall include notice of the fee of up to \$20 U.S. when billing the member. If the contractor 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 insufficient funds fee by means of direct billing.

5.2.1.3. Premium payments shall be made payable to the contractor servicing the member's coverage as specified in [paragraph 5.1](#).

5.3. Issuance of Bills

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.

5.4. Annual Premium Adjustment

Contractors shall include advance notification of annual premium adjustments on the October, November and December monthly bill. (The October notification may not include the actual premium rates for the new year). The notification shall include the new amount for member only and member and family coverage for each of the three Tiers. For those members not receiving a monthly bill, the contractor shall issue a notice advising the member of the adjusted premium amount at the same time the October, November and December bills are mailed and shall initiate all actions required to allow the continuation of the EFT transaction or credit/debit card payment with the increased premium amount. For members covered under Tier 2 and 3, the October, November, and December notice shall remind the RC member of the requirement for them to have their RC revalidate their qualifications if they wish to renew coverage for another year.

5.5. Premium Adjustments from Changes in Connection with QLEs

5.5.1. *When a QLE is processed that changes the premium, the effective date of the premium change shall be the date of the QLE.*

5.5.2. *If the change from a QLE results in an increase in the premium, the contractor shall adjust the next bill or electronic payment to include any underpaid amount (prorated to the day) to the effective date of the change.*

5.5.3. *If the change from a QLE results in a decrease in the premium, the contractor shall retain any overpaid amount and apply it to subsequent bills or electronic payment until all of the overpayment is exhausted.*

5.6. Delinquent Premium Procedures

5.6.1. *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. This includes those paying by EFT or by automatic Visa/MasterCard payments, if the payment cannot be processed by the financial institution. In addition, the contractor shall send a delinquency notice no later than 1 business day after the bill is sent with an overdue amount. The bill and the delinquent notice shall inform the TRS member that if the overdue amount is not received by the last day of the month, TRS coverage will be terminated effective the last day of the month and all premiums for coverage through that date shall be paid. The contractor shall include the same message on the bill regarding the consequences of failure to pay the premium as due. If coverage under Tier 1 was in effect, the contractor shall specify on both the bill and the delinquency notice that termination is permanent (irrevocable) unless the member qualifies again for coverage under Tier 1. If coverage under Tiers 2 and 3 was in effect, the bill and the delinquency notice shall specify that members may not requalify for coverage until the next open season, or if they experience a qualifying life event (no lockout is applied). Further, the delinquency notification will advise the member that the collection will be turned over to the Federal Government which has the ability to inform the TRS member's RC Commander, offset against Reserve pay, report to credit bureaus and pursue bad debts using all available means.*

5.6.2. *If the TRS member fails to pay the overdue amount as specified in [paragraph 5.6.1.](#), the contractor shall disenroll the TRS member and any covered family member(s) and issue notice of disenrollment to the TRS member within 15 calendar days following the end of the month in which coverage was terminated.*

5.6.3. 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 contractor shall determine the amount of debt in a particular case by including all unpaid premiums for the same sponsor. All debts, established for the reason of unpaid premiums for a particular sponsor, shall be combined into one case.

5.6.4. Cases referred to the Office of General Counsel, TMA, shall include the following minimum documentation listed below. All documentation should be placed in the file in the order listed below beginning with the correspondence on the bottom and ending with the cover sheet on top:

- A completed cover sheet (Figure 24-1-1), containing data fields necessary for entry of the case into an automated case recoupment system and those of which are appropriately related to the TRS member's failure to pay premiums.
- Copies of all billings for the overdue premiums, delinquency notice(s), and the notice of disenrollment.
- A chronological payments history (Figure 24-1-2), indicating the member's first date of eligibility, coverage and enrollment type (and, if applicable, the effective date of TRS coverage and/or enrollment type change), and a summary record of all premium payments received. The payment history should be a summary of the tracking activities prescribed in paragraph 9.2.4. The payment history must include confirmation of the type of payment received (i.e. personal check numbers, money order numbers, credit/debit card or EFT transaction numbers) and the date the payment was received.
- Documentary evidence, (i.e., workpapers, calculations reflecting how the debt amount was calculated, including the original amount of the debt, documentation reflecting that payment(s) were credited to the appropriate account, etc.).
- Copies of all correspondence received and all contractor responses. This includes copies of letters, memorandums, e-mails, and telephone conversation records.

The contractor shall use the following mail address for the bad debt file.

TRICARE Management Activity-Aurora
ATTN: OGC-AC
16401 East Centretech Parkway
Aurora, CO 80011-9066

5.7. Disenrollments and Premium Adjustments

Within 15 days after the date of disenrollment, the contractor shall refund any premium amounts applied for coverage after the date of disenrollment.

