

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) and qualified survivors that offers health coverage for RC members and their eligible family members. The RCs will validate members' and survivors' qualifications to purchase TRS coverage and will identify qualified members/survivors in the Defense Enrollment Eligibility Reporting System (DEERS). Section 706 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2007 restructured premiums and eligibility for TRS and is implemented effective October 1, 2007.

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-shares, deductibles and catastrophic caps applicable to Active Duty Family Members (ADFM) shall apply to all individuals (including covered RC members themselves) covered under TRS. TRS members, their covered family members, and TRS survivors are eligible for Direct Care (DC) 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, family members and survivors 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 and National Guard Family Member Benefits program that established the authority to waive the annual TRICARE Standard (or Extra) deductible for RC family members who became eligible for TRICARE as a result of their sponsor's activation in support of a contingency operation as specified in TRICARE Policy Manual (TPM), [Chapter 10, Section 8.1](#).
- Extended Care Health Option (ECHO)
- TRICARE Prime Programs including the Uniformed Services Family Health Plan (USFHP)

- 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 PREMIUMS

TRS offers two types of coverage: TRS member-only coverage and TRS member and family coverage. Each year the government will determine premium rates payable monthly by the member/survivor for each type of coverage. The government will provide the premium rates to the contractor No Later Than (NLT) 60 calendar days prior to the effective date. Unless otherwise specified, the premium rates will be in effect for a full calendar year. A surviving family member who qualifies to purchase (or continue) TRS coverage as described in [paragraph 3.2](#). shall pay the member-only rate if there is only one covered survivor and the member and family rate if there are two or more survivors to be covered.

3.0. QUALIFYING TO PURCHASE TRS COVERAGE

The RCs will validate members' and survivor's qualifications to purchase TRS coverage and will identify qualified members/survivors in 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/survivors to their respective RC for issues concerning qualifying to purchase TRS coverage. To qualify for TRS a RC member must be in the Selected Reserve throughout the period of coverage. The qualifications unique to TRS are listed below for contractor information purposes only.

3.1. Member Purchase

A member of the RC of the Armed Forces qualifies to purchase TRS coverage if the member meets both the following conditions:

- Member of the Selected Reserve of the Ready Reserve;
- Not enrolled in, or eligible to enroll in, a health benefits plan under Chapter 89 of Title 5, USC, the Federal Employees Health Benefit Program (FEHBP).

3.2. Survivor Coverage Under TRS

If a member of the Selected Reserves dies while in a period of TRS coverage, the family member(s) may purchase new or continue existing TRS coverage for up to six months beyond the date of the member's death. If a member of the Selected Reserve is not covered by TRS on the date of his or her death, his or her surviving dependents do not qualify for TRS survivor coverage at any time. For survivor qualification, there is no exclusionary criterion involving a health benefits plan under 5 USC Chapter 89, the FEHBP.

4.0. COVERAGE-RELATED PROCEDURES

The contractor shall process coverage-related transactions through the Defense Online Enrollment System (DOES) (TRICARE Systems Manual (TSM), [Chapter 3, Section 1.5, paragraph 1.2.2.](#)). Premium-related transactions shall be reported through the enrollment fee payment interface (see the TSM, [Chapter 3, Section 1.5, paragraph 1.2.8.2.](#)). The contractor shall perform all premium and billing functions in accordance with [paragraph 5.0.](#) and its subordinate paragraphs. The TRICARE Overseas Program (TOP) contractor shall perform these services for TRS members/survivors residing outside of the 50 United States or the District of Columbia. See the TSM, [Chapter 2, Addendum M](#) for a full list of TRS Health Care Delivery Plan (HCDP) Coverage Code Values. The TRICARE South Region contractor shall perform these services for TRS members or survivors residing outside the 50 United States or the District of Columbia until such time specified in the transition schedule to the new overseas contractor.

