

TRICARE Young Adult (TYA)

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1.0 GENERAL

TYA is premium-based TRICARE coverage available for purchase by qualified young adult dependents under the age of 26 who are no longer eligible for TRICARE at age 21 (age 23 if enrolled in a full-time course of study at an institution of higher learning approved by the Secretary of Defense and more than 50% dependent on the uniformed service sponsor for financial support). Section 702 of the Ike Skelton National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2011 (Public Law 111-383) established the authority for the TYA program and created Section 1110b, Chapter 55, 10 United States Code (USC). The effective date of coverage for TYA Standard coverage was January 1, 2011; the effective date for TYA Prime coverage was January 1, 2012.

1.1 Benefits/Scope Of Care

Qualified beneficiaries receive the benefits of the TRICARE program purchased, including access to Military Treatment Facilities (MTFs)/Enhanced Multi-Service Market (eMSM) and pharmacies. TYA coverage features the per service cost-share, deductible, and catastrophic cap provisions of the TRICARE plan purchased based on the status of the uniformed service sponsor and the geographical location of the young adult dependent. Premiums are not credited to deductibles or catastrophic caps. The provisions of [32 CFR 199.16\(a\)\(3\)](#) concerning the Supplemental Health Care Program (SHCP) for dependents under the care of the MTF/eMSM apply to TYA.

1.2 Specific Programs Not Available Under TYA

Specific programs not available under TYA include those listed below:

- TRICARE Dental Program (TDP) and the TRICARE Retiree Dental Program (TRDP) are not part of the medical programs under Chapter 55, 10 USC and, therefore, not covered under TYA. Eligibility for these dental programs ends when the dependent turns age 21 (age 23 if enrolled in a full-time course of study at an institution of higher learning approved by the Secretary of Defense) or as otherwise indicated in the implementing regulations for those programs.
- Continued Health Care Benefit Program (CHCBP).
- TRICARE Reserve Select (TRS) if the young adult dependent is a Selected Reserve member in his or her own right.

2.0 TYA COVERAGE

2.1 TYA offers individual coverage only with an individual fee “paid-through date” for each TYA purchaser. A separate monthly premium will be charged for each young adult dependent even if there is more than one qualified dependent in the uniformed service sponsor’s family who purchases TYA coverage. Dependents qualifying for TYA coverage may purchase individual coverage according to the rules governing the TRICARE programs for which they are qualified on the basis of their uniformed service sponsor’s status (active duty, retired, Selected Reserve, or Retired Reserve). Young adult dependents may purchase TRICARE coverage plans that are offered in their geographic area, i.e., TRICARE Standard/Extra and TRICARE Prime. Effective January 1, 2018, TRICARE Standard/Extra coverage is replaced by TRICARE Select. See TRICARE Reimbursement Manual (TRM), [Chapter 2](#).

2.2 Each year the Government will determine the monthly premium rates payable by young adult dependents for TYA coverage. The Government will provide the premium rates to the contractor no later than 60 calendar days prior to the effective date. Unless otherwise specified or directed, the premium rate will be in effect for a full calendar year on the date specified in [Addendum A](#).

3.0 QUALIFYING TO PURCHASE TYA COVERAGE

In order to purchase TYA coverage, young adult dependents who meet the qualifications listed in [paragraph 3.1](#) and must be listed in the Defense Enrollment Eligibility Reporting System (DEERS) database. The Defense Manpower Data Center (DMDC) will ensure that dependents meeting the qualifications will be reflected as eligible to purchase or continue TYA coverage if the uniformed service sponsor is eligible for health care under Chapter 55, 10 USC or Chapter 58, 10 USC Section 1145(a), Transitional Assistance Management Program (TAMP). The contractor shall rely solely upon DEERS to identify young adult dependents qualified to purchase TYA coverage. The contractor shall refer young adult dependents and uniformed service sponsors to a Real-Time Automated Personnel Identification System (RAPIDS) site if the dependent is not found in DEERS.

