Chapter 26 Section 1

Eligibility And Coverage

Revision: C-26, May 30, 2018

1.0 CONTINUED HEALTH CARE BENEFIT PROGRAM (CHCBP)

1.1 The CHCBP is a health care program that allows certain groups of former Military Health System (MHS) beneficiaries to continue receiving health care coverage when they lose eligibility for military health care under the TRICARE programs. This temporary health program is supported by premium revenue collected from the participants in the program. The Managed Care Support Contractor (MCSC) for the East Region (herein referred to as the "CHCBP contractor" unless otherwise specified) shall provide all services necessary to support the CHCBP as outlined in 32 CFR 199.20. Other references describing the CHCBP that are to be used by the CHCBP contractor in fulfilling its responsibilities are applicable sections of the TRICARE Policy Manual (TPM), TRICARE Operations Manual (TOM), TRICARE Reimbursement Manual (TRM), TRICARE Systems Manual (TSM), and the **Federal Register** dated September 30, 1994 (pg. 49817ff), February 11, 1997 (pg. 6225ff), February 24, 1997 (pg. 8312), and September 16, 2011 (pg. 57637ff). The CHCBP contractor shall perform these functions for CHCBP beneficiaries on a worldwide basis, irrespective of the geographic area in which the beneficiary resides or the area in which health care services are received.

1.2 The legislative basis for the program is Section 4408 of the National Defense Authorization Act (NDAA) of 1993 (Public Law 102-484) which added Section 1078a to Chapter 55 of 10 United States Code (USC). Beneficiaries who may be eligible to purchase the continued health program after eligibility for coverage ends under a health benefits plan under 10 USC Chapter 55 or 10 USC § 1145(a) are described in 10 USC § 1078a. For those covered under premium-based TRICARE health benefits plans such as TRICARE Reserve Select (TRS), TRICARE Retired Reserve (TRR), TRICARE Young Adult (TYA), etc., such coverage must have been purchased and in place the day before the loss of eligibility.

1.3 CHCBP is not part of the TRICARE Program; therefore, the CHCBP contractor shall adhere to the following requirements for those areas in which the CHCBP instructions and processing requirements are different than TRICARE.

2.0 VALIDATE ELIGIBILITY FOR CHCBP

2.1 Upon receipt of a Department of Defense (DoD) (DD) Form 2837, CHCBP Application, from a prospective beneficiary, the CHCBP contractor shall validate eligibility on the Defense Enrollment and Eligibility Reporting System (DEERS). If additional documentation is required to validate CHCBP eligibility then the CHCBP contractor will contact the applicant. The supporting documentation that the CHCBP contractor shall request from the applicant differs depending on the category of individual who is applying for enrollment as shown below:

2.1.1 Individual Uniformed Service sponsor (herein referred to as "sponsor") and his/her family: a copy of the DD Form 214, Certificate of Release or Discharge from Active Duty, or a copy of the sponsor's active duty orders.

2.1.2 Unremarried Former Spouse (URFS) and stepchildren of the sponsor: a copy of the final divorce decree.

2.1.3 Child who loses TRICARE coverage due to marriage: a copy of marriage certificate.

2.1.4 Child who loses TRICARE coverage on his/her 21st birthday (age 23 if enrolled in a full-time course of study at an approved institution of higher learning and dependent on the uniformed service sponsor for more than half of their financial support): a copy of the front and back of the Uniformed Services identification (ID) card.

2.1.5 Child who loses TRICARE coverage due to college graduation: a copy of college transcript.

2.1.6 Child over the age of 21 and before the age of 23 who loses TRICARE coverage when no longer enrolled in a full-time course of study at an approved institution of higher learning or no longer dependent on the uniformed service sponsor for more than half of their financial support: a letter from the institution of higher learning stating the student's status or a written statement from the dependent that he/she is no longer dependent on the uniformed services sponsor for more than half of their financial support.

2.1.7 Child that was previously placed in sponsor's legal custody and then loses TRICARE coverage: a copy of the court order.

Note: Children who lose TRICARE coverage under paragraphs 2.1.4 through 2.1.7 may qualify to purchase TYA coverage until reaching the age of 26 (see Chapter 25). If qualified to purchase TYA coverage, the child cannot purchase CHCBP as an individual. Also, if the child does not qualify to purchase TYA because he or she qualifies for employer sponsored coverage, he or she is ineligible to purchase CHCBP.