4.1. Purchasing Coverage

To purchase TRS coverage, qualified RC members and qualified survivors must complete the prescribed form using the appropriate online web application and submit it, along with an initial payment of the appropriate one month premium, within deadlines specified in the [following](#) paragraphs. The initial payment may be made with a personal check, cashier's check, money order, or credit/debit card (i.e., Visa/MasterCard). (For enrollments effective on or after October 1, 2012, the initial payment required is two months of premium.) No handwritten TRS requests are to be accepted by the contractor. The contractor shall collect completed TRS requests submitted at TRICARE Service Centers (TSCs), by mail, and by other means determined by the contractor. If a lockout is in place, the contractor may accept and process requests up to 45 days before the end of the 12 month lockout period for new coverage to begin after the 12 month lockout period ends. The contractor shall not process new coverage transactions into DOES unless the initial payment received is the correct amount for the type of coverage. The procedures for determining the effective date of coverage are specified in the [following](#) paragraphs.

4.1.1. Continuation Coverage

A qualified member or qualified survivor may purchase TRS coverage with an effective date immediately following the termination of coverage under another TRICARE program. The TRS request required by [paragraph 4.1.](#) must be either received in the TSC or postmarked *NLT* 30 days after the termination of other TRICARE coverage.

4.1.2. Qualifying Life Events

A qualified member may purchase TRS coverage in connection with a Qualifying Life Event (QLE) that results in a change of family composition. First, qualified members are responsible to report all changes in family composition to military personnel officials with Real-Time Automated Personnel Identification System (RAPIDS) access to appropriately update DEERS. Second, the TRS request form identifying the QLE, required by [paragraph 4.1.](#) must be either received in the TSC or postmarked *NLT* 60 days after the date of the QLE. The following QLEs are processed through DEERS and are recognized by TRS. The effective

date of coverage is the date the QLE occurred (i.e., date of marriage, Date of Birth (DOB), etc.).

- Marriage;
- Birth or adoption of 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, survivor; or
- Last family member/survivor becomes ineligible (e.g., child ages out).

4.1.3. Open Enrollment

A qualified member or qualified survivor may purchase TRS coverage throughout the year. If the request and premium payment required by [paragraph 4.1.](#) are received in the TSC or postmarked by the last day of the month, the effective date of TRS coverage shall either be the first day of the next month or the first day of the second following month as indicated on the TRS request. Requests for next month that are postmarked in that month will be processed with an effective date of the first day of the month following the postmark date.

4.1.4. Survivor Coverage Under TRS

If a Reserve sponsor dies while in a period of TRS coverage, the surviving eligible family members may purchase (or continue) TRS coverage for up to six months beyond the date of the member's death. Except for automatic transfers specified in [paragraph 4.1.4.1.](#), effective dates and deadlines specified in [paragraphs 4.1.1.](#), [4.1.2.](#), and [4.1.3.](#) apply. The effective date of TRS survivor coverage is the day after the date of death. Applicable premium rates are specified in [paragraph 2.0.](#)

4.1.4.1. If TRS member and family coverage was in effect on the date of the member's death, DEERS will automatically transfer covered family members to TRS survivor coverage with an effective date of the day after the date of death and establish an end eligibility date in DEERS six months from the date of the member's death. Defense Manpower Data Center (DMDC) will issue letters to survivors advising them of their continued coverage and their option to *suspend* coverage, if so desired, by completing a TRS request form via the appropriate online web application or in a written letter to the appropriate Managed Care Support Contractor (MCSC). The DMDC generated survivor letter will include instructions on how to obtain a DoD Self-Service Logon (DS Logon) to access the TRS Web Portal or the option to *suspend* coverage via a written letter.

4.1.4.2. If TRS member-only coverage was in effect on the date of the member's death, DEERS will terminate coverage with an effective date coinciding with the date of death. Eligible family members may purchase coverage by completing a TRS request. The TRS request required by [paragraph 4.1.](#) must be either received in the TSC or postmarked *NLT* 60 days after the date of death of the Selected Reservist. DMDC will issue letters to survivors advising them of the option to purchase coverage.

4.2. Changes in TRS Coverage

Once TRS coverage is in effect, TRS members, which include TRS-covered survivors, may request the following types of changes.

