

## TRICARE Reserve Select (TRS)

Revision:

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### 1.0 GENERAL

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).

### 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 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)/Enhanced Multi-Service Market (eMSM), including MTF/eMSM pharmacies with the same access priority as ADFMs not enrolled in TRICARE Prime. The contractor shall review and modify MTF/eMSM Memoranda of Understanding (MOU) as necessary to reflect MTF/eMSM 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 17](#) to the same extent that SHCP covers civilian care for MHS beneficiaries who are not Service members.

- 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 60 calendar days prior to the effective date. TRS premium rates are specified in [Addendum A, Figure 13.A-1](#). 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 member's 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 5 United States Code (USC) Chapter 89, 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 Government furnished web-based system/application. Premium-related transactions shall be reported through the enrollment fee payment interface. 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 (U.S.) or the District of Columbia. See the TRICARE Systems Manual (TSM), [Chapter 2, Addendum](#)

[L](#) for a full list of TRS Health Care Delivery Plan (HCDP) Coverage Code Values.

## **4.1 Purchasing Coverage**

To purchase TRS coverage, qualified RC members and qualified survivors must complete the prescribed form (contact the Contracting Officer (CO) or Contracting Officer Representative (COR) for more information regarding the form) and submit it, along with an initial payment in the amount of the first two months of 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). No handwritten TRS requests are to be accepted by the contractor. The contractor shall collect completed TRS requests submitted by mail, at overseas TRICARE Service Centers (TSCs), 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 Government furnished web-based system/application 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 by the contractor/TOP contractor or postmarked no later than 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 by the contractor/TOP contractor or postmarked no later than 60 days after the date of the QLE. The following QLEs are processed through DEERS and are recognized by TRS:

- Marriage;
- Birth or adoption of child;
- Placement of a child in the legal custody of the member by an order of the court for a period of at least 12 months;
- Divorce or annulment;
- Death of a spouse or family member, survivor; or
- Last family member/survivor becomes ineligible (e.g., child ages out).

The effective date of coverage coincides with the date the QLE occurred (i.e., date of

marriage, Date of Birth (DOB), etc.).

### **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 by the contractor/TOP contractor 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 contractor. 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 by the contractor/TOP contractor or postmarked no later than 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 (including 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 5.4](#) 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 by the contractor/TOP contractor or postmarked no later than 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 by the contractor/TOP contractor or postmarked no later than 60 days after the date of birth/custody. The contractor shall handle claims associated with the newborn/new child as specified in [paragraph 6.2](#). The contractor shall make adjustments in premiums as specified in [paragraph 5.4](#).

**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 Director, TRICARE Regional Offices (TROs) (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 the Government furnished web-based system/application 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 (see [paragraph 4.1](#)) no later than 10 calendar days after receipt.

**4.3.2** If the contractor is unable to enroll the member/survivor in the Government furnished web-based system/application due to (a) a 90-day future enrollment limitation; (b) DEERS not reflecting eligibility; (c) the application being incomplete; (d) a missing initial premium payment; or (e) the initial premium payment not being in the correct amount.

**4.3.3** The contractor shall return a copy of the original application and any incorrect premium payments 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 no later than 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 the Government furnished web-based system/application. While the Government furnished web-based system/application 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 a 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](#)).

##### **4.4.1.3 Sponsor Involuntarily Removed**

When a Selected Reserve member’s service has recorded in DEERS that the member is being involuntarily removed from the Selected Reserve under other than adverse conditions, and the member was covered by TRS on the last day of his or her Selected Reserve membership, DEERS will terminate TRS coverage 180 days after the date on which the member is removed from the Selected Reserve. DEERS will send the contractor an unsolicited PNT advising the contractor of the adjusted anticipated end date. The contractor shall continue to collect monthly premiums until the adjusted anticipated end date (see [paragraph 5.2](#)) unless the coverage is otherwise suspended/terminated earlier. This extended TRS coverage provision expires December 31, 2018.

#### **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 Service member and 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 3](#).

**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 the Government furnished web-based system/application. 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 the Government furnished web-based system/application. While the Government furnished web-based system/application 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 by the contractor/TOP contractor or (b) the last day of a future month as specified in the request given that the request was postmarked or received by the contractor/TOP contractor in the 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 terminations last paid-through-date by “applying a lockout” in the Government furnished web-based system/application. 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 by the contractor/TOP contractor or (b) the last day of a future month as specified in the request, if the request was postmarked or received by the contractor/TOP contractor 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. The contractor shall include an explanation for the premium refund.

#### **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 no later than 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 TRO, or the TAO for determination. The TRO, or the TAO 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 TRO or the TAO will send instructions to the contractor. The contractor shall carry out such instructions no later than 10 calendar days after receipt from the TRO or the TAO.