3.1 Dependent Qualifications For Purchase Of TYA Coverage

A young adult dependent qualifies to purchase TYA coverage if the dependent meets the following criteria:

- Would be a dependent child under Chapter 55, 10 USC Section 1072(2) but for exceeding the age limit under that section; and
- Is a dependent under the age of 26; and
- Is not eligible for medical coverage from an eligible employer-sponsored health plan from the young adult dependent’s employer as defined in Section 5000A(f)(2) of the Internal Revenue Code of 1986; and
- Is not married; and
- Is not otherwise eligible for care under Chapter 55, 10 USC or Chapter 58, 10 USC Section 1145(a), TAMP; and
- Is not a member of the uniformed services.

3.2 Eligibility Of Uniformed Service Sponsor

3.2.1 Eligibility for TYA is only determined by a proper eligibility response in DEERS. Based on the status of the uniformed service sponsor, the ability to purchase may be limited or not allowed based on the uniformed service sponsor's status and eligibility for medical care under Chapter 55, 10 USC or Chapter 58, 10 USC Section 1145(a). In addition, young adult dependents must meet all other qualifications shown in [paragraph 3.1](#).

3.2.2 Young adult dependents of active duty members (including those called to active duty for more than 30 days) may qualify to purchase TYA coverage until the active duty sponsor's date of separation or until the young adult dependent reaches the age of 26, whichever comes first. Upon the death of an active duty sponsor, former young adult dependents already aged out of TRICARE are classified as Survivors and may qualify to purchase TYA coverage up to the age of 26 but with Survivor (retiree) cost-shares.

3.2.3 Young adult dependents of retired uniformed service sponsors may qualify to purchase TYA coverage until they reach the age of 26.

3.2.4 Young adult dependents of uniformed service sponsors eligible to purchase TRS or TRICARE Retired Reserve (TRR) may qualify to purchase TYA coverage only if the sponsor is enrolled in TRS or TRR and until the young adult dependent reaches age 26. Failure of the uniformed service sponsor to enroll in and maintain enrollment in TRS or TRR or failure to pay TRS or TRR premiums will result in the young adult dependent not being eligible to purchase TYA coverage as of the date of the sponsor's loss of enrollment in TRS or TRR.

3.2.5 If the Selected Reserve sponsor dies while enrolled in TRS, the young adult dependent may qualify to purchase TYA coverage for up to six months after the date of death of the Selected Reserve sponsor, or until the young adult dependent reaches the age of 26, whichever comes first, but with Survivor (retiree) cost-shares.

3.2.6 Young adult dependents of a member of the Retired Reserve, who dies while in a period of TRR coverage, may qualify to purchase new or continue existing TYA coverage until the young adult dependent reaches the age of 26. If a member of the Retired Reserve is not covered by TRR on the date of his or her death, his or her surviving dependents do not qualify for TYA coverage until the date on which the deceased member of the Retired Reserve would have attained age 60, at which time they may qualify to purchase TYA coverage until reaching the age of 26.

3.2.7 Young adult dependents of a member eligible for TAMP coverage may qualify to purchase TYA coverage until the TAMP coverage ends or the young adult dependent reaches age 26, whichever comes first. If the member dies while covered under TAMP, the young adult dependent may qualify to purchase TYA coverage to the end of the TAMP coverage period or until the young adult dependent reaches age 26, whichever comes first, with Active Duty Family Member (ADFM) cost-shares.

4.0 COVERAGE-RELATED PROCEDURES

The TRICARE Overseas Program (TOP) contractor shall perform these services for young adult dependents residing outside of the 50 United States (U.S.) or the District of Columbia.

4.1 Coverage Requests

4.1.1 To purchase, change or terminate TYA coverage, qualified young adult dependents must present a complete request within deadlines specified in the following paragraphs. The contractor shall accept completed TYA enrollment requests presented from the Government furnished web-based self-service enrollment system/application as well as those presented by phone, by mail, TRICARE Service Centers (TSCs) operated by the TOP contractor, and other means determined by the contractor.