4.2.1. Type of Coverage Changes

A TRS member/survivor may change TRS type of coverage following procedure for a QLE specified in [paragraph 4.1.2.](#) or procedures for open enrollment specified in [paragraph 4.1.3.](#) The contractor shall follow procedures specified in [paragraph 5.5.](#) for premium adjustments resulting from changes in coverage.

4.2.2. Addition Of Family Members to TRS Member and Family Coverage

TRS members/survivors may request to add eligible family members to an existing TRS member and family coverage plan at any time, once eligibility for the family is established. Eligibility is established by going to a military personnel office with RAPIDS capability to appropriately update DEERS. The effective date of coverage for the added family member(s) shall follow procedures specified in [paragraphs 4.1.2.](#) or [4.1.3.](#) The TRS request must be either received in the TSC or postmarked NLT 60 days after that date.

4.2.3. TRS Newborn/New Child Policy

4.2.3.1. A newborn/new child will be covered from the date of birth/custody only if, (a) the TRS member registers the newborn/new child in DEERS within 60 days of birth/custody, and (b) the TRS request is either received in the TSC or postmarked NLT 60 days after the date of birth/custody. The contractor shall handle claims associated with the newborn/new child as specified in [paragraph 6.0.](#) The contractor shall make adjustments in premiums as specified in [paragraph 5.5.](#)

4.2.3.2. TRS members who reside overseas may have difficulty in obtaining the documentation required to register a newborn/new child in DEERS. As with all other late submissions of enrollment requests, the member may submit a request for reconsideration to the appropriate TRICARE Regional Director (RD) (or their designee), or the TRICARE Area Office (TAO) Director consistent with [paragraph 4.5.1.](#)

4.3. Processing

4.3.1. The contractor shall process all TRS transactions through DOES for members or survivors with a DEERS residential address in the contractor's region. The contractor shall process TRS requests received along with the initial premium payment ([paragraph 4.1.](#)) NLT 10 calendar days after receipt.

4.3.2. If the contractor is unable to enroll the member/survivor in DOES due to (a) a 90-day future enrollment limitation, (b) DEERS not reflecting eligibility, (c) the application being incomplete, (d) a missing initial premium, or (e) the initial premium payment not being in the correct amount; the contractor shall return a copy of the original application and any incorrect premiums to the member, within 10 business days, with an explanation of what is needed for the contractor to accept the application for processing.

4.4. *Suspension* of TRS Coverage

The contractor shall initiate return of any excess premium amounts paid prorated to the day as indicated NLT 10 business days after the effective date of the *suspension* or after receipt of a Policy Notification Transaction (PNT) notifying the contractor of a *suspension*, whichever is later. The contractor shall also update DEERS with any premium amount refunded within 30 calendar days. The contractor shall include an explanation for the premium refund.

4.4.1. Loss of TRS Eligibility

The effective date of *suspension* for a member covered under TRS shall be the effective date of the loss of their qualification for TRS coverage. The *contractor shall place the TRS member, their family members, and/or survivors in a suspended status from the last paid-through date by "applying a lockout" in DOES. While DOES will apply a "lockout" status, the TRS member, family members, and/or survivors are considered to be in a "suspended" status, subject to reinstatement in certain circumstances, for the period of 12 months from the last paid-through date and will not incur a lockout when coverage is terminated due to loss of TRS eligibility (i.e., member no longer qualifies to purchase TRS due to status change of Active Duty or FEHBP).*

4.4.1.1. Sponsor Loss of Eligibility

When a sponsor's eligibility is terminated at a date other than the anticipated end date, DEERS will send the contractor an unsolicited PNT advising the contractor of the *suspended* coverage. When a sponsor's eligibility is terminated at the anticipated end date, DEERS will not send the contractor an unsolicited PNT advising the contractor of the *suspended* coverage. *The contractor shall suspend coverage for the sponsor as appropriate (see paragraph 4.4.1.).*

4.4.1.2. Individual Family Member or Survivor Loss of Eligibility

In the case of a family member or survivor losing eligibility in DEERS, DEERS will send the contractor an unsolicited PNT advising the contractor to *suspend* coverage for that individual. When an individual family member's or survivor's eligibility is terminated at the anticipated end date, DEERS will not send the contractor an unsolicited PNT advising the contractor of the *suspended* coverage. The contractor shall *suspend* coverage for the family member(s) or survivor(s) as appropriate *(see paragraph 4.4.1.)*.