2.1.8 Child who loses eligibility for TYA coverage. However, if the TYA coverage was terminated due to eligibility for employer-sponsored health care coverage based on their own employment or failure to pay TYA premiums, then the child is not eligible to purchase CHCBP coverage (see Chapter 25).

2.1.9 For any other situations in which an individual loses TRICARE coverage and may potentially be eligible for CHCBP, the contractor shall request information needed to verify eligibility.

2.2 Family Members Not Identified on DEERS

2.2.1 When a contractor receives a CHCBP claim which includes a family member not identified on DEERS as enrolled, but the sponsor indicates CHCBP family coverage, the contractor is to take the following action: If the claim includes a copy of an appropriately marked CHCBP coverage card for the beneficiary, the claim is to be processed. If the claim is for a beneficiary who is less than 60 days old, the claim is to be processed, even if no copy of a CHCBP coverage card is attached as long as at least one member of the sponsor's family is currently enrolled in CHCBP. In all other cases, the claim is to be denied.

2.2.2 In order to be enrolled in the CHCBP, the beneficiary will be disenrolled from any TRICARE programs in which enrolled. This will require no action on the beneficiary's part.

2.3 Disputes Regarding Enrollment

2.3.1 Confirmation of a person's eligibility as a CHCBP beneficiary is the responsibility of the CHCBP contractor. Disputed questions of fact concerning a beneficiary's eligibility will not be considered an appealable issue, but must be resolved with the appropriate Uniformed Service.

2.3.2 If the contractor determines the applicant does not appear eligible due to an ineligible response from DEERS (i.e., no history segments or record of previous DoD entitlement) or failure of the applicant to provide the documentation requested to verify eligibility the contractor shall deny the application in writing within 10 business days of the reason for the denial.

3.0 APPLICATION PERIOD AND PREMIUMS

3.1 CHCBP Application Period

There is a 60-day application period for CHCBP, beginning the day following the end date of the beneficiary's eligibility for TRICARE coverage. The contractor shall deny any applications received after the 60-day period. The contractor shall apply the following business rules when determining the start of the 60-day application period.

3.1.1 Members and Former Members, Their Families, and Other Individuals Losing TRICARE Coverage

The Government routinely notifies beneficiaries prior to their loss of TRICARE coverage (Active Duty (AD) members are notified of the CHCBP during outprocessing; other beneficiaries who lose TRICARE coverage are notified by the Defense Manpower Data Center (DMDC) in writing of the availability of the CHCBP). However, if an eligible beneficiary advises the contractor that he/she was not notified of this program and submits documentation to support their position, the contractor shall forward the documentation to the Director, TRICARE Regional Office-East (TRO-E) or designee, who shall provide direction on the start-date of the 60-day application period.

3.1.2 URFSs

There is no formal mechanism established to promptly identify URFSs that may qualify for this program, therefore the contractor shall process all applications from URFSs upon receipt.

3.2 Coverage Categories

CHCBP offers two coverage categories. Individual coverage is available to the member or former member, an URFS, an adult child, a surviving spouse, or other qualified individuals. Family coverage is only available to the member or former member and his/her dependents. Dependents cannot be covered under family coverage unless the member or former member is also covered by family coverage.

3.3 CHCBP Application

DD Form 2837, CHCBP Application, shall be accepted as the application form for CHCBP coverage. Should DD Form 2837 be revised or renumbered in the future, the contractor shall use the latest version.

3.4 Dates of Coverage & Premiums

3.4.1 Coverage will begin the day following the beneficiary's loss of TRICARE coverage and will end the last day of premium coverage.

3.4.2 Due to the documentation requirements for purchasing coverage, most coverage will be retroactive; however, there may be some coverage that will be prospective. Prospective coverage must be accompanied by a premium payment for one quarter. Retroactive coverage must be accompanied by full premium payment retroactive to the effective date of coverage through the end coverage date in the quarter in which the individual is applying.