4.1.2 If a qualified young adult dependent would like to change coverage from TYA Select to TYA Prime, a separate application must be submitted. If an enrollment lockout is in place (see [paragraph 4.7.2](#)), the contractor may accept and process requests up to 90 days before the end of the 12 month lockout period. The procedures for determining the effective date of coverage are specified in the following paragraphs. The contractor shall reject and return incomplete requests along with any incorrect premium payments to the applicant, within 10 business days, with an explanation of what is needed for the contractor to accept the application for processing.

4.1.3 Each of the following requirements shall be met in order for a request to be complete.

4.1.3.1 The contractor shall collect an initial payment equal to two months of premium applicable for the type of coverage requested. The initial payment may be made with a personal check, cashier's check, money order, or credit/debit card (i.e., Visa/MasterCard).

4.1.3.2 The request shall contain account information for collection of ongoing monthly premium payments by either a Recurring Credit Card/Debit Card (RCC) (i.e. Visa/MasterCard) payment or an Electronic Funds Transfer (EFT). The contractor is not required to validate the account information at the time of receipt.

4.1.3.3 When a lockout is in effect, the contractor shall accept completed requests for new coverage up to 90 days before the end of the 12 month lockout period to begin after the 12 month lock period ends.

4.1.3.4 Requests generated from the web application and presented (by mail or in-person) as hard copy shall contain an original signature.

4.1.3.5 Requests generated from the web application and presented electronically shall be signed electronically.

4.1.3.6 For requests presented verbally on the phone, the contractor shall review all information in the signature block on the applicable form with the requestor. The contractor shall ask if the requestor agrees to the terms and conditions presented to them. If the requestor does not agree, the contractor shall reject the request and document in the contractor's call notes accordingly. If the requestor agrees, the contractor shall document agreement in the contractor's call notes accordingly and continue with processing the request.

4.1.4 For new coverage, see [paragraph 4.2](#).

4.1.5 For continuation cover, see [paragraph 4.3](#).

4.2 Continuous Open Enrollment

A qualified young adult dependent may purchase TYA coverage throughout the year unless locked out from TYA coverage.

4.2.1 TYA Select

The effective date of TYA Select coverage shall be the date the completed request (see [paragraph 4.1](#)) is received by the contractor or a date up to 90 days in the future as specified by the requestor.

4.2.2 TYA Prime Plans

4.2.2.1 The effective date of TYA Prime coverage shall be the date the completed request is received by the contractor or a date up to 90 days in the future as specified by the requestor.

4.2.2.2 Young adult dependents may qualify to purchase TOP Prime or TOP Prime Remote plan coverage (see [Chapter 24, Section 5](#)).

4.2.2.3 Young adult dependents may request cross-region enrollment ([Chapter 6, Section 1](#)) but apply using the TYA Application (DD Form 2947) following [paragraph 4.5](#).

4.2.2.4 When TYA Prime enrollees no longer meet TRICARE Prime enrollment requirements (see [Chapter 6, Section 1](#)), the contractor will notify them that their TYA coverage will be terminated on the first of the month following 30 days from the initial notification date and the option of applying for TYA Select coverage ([paragraphs 4.1](#) and [4.4](#)). No lockout shall be applied.

4.3 Continuation Coverage

A qualified young adult dependent may purchase TYA coverage with an effective date immediately following the termination of coverage under another TRICARE program, including the CHCBP. The completed TYA request required by [paragraph 4.1](#) must either be received by the contractor/TOP contractor by phone, entered into the Government furnished web-based self-service enrollment system/application, or postmarked no later than 90 days following termination of coverage. If the young adult dependent does not meet the requirement for continuation coverage, the request will be processed as a new request. If the young adult dependent does not meet the requirement for continuation coverage, the application will be processed as an open enrollment request. See the TRICARE Policy Manual (TPM), [Chapter 10, Section 4.1](#), for information regarding the CHCBP.

4.4 Changing Coverage Within Same Contractor

4.4.1 Upon receipt of a completed request (see [paragraph 4.1](#)), qualified dependents already enrolled in a TYA plan and who are current in their premium payments may elect to change to another TYA plan for which the qualified dependent is eligible based on the sponsor's eligibility and the geographic location of the qualified young adult dependent. Changes in coverage are effective following the application processing time frames listed in [paragraph 4.6](#).