4.4.2. Member or Survivor Gains Other TRICARE Coverage

No lockout shall be applied for *suspension* due to the gain of other TRICARE coverage.

4.4.2.1. If a TRS member gains other TRICARE coverage for a period of 30 days or less, TRS coverage will continue unchanged.

4.4.2.2. If a TRS member or survivor gains other TRICARE coverage for a period of more than 30 days, DEERS will *suspend* TRS coverage in accordance with [paragraph 4.4.1.1](#). The contractor must be aware of the fact that DEERS may reflect Active Duty Service Member

(ADSM) and Active Duty Family Member (ADFM) TRICARE coverage before the member actually reports for active duty.

4.4.2.3. If a TRS member gains other TRICARE coverage via a family member, the member and family members may *suspend* coverage under TRS without incurring a lockout.

4.4.3. Failure to Make Payment

4.4.3.1. Failure to pay monthly premiums in accordance with the procedures in this chapter shall result in *suspension* of coverage. The effective date of *suspension* is the *first day following the* paid-through date. The contractor shall automatically *suspend* coverage of the TRS member, all covered family members and survivors, if the monthly premium payment is not received by the last day of the month *of coverage*. After the last day of the month, the contractor shall *suspend* coverage *up to 12 months from* the *last* paid-through date. DMDC *will provide* written notification to the *TRS member or survivor* of the *suspension along with* the reason, *noting the suspension may become a retroactive termination and 12 month lockout from the last paid-through date. During a suspension,* the contractor may pend any claims received for health care furnished to the TRS member, family members, and/or survivors during the period for which premiums have yet to be paid, to avoid creating recoupment of health care costs for ineligible beneficiaries. The TRS member, family members, and/or survivors will be responsible for the cost of any health care received after the termination date following retroactive termination of coverage. If claims are not pended, the contractor shall initiate recoupment of health care costs following the procedures in [Chapter 11, Section 4](#).

4.4.3.2. *Upon failure of a TRS member or survivor to pay monthly premiums in accordance with paragraph 4.4.3., a contractor shall place the TRS member, family members, and/or survivors in a suspended status for a period of 12 months from the last paid-through date by “applying a lockout” in DOES. The DMDC written notification of suspension (see paragraph 4.4.3.1.) includes notice that the suspended coverage shall be considered to become terminated coverage retroactive to the last paid-through date.*

4.4.4. Member/Survivor Request for Voluntary *Suspension*

A contractor shall *place the TRS member, family members, and/or survivors in a suspended status for a period of 12 months from the last paid-through date by “applying a lockout” in DOES. While DOES will apply a “lockout” status, the TRS member, family members, and/or survivors are considered to be in a “suspended” status, subject to reinstatement in certain circumstances, for the period of 12 months from the last paid-through date. When the 12 month suspension expires, the suspended coverage shall be considered to become terminated coverage retroactive to the last paid-through date.*

4.4.4.1. *Suspension* of Existing Plan(s)

The contractor shall accept requests for *suspension* of coverage from TRS members *or survivors* at any time. The effective date of *suspension* is either (a) the last day of the month in which the request was postmarked or received in the TSC or (b) the last day of a future month as specified in the request given that the request was postmarked or received in the TSC in *a* month preceding the requested month of *suspension*. The contractor shall *place the TRS member, family members, and/or survivors in a suspended status* for a period of 12 months

from the *last paid-through date* by “*applying a lockout*” in *DOES*. The DMDC written notification of *the suspension* (see [paragraph 4.4.3.1.](#)) includes notice *that the suspended coverage shall be considered to become terminated coverage retroactive to the last paid-through date.*