3.4.3 Premiums are as stated in paragraph 3.5 of these instructions.

Examples of the premiums required for retroactive and prospective coverage:

	MILITARY BENEFITS END	APPLICATION RECEIVED	QUARTERS OF PREMIUM DUE	CHCBP COVERAGE BEGINS
Example 1:	10/01/2010	11/15/2010	1 quarter	10/02/2010
Example 2:	09/15/2010	02/10/2011	2 quarters	09/16/2010
Example 3:	11/05/2010	10/01/2010	1 quarter	11/06/2010
Example 4:	03/01/2011	11/01/2010	1 quarter	03/02/2011

3.5 Premium Rates

3.5.1 The amount of the CHCBP premiums shall be established by the Government and may be adjusted each fiscal year.

3.5.2 The contractor shall begin charging the adjusted quarterly premiums on the date specified in Addendum A.

3.5.3 Upon receipt of adjusted rates from the Government, the contractor shall issue a written notice to the beneficiary of the changes in premium amounts, to include the effective date of the change. This notification should be done at least 30 days prior to the effective date directed by the Contracting Officer (CO).

3.5.4 When qualifying events occur that change the sponsor from individual to family coverage or vice versa, coverage and premiums shall be changed effective with the date of the qualifying event. The contractor, within 10 business days of receiving such information, shall issue a written notice to the beneficiary of the changes in the coverage category and premium amount, including the effective date of the changes.

3.6 Form of Payment

3.6.1 Checks, money orders, or credit cards are allowable forms of payment for CHCBP beneficiaries to use in paying their premiums. The contractor may propose additional payment mechanisms, to include electronic processes for premium payments. Proposed electronic processes shall maintain the integrity and security of the application processes which includes important documentation required to validate eligibility for CHCBP.

3.6.2 As a minimum, the contractor shall accept VISA and MasterCard® for credit card payments, and may, but is not required to, accept additional nationally recognized major credit cards as a form of premium payment.

3.6.3 The contractor shall not accept premiums submitted by, or on behalf, of a health care provider for any beneficiary other than (a) the provider him/herself and (b) a member of the provider's immediate family. Should a provider submitted payment be received, the contractor shall return the payment to the provider with a written notice advising the provider that submission of premium payments by health care providers is prohibited. A copy of the letter should also be sent to the beneficiary. The contractor shall submit documentation to the Defense Health Agency (DHA) Program Integrity Office to include the following: a copy of contractor's notification to the provider, copy of front and back of premium (money order or check), originals of all documentation submitted by the provider (to include mailing envelope), documentation of all conversations and communications the contractor had with the provider on the subject of paying premiums, and any other information that the contractor has in its files or records concerning the provider that might be of assistance in Government follow-up action on this issue.

3.7 Insufficient Funds

3.7.1 In the case of insufficient funds, the contractor shall, within three business days, issue a written notice to the applicant (for initial applications) or beneficiary (in the case of renewal premiums), advising the applicant or beneficiary of the insufficient funds, the amount of the premium due, and the date by which a valid premium must be received by the contractor. For initial application requests, the notice shall also advise the beneficiary that if premium payment is not received in full by the due date (the last day of the 60-day application period), the applicant will not be covered in CHCBP. For renewals, the notice shall advise the beneficiary that if the contractor does not receive valid payment in full within 30 days of the date of the contractor's letter, that coverage will be terminated. That notice shall also provide the effective date of termination if payment is not received. If the premium payment has not been received by the contractor within the specified time frame, the contractor shall terminate the CHCBP coverage and issue a written Termination Notice (TN) to the beneficiary confirming the termination of coverage.

3.7.2 In the event that there are insufficient funds to process a premium payment, the contractor may assess CHCBP applicant/purchaser a fee of up to 20 U.S. dollars ($20.00) which is retained by the contractor.

3.8 Refunds

Premiums shall be refunded if the applicant is no longer eligible for CHCBP coverage, i.e., beneficiary regains TRICARE eligibility; ex-spouse remarries; death of beneficiary; prospective member who has prepaid premium but fails to provide required eligibility documentation; and sponsor change

in coverage from family to individual. Voluntary termination because the beneficiary obtained Other Health Insurance (OHI) does not constitute grounds for a refund of unused premiums. When refunds are appropriate, the contractor shall prorate the refund from the date of loss of eligibility for program benefits through the last coverage date for which the premium was paid.