#### **4.5.2 Administrative Issues Regarding Requests to Enroll**

The TRO or the TAO 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 Lifting Suspension of TRS Coverage**

The contractor shall lift suspension of TRS coverage before 12 months has elapsed from the paid-through date as specified below. If a suspension is not lifted by 12 months from the paid-through date, the termination and lock out become final for the time period ending 12 months from the paid-through date.

##### **4.5.3.1 Reinstatement of Suspended TRS Coverage (Retroactive Coverage)**

**4.5.3.1.1** While a 12 month suspension is in force, a TRS member/survivor may submit a request to the contractor to retroactively reinstate TRS coverage with no justification needed. The contractor shall lift the suspension and process the appropriate transaction to reinstate coverage effective the first day after the last paid-through date if the request meets all of the following conditions:

- The request is received by the contractor or postmarked no later than the first business day of the fourth month after the paid-through date;
- Payment of all premiums from the last paid-through date through the current month, plus the amount for the following two months is included (to include any administrative fees); and
- Information is provided to establish recurring electronic premium payments as specified in [paragraph 5.2.2](#).

**4.5.3.1.2** The contractor shall reject the request to reinstate coverage retroactively if any of the conditions above are not met and inform the member/survivor of their option to purchase new coverage specified under [paragraph 4.5.3.2](#). 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 retroactively.

##### **4.5.3.2 Reinstatement of Suspended TRS Coverage (No Retroactive Coverage)**

**4.5.3.2.1** While a 12 month suspension is in force, a TRS member/survivor may submit a request to the contractor for new TRS coverage with no justification needed. The contractor shall lift the suspension and process the appropriate transaction for new TRS coverage effective the first day of the following month the request is received, with no new application (DD Form 2896-1) required if the request meets all of the following conditions:

- The request is received by the contractor or postmarked after the first business day of the fourth month (but less than one year) after the paid-through date;
- Payment of two months of the appropriate premium payment in full is included (to

include any administrative fees); and

- Information is provided to establish recurring electronic premium payments as specified in [paragraph 5.2.2](#).

**4.5.3.2.2** The contractor shall reject the request for new coverage 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 new coverage requests. The response is either a rejection of the request with reason specified or notification that new TRS coverage has been established.

## **5.0 PREMIUM COLLECTION**

The contractor shall perform all premium collection functions required for TRS. Service members or survivors are responsible for all premium payments for the type of coverage elected (i.e., TRS member-only or TRS member and family). After enrollment, only monthly premium payments are permitted. Premium related transactions shall be reported through the enrollment fee payment interface or Catastrophic Cap and Deductible (CC&D) Fee Web (see the TSM, [Chapter 3, Section 4.2](#)).

### **5.1 Jurisdiction for Premium Collection**

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

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

**5.1.2** Any time the servicing contractor notices that a new residential address is in the servicing area of another TRICARE contractor, the losing contractor shall notify the TRS member or survivor within 10 calendar days that they need to contact the servicing contractor in their new area to transfer their coverage to the new area. A TRS member or survivor may elect to provide an alternate mailing address, but the servicing contractor shall be based on the TRS member's or financially responsible survivor's residential, not alternate mailing address. Any TRS member/financially responsible survivor may transfer regions at any time. The gaining contractor shall perform the premium collections for future payments.

**5.1.3** All unsolicited PNTs for TRS members or survivors will be evaluated to determine if residential address changes require a notification to the TRS member or survivor (see [paragraph 5.1.2](#)).

### **5.2 Premium Collection Processes**

**5.2.1** The contractor shall credit the TRS member or survivor for premium payments received. In the case of a start date of coverage at any time other than the first of a month, the first payment collected by the contractor shall include the prorated amount on a daily basis necessary to synchronize billing to the last day 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. DEERS will automatically 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.

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**5.2.2** The contractor shall collect monthly premium payments from TRS members or survivors as appropriate and shall report the premium amount paid for those payments to DEERS (see the TSM, [Chapter 3](#)), including any overpayments that are not refunded to the TRS member or survivor. In the event that there are insufficient funds to process a premium payment, the contractor may assess the account holder a fee of up to 20 U.S. dollars (\$20.00) which is retained by the contractor. The contractor shall provide commercial payment methods for TRS premiums that best meet the needs of beneficiaries while conforming to [paragraphs 5.2.3](#) through [5.2.8](#).

**5.2.3** Monthly premiums must be paid-through an automated, recurring electronic payment through Electronic Funds Transfer (EFT) or Recurring Credit/Debit Card (RCC) (i.e., Visa/MasterCard) from a designated financial institution. These are the only acceptable payment methods for the recurring monthly premiums. An EFT payment or a RCC payment shall be processed within the first five business days of the month of coverage. The contractor shall advise TRS members or survivors at the time of EFT/RCC election that an insufficient funds fee of up to \$20 U.S. may be assessed, if sufficient funds are not available.