4.4.2 If the premium amount changes, the contractor will adjust future premiums by applying any overages to future TYA premium payments, and adjusting the Electronic Funds Transfer/Recurring

Credit/Debit Charge (EFT/RCC) payments so the young adult dependent is not over or undercharged for the coverage requested.

4.5 Transfer of Coverage to Another Contractor

4.5.1 Young adult dependents desiring to transfer TYA coverage to another contractor must submit a completed request (see [paragraph 4.1](#)) to the desired contractor. Transfer of TYA coverage to another contractor is only permitted if the young adult dependent is current with their premiums. The gaining contractor shall process transfer requests within 10 calendar days. Changes in coverage are effective following the request processing timeframes listed in [paragraph 4.6](#).

4.5.2 If the premium amount changes, the contractor shall adjust future premiums by applying any overages to future TYA premium payments, and adjusting the EFT/RCC payments so the young adult dependent is not over or undercharged for the coverage requested.

4.6 Processing

4.6.1 The contractor shall process all TYA transactions through the Government furnished web-based system/application for young adult dependents with a residential address as indicated by the TYA requestor on the TYA application in the contractor's jurisdiction. Premium-related transactions shall be reported through the enrollment fee payment interface or Catastrophic Cap and Deductible (CC&D) Fee Web (see the TRICARE Systems Manual (TSM), [Chapter 3, Section 4.2](#)). The contractor shall process TYA completed requests (see [paragraph 4.1](#)) (as required) no later than 10 calendar days after receipt.

4.6.2 The contractor shall assign Primary Care Managers (PCMs) to purchasers of TYA Prime coverage per [Chapter 6](#).

4.6.3 If the contractor is unable to enroll the young adult dependent in the Government furnished web-based system/application due to either:

- A 90-day future enrollment limitation; or
- DEERS not reflecting eligibility; or
- Any other Government furnished web-based system/application limitation

4.6.4 The contractor shall notify the young adult within 10 calendar days of receipt of the request and offer to return any premium payments collected to the member. The notice shall explain what is needed for the contractor to accept the request for processing.

4.6.5 See the TSM, [Chapter 2, Addendum L](#), for a full list of TRS Health Care Delivery Plan (HCDP) coverage code values.

4.7 Termination Of TYA Coverage

The contractor shall initiate return of any excess premium amounts paid prorated to the day as indicated no later than 10 calendar days after the effective date of the termination or after receipt of a Government furnished policy notification of a termination, whichever is later. Premium refunds, to include an explanation of the premium refund, will be sent to young adult dependent's residential address unless an alternate mailing address has been provided. The contractor shall also update DEERS

with any premium amount refunded within 30 calendar days. The following paragraphs specify when the contractor shall apply a lockout on the occasion of termination of TYA coverage. When applied, a lockout shall remain in effect for 12 months after the last paid through date.

4.7.1 Loss Of TYA Qualification

No lockout shall be applied for loss of qualification. At any time a young adult dependent ceases to meet all eligibility qualifications, coverage under the TYA program shall terminate. DEERS will automatically enroll or change the enrollment of certain beneficiaries as described in [Chapter 6, Section 1](#). The contractor will receive a Government furnished policy notification advising them of all changes. The effective date of termination shall be the date upon which the young adult dependent ceased to meet any of the prerequisite qualifications. If a subsequent change in circumstances occurs such as losing eligibility for an eligible employer-sponsored plan, the young adult dependent may qualify again to purchase coverage under the TYA program. Young adult dependents who age out of TYA at age 26 may be eligible to purchase CHCBP coverage (see TPM, [Chapter 10, Section 4.1](#)). Upon termination of coverage, DMDC will send a notification to the young adult dependent.

4.7.1.1 Change in Sponsor Status

A change in sponsor status (active to retired; active duty to the Reserve Component (RC), etc.), may require the young adult dependent's coverage to be transferred to another TYA coverage plan or cause TYA coverage to be terminated.