4.4.4.2. *Suspension* of an Individual’s Coverage

The contractor shall accept requests for *suspension* of coverage *from* individual family members *of* TRS members *or survivors* at any time. The effective date of *suspension* is either (a) the last day of the month in which the request was postmarked or received in the TSC or (b) the last day of a future month as specified in the request, if the request was postmarked or received in the TSC in the month preceding the requested month of *suspension*. The contractor shall apply *a suspension* to individual family members or survivors whose TRS coverage was *suspended* upon request for a period of 12 months from the effective date of *suspension* initiated by the TRS member or survivor. The DMDC written notification of *the suspension* (see [paragraph 4.4.3.1.](#)) includes notice *that the suspended coverage shall be considered to become terminated coverage retroactive to the last paid-through date.*

4.4.4.3. Cancelled Eligibility and Enrollment

When the contractor receives a PNT for a cancelled enrollment, the contractor will generate a letter notifying the covered member of the cancellation and refund any unused portion of the premium payment. The contractor shall update DEERS with any premium amount refunded within 30 calendar days. No lockout shall be applied for a cancelled enrollment.

4.4.5. TRS Survivor Coverage *Suspension*

If TRS coverage is continued as described in [paragraph 4.1.4.1.](#) and the survivors do not wish to keep the coverage, the survivors must submit a request in writing, in accordance with procedures described in [paragraph 4.1.4.1.](#), to be received by the contractor *NLT* 60 days after the date of death in order to *suspend* coverage retroactive to the day after the member’s death. Alternatively, the survivor may request to *suspend* coverage in accordance with [paragraph 4.4.4.](#) Otherwise, DEERS will terminate TRS survivor coverage six months after the date of the member’s death. Refunds of premiums will be handled as specified in [paragraph 4.4.](#)

4.5. Exceptions

4.5.1. Reconsiderations of Member’s *and* Survivor’s *Request to Enroll*

The contractor shall advise TRS members/survivors that all reconsideration requests for *a* refusal of *a* late submission of *a* request *to enroll* shall be submitted to the appropriate TRICARE RD, or their designee, or the TAO Director, *or their designee* for determination. The TRICARE RD, or their designee, or the TAO Director, *or their designee* will issue decisions *for* all reconsideration requests. If changes are to be made to a member’s/survivor’s coverage as a result of a reconsideration determination, the TRICARE RD, or their designee, or the TAO Director, *or their designee* will send instructions to the contractor. The contractor shall carry out such instructions *NLT* 10 calendar days after receipt from the TRICARE RD, or their designee, or the TAO Director, *or their designee.*

4.5.2. Administrative Issues *Regarding Requests to Enroll*

The TRICARE RD, or their designee, or the TAO Director will notify the contractor when the government determines that an administrative situation occurred that prevented a member's or survivor's request *to enroll* from being accepted for processing according to submission deadlines specified in this section.

4.5.3. Contractor-Approved Reinstatement of TRS Coverage

A TRS member/survivor may submit a request to the contractor to reinstate suspended TRS coverage NLT three months after the paid-through date with no justification needed. The contractor shall accept the request and reinstate coverage if the request meets all of the following conditions:

- The request is received in the TSC or postmarked NLT three months after the paid-through date;*
- No suspension has been lifted within 12 months preceding the paid-through date;*
- Payment of overdue and current premiums in full is included (to include any administrative fees); and*
- Information is provided to establish recurring electronic premium payments as specified in [paragraph 5.3.1](#).*

The contractor shall reject the request if any of the conditions above are not met. The contractor shall issue a response to the member/survivor within 10 calendar days of receipt for all reinstatement requests. The response is either a rejection of the request with reason specified or notification that the TRS coverage has been reinstated.