3.9 Limits of CHCBP Coverage

The length of a beneficiary's CHCBP coverage varies according to the category of individual. Coverage lengths and categories are listed in the TPM, Chapter 10, Section 4.1, Figure 10.4.1-1, CHCBP Eligibility Table.

3.10 Processing Applications

3.10.1 Once the contractor has verified eligibility and approved the application request, the contractor shall enter the CHCBP enrollment into DEERS through the applicable on-line interface. As DEERS does not allow individuals to be added to a sponsor's record after the sponsor's TRICARE coverage ends, there will be a small number of CHCBP beneficiaries that the contractor cannot complete the CHCBP enrollment in DEERS. The majority will be newborns whose birth occurred after the sponsor's TRICARE coverage ends, but there will occasionally be other beneficiaries as well. The contractor should not rely on DEERS as being the sole determinant of whether or not an individual is eligible for CHCBP coverage as these individuals would not be reflected on DEERS (see paragraph 2.0). The contractor's systems shall accommodate these unique cases in which the beneficiary is covered under CHCBP but not reflected on DEERS to ensure these beneficiaries are provided with all required CHCBP benefits and accurate processes, i.e., claims processing, issuing authorizations, accessing services, etc.

3.10.2 DEERS will not allow a CHCBP enrollment to be entered if the sponsor and/or dependents are still showing as eligible for TRICARE coverage. In these cases, the contractor shall pend the application and advise the applicant in writing for the sponsor to contact the nearest Uniformed Services ID card issuing office (Real-Time Automated Personnel Identification System (RAPIDS)) to rectify the situation. The contractor shall complete the processing of the application when DEERS has been updated to reflect that the sponsor and/or dependents are no longer eligible for services under TRICARE.

3.10.3 Once the application has been fully processed, the contractor shall issue the beneficiaries a CHCBP coverage ID card within 10 business days. The card provides the beneficiaries with (a) confirmation that the individual is covered and the effective dates; and (b) documentation that the beneficiary on how to access health care services. The card shall contain sufficient information to facilitate access to health care. Coverage dates on the card shall be limited to those dates for which a valid quarterly premium has been received by the contractor. Cards shall be issued each quarter for all subsequent quarterly payments received by the contractor. The card shall reflect that coverage is for the CHCBP and at a minimum provides the contractor's name, address, toll-free telephone number, and claims center mailing address.

3.10.4 Once an application has been fully processed, the contractor shall issue a letter to the applicant confirming CHCBP coverage (including the dates of coverage) within 10 business days. The letter shall advise the beneficiary of the requirements that must be met for continued coverage in the program, including information regarding future contractor billings and premium payments that the beneficiary will be required to make. The contractor shall also issue either a CHCBP coverage policy or

such other sufficient written information regarding the CHCBP for beneficiaries' reference should they have any questions regarding benefits and program requirements.

3.11 Coverage and Renewals

3.11.1 The contractor shall mail initial premium renewal notices to beneficiaries no later than 30 days before the expiration of the coverage. The beneficiary's coverage in CHCBP is based on the documentation that the applicant submits to verify eligibility, therefore, the contractor shall not routinely query DEERS for renewal coverages and quarterly billings. Absent information or evidence to the contrary, the contractor shall assume that the individual continues to meet the requirements for CHCBP. Renewal notices shall clearly specify the premium amount due, the date by which the premium must be received, and the mailing address to which the premium payment must be sent. Renewal notices shall specify that failure to submit the premium due will result in denial of continued coverage and termination from the program.

3.11.2 The contractor shall provide a 30 calendar day grace period following the premium due date in which the beneficiary may submit his/her premium and continue benefits with no break in coverage. If the premium is not received following the initial renewal notice to the beneficiary requesting premium for the next quarter, the contractor shall issue a second renewal notice to the beneficiary within 10 business days of the start of the grace period. The second renewal notice shall indicate that this is the second and final billing notice and that if payment is not received by the due date specified in the notice, that CHCBP coverage will be terminated as of that date. The notice shall also advise the beneficiary that if coverage is terminated due to nonpayment of premium, that he/she will be permanently locked-out of CHCBP.