4.7.1.1.1 TYA Select Coverage

4.7.1.1.1.1 DEERS will automatically enroll or change the enrollment of certain beneficiaries as described in [Chapter 6, Section 1](#). The contractor will receive a Government furnished policy notification advising them of all changes. When a sponsor's status changes, coverage under a TYA Select coverage may be transferred in DEERS by DMDC to an appropriate TYA Select plan consistent with the new sponsor status unless the uniformed service sponsor is not eligible for TRICARE coverage or the RC uniformed service sponsor is not enrolled in TRR or TRS. DEERS will send the contractor with whom the young adult dependent is enrolled an unsolicited Government furnished policy notification advising the contractor of the transferred coverage.

4.7.1.1.1.2 When a sponsor status changes and the coverage cannot be transferred, DEERS will terminate the coverage. If the termination date is different from the anticipated end date, DEERS will notify the contractor via an unsolicited Government furnished policy notification that the coverage is terminated. The contractor shall update their fee system as appropriate. DMDC will send a notification to the young adult dependent.

4.7.1.1.1.3 Upon receipt of an unsolicited Government furnished policy notification with an updated enrollment end reason code and an enrollment extension end reason code indicating a TYA individual is again eligible for TYA coverage after termination due to a change in sponsor status, the contractor will contact the TYA individual within 10 calendar days using their best business practice to offer enrollment assistance if TYA coverage has not already been re-established.

4.7.1.1.2 TYA Prime Coverage

4.7.1.1.2.1 When a sponsor's status changes, coverage under TYA Prime plans is terminated in DEERS by DMDC. If termination is at a date other than the anticipated end date, DEERS will send the contractor with whom the young adult dependent is enrolled (and MTF/eMSM if MTF/eMSM enrollee) an unsolicited notification advising of the terminated coverage. The contractor shall update the fee system based on the terminated coverage for the young adult dependent as appropriate. DMDC will send a TN to the young adult dependent advising them of the termination of coverage.

4.7.1.1.2.2 If TYA eligibility is re-established subsequent to a termination due to a sponsor status change, DMDC will send an unsolicited Government furnished policy notification with an updated enrollment end reason code and an enrollment extension end reason code. Upon receipt of an unsolicited Government furnished policy notification with an updated enrollment end reason code and an enrollment extension end reason code indicating a young adult dependent is again eligible for TYA coverage after termination due to a change in sponsor status, the contractor shall contact the young adult dependent within 10 calendar days using best business practices to offer enrollment assistance if TYA coverage has not already been re-established.

4.7.1.2 Sponsor Loss Of Eligibility

No lockout shall be applied for sponsor loss of eligibility. When a sponsor's eligibility is terminated, coverage under TYA is also terminated. If a young adult dependent's enrollment is terminated at a date other than the anticipated end date, DEERS will send the contractor with whom the young adult dependent is enrolled an unsolicited Government furnished policy notification advising the contractor of the terminated coverage. The contractor shall update the fee system based on the terminated coverage for the young adult dependent as appropriate. When eligibility is terminated at the anticipated end date, DEERS will not send the contractor an unsolicited Government furnished policy notification advising the contractor of the terminated coverage. The contractor shall terminate coverage for the young adult dependent as appropriate (see [paragraph 4.7](#)). Upon termination of coverage, DMDC will send a notification to the young adult dependent.

4.7.1.3 Young Adult Dependent Loss Of Eligibility

No lockout shall be applied for young adult dependent loss of eligibility. If a young adult dependent's coverage is terminated at a date other than the anticipated end date, DEERS will send the contractor with whom the young adult dependent is enrolled an unsolicited Government furnished policy notification advising the contractor of the terminated coverage. If a young adult dependent's coverage is terminated at the anticipated end date, DEERS will not send the contractor with whom the young adult dependent is enrolled an unsolicited Government furnished policy notification advising the contractor of the terminated coverage. The contractor shall terminate coverage for the young adult dependent as appropriate (see [paragraph 4.7](#)). The contractor shall update the fee system based on the terminated coverage for the young adult dependent as appropriate. DMDC will send a TN to the young adult dependent. Upon termination of coverage, DMDC will send a notification to the young adult dependent.