4.5.4. TMA Deputy Director-Approved Reinstatement of TRS Coverage

The contractor shall direct a TRS member/survivor who is not able to fulfill the requirements under [paragraph 4.5.3](#). to their respective TRICARE Regional Office (TRO) to submit a request in writing to the TRICARE RD for reconsideration of reinstatement if he/she can justify undue hardship. The TRICARE RD will review each request for completeness. If complete, the RD will forward to the TMA Deputy Director with a recommendation and justification for either approval or disapproval. If incomplete, the TRICARE RD will reject and return the request to the member. The TMA Deputy Director has approval authority. If denied by the TMA Deputy Director, the TRICARE RD will notify the contractor of final determination and the contractor will apply a 12 month lockout from the last paid-through date, the coverage will be considered terminated, and the contractor will notify the member. If approved, the TRICARE RD will provide the contractor with specific instructions about reinstating the TRS coverage. All past and current premiums (to include any administrative fees) must be paid in full first without exception and the member must provide information necessary to establish/validate a recurring electronic method of payment for all future premiums, NLT 30 days after the date of notification of approval. NLT 10 calendar days after all the instructed actions have been completed, the contractor shall lift any suspension and lock-out, then process the reinstatement of coverage through DOES.

5.0. PREMIUM BILLING AND COLLECTION

The contractor shall perform all premium and billing functions required for TRS. Members/survivors are responsible for all applicable premium payments for the type of coverage elected (i.e., TRS member-only or TRS member and family). All *applicable* billing will be monthly; neither annual nor quarterly billings are authorized. Premium related transactions shall be reported through the enrollment fee payment interface (see the TSM, [Chapter 3, Section 1.5, paragraph 1.2.8.2.](#)).

5.1. Jurisdiction for Premium Billing and Collection

5.1.1. The particular contractor servicing the address for the TRS member or survivor shall perform premium billing and collection functions for the TRS member/survivor. The contractor shall identify the financially responsible individual for survivor plans from the survivors actually covered by TRR in descending order of precedence:

- Spouse
- Oldest Enrolled Child (or Legal Guardian as applicable)

5.1.2. As part of each applicable monthly bill, the contractor shall provide the opportunity for the TRS member/financially responsible survivor to submit a change of address to the servicing contractor. At any time the servicing contractor notices that a new address is in another TRICARE region or outside *of* the 50 United States or the District of Columbia, 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 or financially responsible survivor's reported new address. Any TRS member/financially responsible survivor may transfer to a new region at any time. The gaining contractor shall perform the premium collections for future payments. If the beneficiary's account is overdue (without a current paid-through date) and the gaining contractor needs to disenroll, they then have to void the transfer and contact the original contractor to disenroll for the paid-through date.

5.1.3. All unsolicited PNTs for TRS members/survivors will be evaluated to determine if residential address changes require a transfer of premium collection and other applicable administrative services to another contractor for servicing. If a transfer is indicated, the contractor will follow requirements specified in [paragraph 5.1.2.](#)

5.2. Issuance of Bills

All applicable direct bills for premium payments shall be issued on the 10th calendar day of each month, or the next business day, for the following month. All direct bills shall be for full month premiums and/or prorated amounts, if applicable, and shall reflect a due date of the last day of each billing month. Direct bills shall reflect all payments received through no less than the fifth day of the month. The following statement will appear on all direct bills: "Selected Reserve members (but not survivors) eligible for a health plan under 5 USC 89 (FEHBP) are not eligible for TRS and must submit a TRS request to *suspend* TRS coverage".

5.3. Premium Collection

The contractor shall credit the TRS member/survivor for premium payments received. All bills shall specify that the premium payment is due for receipt by the contractor NLT the last calendar day of the current month for the following month of coverage. In the case of a start date of coverage at any time 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. The amount of the initial premium payment due may be printed on the prescribed form. For *TRS coverage*, effective on or after October 1, 2012, DEERS will prorate the premium due for mid-month enrollments from the effective date of coverage to the end of that first enrollment month, e.g., from the 18th of the month to the 31st.