**5.2.4** TRS members or survivors must make the required initial payment (as specified in [paragraph 4.1](#)) at the time the TRS application is submitted to allow time for the EFT/RCC to be established for subsequent monthly premium payments.

**5.2.5** The contractor shall establish recurring monthly EFTs/RCCs and is responsible for obtaining and verifying the information necessary to do so.

**5.2.6** The contractor shall initiate action to modify EFT/RCC payment amounts to support premium changes.

**5.2.7** When an administrative issue arises that stops or prevents an automated monthly payment from being received by the contractor (e.g., incorrect or transposed number provided by the beneficiary, credit card expired, bank account closed, etc.), the contractor shall grant the TRS member or survivor 30 days after the paid-through date to provide information for a new automated monthly payment method. The contractor may accept payment in accordance with [paragraph 4.1](#) during this 30 day period in order to preserve the TRS member's or survivor's enrollment status.

**5.2.8** The contractor shall directly bill the TRS member or survivor only when a problem occurs in setting up or maintaining the EFT or RCC payment; to include a fee of up to \$20 U.S. due to insufficient funds. Bills may be sent to the residential or alternate mailing address designated by the TRS member or survivor. All bills shall specify that the premium payment is due for receipt by the contractor no later than the last business day of the month. Premium payments shall be made payable to the contractor servicing the member's or survivor's coverage as specified in [paragraph 5.1](#). The contractor shall terminate billing once the problem with EFT/RCC payment is resolved.

### **5.3 Annual Premium Adjustment**

**5.3.1** Contractors shall notify current TRS members or survivors in writing of any annual premium adjustments no later than 30 days after the contractors receive notification of the updated premiums.

**5.3.2** For premium adjustments that go into effect at any time other than January the first, the Government will provide instructions about notification of TRS members or survivors.

## **5.4 Premium Adjustments from Changes Associated with QLEs**

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

**5.4.2** If the change from a QLE results in an increase in the premium, the contractor shall notify the TRS member or survivor of the increase and adjust the next premium amount due, to include any underpaid amount (prorated to the day as specified in [paragraph 5.2](#)), to the effective date of the change.

**5.4.3** 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 electronic payments until all of the overpayment is exhausted.

## **5.5 Suspensions/Terminations**

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](#).

## **5.6 Online Transactions**

In addition to requirements specified in [paragraph 5.0](#) and its subordinate paragraphs, the contractor may provide on-line capability for TRS members or 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 register the newborn/new child in DEERS and submit a TRS request form for the newborn/new child no later than 60 days after birth/custody. When the member completes the process specified in [paragraph 4.2.3.1](#), 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 4.2.3.1](#), the contractor shall deny any claims associated with the newborn/new child's health care.

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

**6.4** Medicare is the primary payer for TRICARE beneficiaries who are eligible for Medicare. Claims under the TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC) will be adjudicated under the rules set forth in the TRICARE Reimbursement Manual (TRM), [Chapter 4, Section 4](#). The contractors shall follow procedures established in [Chapter 8, Section 2](#), regarding claims jurisdiction for dual eligibles.

**6.5** 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 10](#).

**6.6** 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 TRO or TAO no later than one business day after discovery. As applicable, the contractor shall follow [paragraph 4.4.1](#) and its subordinate paragraphs for loss of TRS qualification.

## **7.0 BENEFICIARY EDUCATION AND SUPPORT (BE&S)**

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

### **7.1 Customer Education**

The contractor shall distribute information materials relevant to TRS as specified in [Chapter 2, Section 5, paragraph 4.0](#) and [Chapter 11, Section 1, paragraph 4.0](#). Upon start of coverage under TRS, the DMDC-generated enrollment notification will include information on how purchasers can obtain TRS-specific and other TRICARE plan materials over the Internet.

### **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 qualifications, the contractor shall refer the individual to the appropriate RC.

## **8.0 PAYMENTS FOR CONTRACTOR SERVICES RENDERED**

### **8.1 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 health care costs incurred for each TRS claim processed to completion according to the provisions of [Chapter 3](#).

### **8.2 Fiduciary Responsibilities**

**8.2.1** 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.

**8.2.2** 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.

**8.2.3** The contractor shall wire-transfer the premium collections and net of refund payments monthly to a specified Government account as directed by the Defense Health Agency (DHA) Contract Resource Management (CRM) Office. The Government will provide the contractor with information for

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this Government account. The contractor shall notify the DHA CRM, 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 DHA Office of General Counsel (OGC) shall be wire-transferred separately. The contractor shall notify DHA CRM F&AO and DHA OGC by e-mail 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 and the date and amount of the deposit.

**8.2.4** 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.

**9.0 DELINQUENT PREMIUMS**

**9.1** 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.

**9.2** 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.

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