4.7.2 Young Adult Dependent Gains Other TRICARE Coverage

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

4.7.2.1 Young Adult Dependent Gains Own Eligible Employer-Sponsored Coverage

No lockout shall be applied for termination due to eligibility for medical coverage offered from an eligible employer-sponsored plan. The young adult dependent shall notify the contractor via written request, the Government furnished web-based self-service enrollment system/application, or telephone request (which is to be documented in the contractor's call notes) to terminate TYA coverage within 30 calendar days of when he or she becomes eligible for an employer-sponsored health plan offered by his or her employer.

4.7.2.1.1 If a young adult dependent becomes eligible under an eligible employer-sponsored health plan based on the young adult dependent's employment for a period of 30 days or less, TYA coverage will continue unchanged.

4.7.2.1.2 Upon notification from a young adult dependent that he or she is eligible for medical coverage via an eligible employer-sponsored health plan for a period of more than 30 days, the contractor will terminate the TYA coverage using the Government furnished web-based system/application without applying a lockout.

4.7.3 Young Adult Dependent Loses Eligibility Due To Non-Payment Of TRS Or TRR Premiums By Their Sponsor

No lockout shall be applied for young adult dependents of a TRS or TRR sponsor that was disenrolled and locked out for failure to pay TRS or TRR premiums. However, until the TRS or TRR-eligible sponsor restores TRS or TRR coverage, the young adult dependent does not qualify to purchase TYA coverage.

4.7.4 Failure To Make Payment

4.7.4.1 Failure or refusal to pay monthly premiums and/or any outstanding insufficient funds fees in accordance with the procedures in this chapter shall result in termination of coverage and a lockout shall be as specified in [paragraph 4.7](#). The effective date of termination is the first day following the paid-through date. The contractor shall terminate coverage of the young adult dependent if the monthly premium payment is not received by the last day of the month following the due date for the monthly premium payment. After the last day of the month, the contractor shall terminate coverage with a termination effective date retroactive to the last paid-through date.

4.7.4.2 Failure to provide information to establish or maintain a recurring EFT/RCC for monthly premium payment will result in coverage being terminated for failure to comply with [paragraph 5.2](#) and subordinate paragraphs.

DMDC sends written notification of the termination and the lockout from the last paid through date to the young adult dependent.

4.7.4.3 Until the termination action is processed, the contractor may pend any claims received for health care furnished to the young adult dependent during the period for which premiums have yet to be paid, to avoid creating recoupment of health care costs for ineligible beneficiaries. The young adult dependent will be responsible for the cost of any health care received after the termination effective 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 10, Section 4](#).

4.7.5 Requests For Voluntary Termination

The contractor shall apply a lockout as specified in paragraph 4.7 for voluntary termination requested by the young adult dependent unless the young adult dependent is eligible for an employer-sponsored health plan. DMDC sends written notification of the termination and the lockout from the last paid-through date.

4.7.5.1 The contractor shall accept requests for termination of coverage from young adult dependents at any time. Termination of coverage requests includes those with:

- An original signature;
- An electronic signature offered by and collected by the contractor;
- A verbal consent provided via telephone and documented in the contractor's call notes; or
- A self attestation by the beneficiary when using the Government furnished web-based self-service enrollment system/application system.

4.7.5.2 The effective date of termination is either:

- The last day of the month in which the request was received by the contractor;
- The last day of a future month as specified in the request given that the request was received by the contractor in the month preceding the requested month of termination; or
- As directed by the waiver approval authority for waiver cases.

4.7.6 Canceled Eligibility And Enrollment

No lockout shall be applied for a canceled enrollment. When the contractor receives a Government furnished policy notification for a canceled enrollment, the contractor shall notify the young adult dependent of the cancellation and refund any unused portion of the premium payment; including an explanation for the premium refund. The contractor shall update DEERS with any premium amount refunded within 30 calendar days. No lockout shall be applied for a canceled enrollment. The contractor shall recoup claims for the canceled enrollment period.