5.3.1. The contractor shall accept payments by personal check, cashier's check, money order, credit/debit card (i.e., Visa/MasterCard), and Electronic Funds Transfer (EFT). (Effective January 1, 2013, all premium payments (after the initial payment required in [paragraph 4.1.](#)) must be made by either recurring EFT or Recurring Credit/Debit Card (RCC) (i.e., Visa/MasterCard).) An EFT payment or a RCC payment shall be processed within the first five business days of the month of coverage. The contractor shall not generate monthly bills on or after January 1, 2013, except when having to correct a problem establishing or maintaining the EFT or RCC payment. The contractor shall advise members/survivors at the time of EFT/RCC election that an insufficient funds fee of up to \$20 U.S. will be assessed, if sufficient funds are not available.

5.3.2. The contractor shall be responsible for initiating EFTs and automatic credit/debit card payments with the member's/survivor's financial institution upon request, or when required, by the TRS member/survivor.

5.3.3. The contractor shall direct bill the TRS member/survivor when a problem occurs in initially setting up the EFT or RCC payments 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/survivor. If the contractor is unable to obtain the requested premium payment from the TRS member's/survivor's account for any reason after an EFT or RCC payment is established, the TRS member will be responsible for paying the overdue premiums and any insufficient funds fee by means of direct billing.

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

5.4. Annual Premium Adjustment

5.4.1. Contractors shall include advance notification of annual premium adjustments on the October, November and December monthly bills. (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 those members/survivors not receiving a monthly bill, the contractor shall issue a notice advising the member/survivor 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 RCC payment with the adjusted premium amount.

5.4.2. For premium adjustments that go into effect at any time other than January the first, the government will provide instructions about notification of members/survivors.

5.5. Premium Adjustments from Changes Associated 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 as specified in [paragraph 5.3.](#)), 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 payments until all of the overpayment is exhausted.

5.6. *Suspensions*/Terminations and Premium Adjustments

The contractor shall initiate the process to refund any premium amounts applied for coverage after the date of *suspension*/termination as specified in [paragraph 4.4.](#)

5.7. Online Transactions

In addition to requirements specified in [paragraph 5.0.](#) and its subordinate paragraphs, the contractor may provide online capability for TRS members/survivors to conduct business related to premium collection and other applicable administrative services through secure access to the contractor's web site.

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

6.2. The contractor shall pend all claims for health care provided to a newborn/new child of a TRS member until the member completes the process specified in [paragraph 4.2.3.1.](#) If the contractor becomes aware that a TRS member has an unregistered newborn/new child, the contractor shall notify the TRS member of the requirement to enroll the newborn/new child in DEERS and submit a request form for the newborn/new child NLT 60 days after birth/custody. When the member completes the process specified in [paragraph 4.2.3.2.](#), the contractor shall process any claims associated with the newborn/new child's health care. If the member fails to complete the process as specified in [paragraph 4.2.3.2.](#), the contractor shall deny any claims associated with the newborn/new child's health care.

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

6.4. Non-Availability Statements (NASs) requirements shall apply to TRS members, family members, and survivors in the same manner as for ADFMs under TRICARE Standard/Extra.

6.5. Medicare is the primary payer for TRICARE beneficiaries who have Medicare eligibility. Claims under the TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC) will be adjudicated under the rules set forth in [Chapter 20, Section 3](#). The MCSCs shall follow procedures established in the TRICARE Reimbursement Manual (TRM), [Chapter 4, Section 4](#) regarding dual-eligibles' claims processing.

6.6. If the contractor receives a PNT notifying them of a retroactive TRS disenrollment the contractor shall initiate recoupment of claims paid, if appropriate, as specified in [Chapter 11](#).

6.7. If at any time the contractor discovers that the Selected Reserve member may be eligible for or enrolled in the FEHBP, the contractor shall report the discovery to the appropriate TRICARE RD, or their designee, or TAO Director NLT one business day after discovery. As applicable, the contractor shall follow [paragraph 4.4.1](#) and its subordinate paragraphs for loss of TRS eligibility. If any other actions are to be taken by the contractor as a result of this discovery, the TRICARE RD, or their designee, or TAO Director will send instructions to the contractor.