6.0. CLAIMS PROCESSING

6.1. The contractor 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. Normal TRICARE Other Health Insurance (OHI) processing rules apply to TRS.

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 (NASs) requirements shall apply to TRS members and family members in the same manner as for ADFMs under TRICARE Standard/Extra.*

7.0. COMMUNICATIONS AND CUSTOMER SERVICE

In addition to communications and customer service functions specified throughout this chapter, the contractor shall perform communications and customer service functions to the same extent as they do for TRICARE Standard and TRICARE Extra.

7.1. Marketing And Education

7.1.1. *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. Copies of the TRS Handbook and other marketing materials can be ordered through the usual TMA Communication and Customer Service ordering process.*

7.1.2. *Upon enrollment in TRS each contractor shall mail one copy of the TRS Handbook to each TRS member with TRS member-only coverage and one copy to the household of each TRS member with TRS member and family coverage. Each contractor shall send additional handbooks upon request, such as when TRS members and covered family members live in different locations (split enrollment).*

7.2. Customer Service

The contractor shall provide all customer service support in a manner equivalent to that provided TRICARE Standard beneficiaries. When the contractor receives an inquiry involving TRS eligibility or qualifications, the contractor shall refer the inquiry to the RC.

8.0. ANALYSIS AND REPORTING

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

9.0. PAYMENTS FOR CONTRACTOR SERVICES RENDERED

9.1. 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](#).

9.2. *Fiduciary Responsibilities*

9.2.1. *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.*

9.2.2. *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 TRS 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 to the established account.*

9.2.3. *The contractor shall wire-transfer the premium collections, net of refund payments, monthly 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.*

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

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

FIGURE 24-1-1 COVER SHEET - CASE RECOUPMENT / TRS CASES

Program Type: TRS Non-Financially Underwritten

RCN or ICN #: _____

Sponsor's SSAN: _____

Debtor Code: (S) Sponsor _____

Debtor's Relationship To Sponsor Code: (1) Self

Debtor's Name (Last, First Middle Initial): _____

Debtor's Address Line 1: _____

Debtor's Address Line 2: _____

Debtor's Address Line 3: _____

City: State: Zip Code: _____

Debtor's Telephone & Ext.: _____

Sponsor's Branch of Service Code (circle one): (1) Army Reserve; (2) Army National Guard;
(3) Air Force Reserve; (4) Air National Guard; (5) Marine Corps Reserve; (6) Navy Reserve;
(7) Coast Guard Reserve

Contractor Number (Prime Contractor): Region: _____

Date of Initial Billing: _____

Date First Delinquent/Disenrollment: _____

Reason For Debt: 99 - Unpaid Premiums; Other (explain) _____

TRS Coverage Type (circle one): TRS Member-Only / TRS Member & Family Coverage

Enrollment Type (circle one): Tier 1 / Tier 2 / Tier 3

Effective Date of TRS Enrollment Type Change (only if applicable): _____

Scheduled Amount of Premium Payment: _____

TRS Enrollment Effective Date: _____

TRS Disenrollment Date: _____

Date Last Premium Payment Received: _____

No. of Months Left Unpaid: _____

Original Amount of Debt: _____

Principal Balance Due: _____

Processed By: _____

Processor's Telephone Number: _____

FIGURE 24-1-2 PAYMENT HISTORY - CASE RECOUPMENT / TRS CASES

Sponsor Name (Last, First Middle Initial): _____

Sponsor ID: _____

TRS Type of Coverage (circle one): Member Only / Member and Family

TRS Tier (circle one): Tier 1 / Tier 2 / Tier 3

* Effective Date of TRS Type of Coverage Change (ONLY IF APPLICABLE): _____

* Effective Date of TRS Tier Change (ONLY IF APPLICABLE): _____

Start Date: _____

Termination Date: _____

Termination Reason: _____

MONTHLY PREMIUM CALCULATION TABLE:

	PREMIUM CALCULATION START DATE	PREMIUM CALCULATION END DATE	PREMIUM AMOUNT OWED	* RECALCULATED PREMIUM AMOUNT OWED
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

A. Total Premium Cost for Coverage Period: _____

PAYMENT HISTORY:

	DATE RECEIVED	PAYMENT TYPE	CHECK #/MO #/CREDIT OR DEBIT TRANSACTION CONFIRMATION NUMBER	PAYMENT AMOUNT
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

B. Total Premium Amount Paid: _____

Remaining Balance Due (Difference between A & B): _____

Processor's Telephone Number: _____

Processed By: _____

* Only use when sponsor paid premium at incorrect level (i.e. pay Tier 2 when actually eligible for Tier 3, pay member only when enrolled in Member and family, etc.)