4.8 Reinstatement

4.8.1 When a lockout is in effect, an otherwise qualified young adult may request the contractor to reinstate TYA coverage retroactive to the last 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 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 4.1.3.2](#).

4.8.2 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 after the 12-month lockout.

5.0 PREMIUM COLLECTION

The contractor shall perform all premium functions required for TYA. Young adult dependents are responsible for all premium payments for the individual coverage being purchased. At least an initial payment (see [paragraph 4.1](#)) of premiums are required, then only monthly premium payments are permitted. Premium-related transactions shall be reported through the enrollment fee payment interface or CC&D Fee Web (see the TSM, [Chapter 3, Section 4.2](#)).

5.1 Jurisdiction For Premium Billing And Collection

5.1.1 The contractor servicing the residential address for the young adult dependent shall perform premium functions for the young adult dependent.

5.1.2 Any time the servicing contractor notices that a new residential address is in the servicing area of another contractor, the losing contractor will notify the young adult dependent within 10 calendar days that they need to contact a servicing contractor in their new area to transfer their coverage to the new area. A young adult dependent may elect to provide an alternate mailing address, but the servicing contractor is based on the residential, not alternate mailing, address. A young adult dependent may transfer regions at any time. There is no maximum number of transfers from one region to another allowed each year. The gaining contractor shall perform the premium collections for future payments.

5.1.3 All unsolicited Government furnished policy notifications for young adult dependents will be evaluated to determine if residential address changes require a notification to the young adult dependent (see [paragraph 5.1.2](#)).

5.2 Premium Collection Processes

5.2.1 The contractor shall credit the young adult dependent for premium payments received. Premium payments are due for receipt by the contractor no later than the last calendar day of the current month for the following month of coverage. In the case of a start date of coverage at anytime other than the first of a month (see [paragraph 4.6](#) or as directed by the waiver approval authority), the first payment collected by the contractor shall include the prorated amount on a daily basis necessary to synchronize the paid-through date to the last day of the month. The daily prorated amount is equal to 1/30th of the appropriate premium (rounded to the penny) regardless of how many days are actually in the month.

5.2.2 The contractor shall collect monthly premium payments from TYA purchasers as appropriate and shall report the premium amount paid for those payments, including for any overpayments that are not refunded to the purchaser, to DEERS. (See the TSM, [Chapter 3](#).) 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 TYA 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 an EFTs or a RCC from a designated financial institution. These are the only acceptable payment methods for the recurring monthly premiums. An EFT/RCC payment shall be processed within the first five business days of the month of coverage.

5.2.4 Purchasers must pay at least the first initial payment as specified in [paragraph 4.6](#)) at the time the TYA application is submitted to allow time for the EFT/RCC to be established. The contractor shall accept payment of the first installment by personal check, cashier's check, traveler's check, money order, or credit card (e.g., Visa/MasterCard).

5.2.5 The contractor shall initiate 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 The contractor shall direct bill the young adult dependent only when a problem occurs in setting up or maintaining the EFT or RCC. Bills may be sent to the residential or mailing address designated by the young adult dependent.

5.2.8 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 TYA purchaser 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 5.2.4](#) during this 30 day period in order to preserve the beneficiary's TYA enrollment status.

5.3 Annual Premium Adjustment

Contractors shall notify current purchasers in writing of any annual premium adjustments no later than 30 days after the contractors receive notification of the updated premiums. The notification shall include the new amount for TYA coverage (see [Addendum A](#)) and will include the following statement:

"You must notify us if you:

- Become eligible for employer-sponsored medical coverage based on your own employment as defined in section 5000A(f)(2) of the Internal Revenue Code of 1986;
- Marry;

- Are a uniformed services member on active duty greater than 30 days; or
- Are a uniformed services member of the Selected Reserves.