7.0. BENEFICIARY EDUCATION AND SUPPORT DIVISION (BE&SD)

In addition to *BE&SD* functions specified throughout this chapter, the contractor shall perform *BE&SD* functions to the same extent as they do for TRICARE Standard and TRICARE Extra.

7.1. Customer Education

7.1.1. Information materials (i.e., public notices, flyers, informational brochures, etc.) will be developed and printed centrally by Department of Defense (DoD), TRICARE Management Activity (TMA), BE&SD. 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 information materials may be ordered through the usual TMA BE&SD ordering process.

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

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 member's RC.

8.0. ANALYSIS AND REPORTING

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

8.2. *The contractor shall electronically submit monthly reports of TRS reinstatement activity NLT the 10th day of the month following the reported month. The monthly report shall include the following.*

- Reinstatement Within 90 Days of Suspension of Coverage: Patient Identifier, Patient Name, Sponsor's Service, Beneficiary Category, Region, TRICARE Health Plan, Date Coverage Suspended Due to Failure to Pay, Date of Reinstatement.*
- Reinstatement After 90 Days of Suspension of Coverage or Within 12 Months of Previous Reinstatement: Same as above, in addition to information on all requests being approved or disapproved and reason for beneficiary reinstatement.*
- Summary by month: Number of Reinstatements, TRICARE Health Plan, and Reinstatements (within 90 days, outside 90 days, and within 12 months of a previous reinstatement) by Region.*

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. Either a separate non-interest bearing account shall be established for the collection and disbursement of TRS premiums or the account used for TRICARE Retired Reserve (TRR) premium collections, when established, shall be used for TRS premiums as well. The contractor shall deposit premium collections to the established account within one business day of receipt.

9.2.3. The contractor shall wire-transfer the premium collections and net of refund payments, monthly to a specified government account as directed by TMA-Contract Resource Management (CRM) Finance and Accounting Office (F&AO). The government will provide the contractor with information for this government account. The contractor shall notify the TMA-CRM F&AO, by e-mail, within one business day of the deposit specifying the date and amount of the deposit, as well as its purpose (i.e., TRS premiums). Premiums for

TRS and TRR, when established, may be sent as a single wire as long as CRM is notified of the amounts of each type of premium. Collections for delinquency cases that have been transferred to TMA Office of General Counsel - Appeals, Hearings & Claims Collection Division (OGC-AC) shall be wire-transferred separately. The contractor shall notify TMA-CRM F&AO and TMA OGC-AC by email within one business day of the day of deposit, specifying the sponsor name, sponsor Social Security Number (SSN) (last four digits), payment amount, payment date, date case was transferred to TMA OGC-AC and the date and amount of the deposit.

9.2.4. The contractor shall maintain a system for tracking and reporting premium billings, collections, and starts of coverage. 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 (CO).

10.0. DELINQUENT PREMIUMS

10.1. The contractor shall no longer collect delinquent premiums with two exceptions:

- Contractors shall continue to collect delinquent premiums in cases in which TRS members and/or family members have entered into installment payment agreements.
- Contractors shall continue to collect delinquent premiums in cases in which TRS members and/or family members received health care services during the grace period.

10.2. The contractor shall terminate collection of delinquent premiums for all other cases within 60 days through an adjustment to the account and issue written notification to the debtor that collection has been terminated. Language for a sample letter is included at [Addendum A, Figure 24-A-1](#). A summary report of all cases terminated shall be provided to the OGC within 30 days following termination of all cases. Such report shall include the sponsor's name, SSN, debt amount and date closed.

10.3. The contractor shall be responsible for coordinating with DEERS to ensure coverage dates for all TRS members and/or family members are correct. The coverage dates in DEERS will not be changed for those members and/or family members who have entered into installment payment agreements or for cases in which TRS members and/or family members obtained medical services during the grace period. OGC will provide the premium paid-through dates to the contractor for cases for which the premiums were not collected by OGC so that DEERS can be updated accordingly.