3.11.3 If the premium is not received by the end of the grace period, the contractor shall terminate the beneficiary's coverage in CHCBP and send a TN to the beneficiary confirming the termination within 10 business days, to include the effective date and basis for the termination. The contractor shall enter all CHCBP terminations into DEERS.

3.11.4 Beneficiaries who desire to voluntarily withdraw from the CHCBP prior to the end of their paid up period shall send a written request to the contractor. Beneficiaries who voluntarily disenroll from the CHCBP are not permitted to re-enroll until they gain and then once again lose TRICARE coverage. Refund of unused premiums is only allowed for items covered in paragraph 3.8.

3.11.5 Following a beneficiary's termination from the CHCBP, except for those who have re-established TRICARE coverage, the contractor shall issue a TN to the beneficiary within 10 business days from the termination date and upon request up to 24 months after the termination date.

3.11.6 In preparing and mailing all written notices and correspondence to applicants and beneficiaries, the contractor shall use the most current address on file or available.

3.12 CHCBP Coverage Data and Report

The contractor shall maintain systems and databases to collect, track and process applications and to report monthly coverage information to the Government as well as any ad hoc reports that may be requested regarding CHCBP coverage in paragraph 6.3. The contractor shall have the capability to retroactively retrieve pertinent coverage information on any individual who has been accepted or denied coverage in the program, to include the basis for such denials.

4.0 PROGRAM MATERIALS

All informational materials, booklets, brochures, and other public material are subject to review and approval by the DHA Communications prior to finalizing the material, and all must contain the contractor's name, mailing address, toll-free telephone number and web site.

5.0 INQUIRIES AND CUSTOMER SERVICE FUNCTIONS

The contractor shall respond to CHCBP inquiries from any geographic area, to include locations outside the 50 United States (U.S.) and the District of Columbia. The contractor shall provide timely, accurate and thorough responses to the inquiries it receives from any source, e.g., prospective applicants, beneficiaries, providers, other contractors, Government officials, etc. in accordance with Chapter 1, Section 3, paragraph 3.0.

6.0 FIDUCIARY RESPONSIBILITIES

6.1 The contractor shall act as a fiduciary for all funds acquired from CHCBP premium collections, which are Government property. The contractor shall develop strict funds control processes for its collection, retention and transfer of CHCBP premiums to the Government. The contractor shall follow the requirements in Chapter 3.

6.2 The contractor shall maintain a system for tracking and reporting premiums and beneficiaries/policy holders. The system is subject to Government review and approval.

6.3 The contractor shall submit the following reports: CHCBP Workload Report, CHCBP Premiums Summary Report, CHCBP Adjusted Premiums Report, CHCBP Enrollment Report, and CHCBP Enrollment Premium Report. Details for reporting are identified in DD Form 1423, Contract Data Requirements List (CDRL), located in Section J of the applicable contract.

7.0 DEERS

Refer to the DEERS instructions in the TSM for additional DEERS requirements related to CHCBP.

8.0 REPORTING RESPONSIBILITIES

In addition to the written monthly reports, the CHCBP contractor may be required to produce CHCBP ad hoc reports as requested by the Government. The data elements or information for such reports would be limited to that information that the CHCBP contractor has collected or should reasonably have collected in the performance of CHCBP work. Some manipulation and formatting of the data and information may be required to meet the requirements of the ad hoc reports. The Government estimates that the CHCBP contractor would not receive more than three such requests per contract year and that the level of effort for the CHCBP contractor to produce the ad hoc reports is not expected to be significant.

9.0 PATIENT PROTECTION AND AFFORDABLE CARE ACT (ACA) OF 2010 INFORMATION REPORTING

9.1 When purchased, CHCBP coverage is Minimum Essential Coverage (MEC) and meets the individual coverage requirement of the ACA. Section 6055 of the Internal Revenue Code (IRC), requires

DoD as a provider of MEC to report to the Internal Revenue Service (IRS) an individual's health care coverage and provide a statement to such individuals at the end of each tax year. Only CHCBP coverage information shall be reported to the IRS by the CHCBP contractor; coverage for all other TRICARE plans and associated statements will be provided by the Uniformed Services Pay Centers.

9.2 The contractor shall comply with requirements outlined in Section J of the contract.

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