If any of the above occurs, you must notify us by submitting a request to terminate TYA coverage to preclude recoupment actions and to request a refund of any overpaid premiums, as applicable.”

6.0 CLAIMS PROCESSING

6.1 The contractor shall process TYA claims using established TRICARE cost-sharing rules and guidance based on the sponsor’s status and the TYA plan purchased. Claims jurisdiction rules apply (see [Chapter 8, Section 2](#)), TRICARE Other Health Insurance (OHI) processing rules apply to TYA except for claims from eligible employer-sponsored health plans. See [paragraph 6.5](#).

6.2 If a young adult dependent purchases TYA coverage during the same fiscal year that he or she had another TRICARE health plan in effect, the individual cost-shares, contributions to the individual and family deductibles, and contributions to the family catastrophic cap from the other TRICARE health plan still apply in that fiscal year and shall not be recalculated. October, November and December 2017 cost-shares and contributions to deductibles/catastrophic cap will apply to the 2017 fiscal year catastrophic cap. Beginning January 1, 2018, TRICARE will move to a calendar versus fiscal year basis.

6.3 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 TRM, [Chapter 4, Section 4](#). The contractors shall follow procedures established in [Chapter 8, Section 2](#) regarding claims jurisdiction for dual eligibles. Payment of Medicare Part B premiums does not provide a basis to waive TYA premiums.

6.4 If the contractor receives a Government furnished policy notification notifying them of a retroactive TYA disenrollment the contractor shall initiate recoupment of claims paid if appropriate as specified in [Chapter 10](#).

6.5 If at any time the contractor discovers that the young adult dependent may be eligible or is enrolled in an eligible employer-sponsored health plan from their employer, the contractor shall report the discovery to the appropriate waiver approval authority no later than one business day after discovery. Claims may be pended or held until a final decision is reached. As applicable, the contractor shall follow [paragraph 4.7](#) and its subordinate paragraphs for loss of TYA eligibility.

7.0 COMMUNICATIONS AND CUSTOMER SERVICE (C&CS)

7.1 In addition to C&CS functions specified throughout this chapter, the contractor shall perform C&CS functions to the same extent as they do for other TRICARE plans.

7.2 Upon start of coverage under TYA, the DMDC-generated enrollment notification will include information on how purchasers can obtain TYA and other TRICARE plan materials over the Internet or how to request fulfillment materials from the contractor. The servicing contractor shall send fulfillment materials only upon request.

7.3 Customer Education

Materials (i.e., public notices, flyers, informational brochures, web site, etc.) will be developed and distributed centrally by Department of Defense (DoD), Defense Health Agency (DHA) Communications. The contractor shall distribute all informational materials associated with the TYA program to the same extent and through the same means as other TRICARE materials are distributed. Copies of TYA informational materials may be obtained through DHA Communications.

7.4 Customer Service

The contractor shall provide all customer service support to young adult dependents in a manner equivalent to that provided to other TRICARE beneficiaries.

8.0 ANALYSIS AND REPORTING

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

9.0 PAYMENTS FOR CONTRACTOR SERVICES RENDERED

9.1 Claims Reporting

The contractor shall report TYA 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 TYA 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 TYA 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 Premiums shall be deposited into a non-interest bearing account to collect and disburse TYA premiums. The contractor shall deposit TYA premium collections to the established account within one business day of receipt. A separate bank account is not required; however, individual line item reporting for the TYA program is required.

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 the DHA 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 DHA 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., TYA premiums).

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.

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9.2.5 The contractor shall electronically submit monthly reports of premium activity supporting the wire transfers of dollars. Details for reporting are identified in DD Form 1423, Contract Data Requirements List (CDRL), located in Section J of the applicable contract.

10.0 CODING OF TED RECORDS

The contractor shall submit TED records in accordance with the TSM. When the secondary HCDP Coverage Code is **400** (Extended Care Health Option (ECHO)) and the TYA beneficiary is receiving care considered an ECHO benefit, the contractor shall submit the primary TYA HCDP Plan Coverage Code and Special Processing Codes **PF** or **AU** as appropriate on the TED record.

- END -

