

## TRICARE Reserve Select (TRS)

Revision: C-70, September 4, 2020

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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). The term "contractor" in this Section refers to the Managed Care Support Contractors (MCSCs) and the TRICARE Overseas Program (TOP) contractor.

### 1.1 Benefits/Scope Of Care

The TRS health plan delivers the TRICARE Select benefit to all covered individuals, including access to Military Treatment Facilities (MTFs)/Enhanced Multi-Service Markets (eMSMs) and pharmacies with the same MTF/eMSM access priority as Active Duty Family Members (ADFM) not enrolled in TRICARE Prime. The TRS features TRICARE Select cost-shares, deductibles and catastrophic caps applicable to ADFMs for all TRS-covered individuals (including Selected Reserve (SelRes) members themselves) covered under TRS. TRS members, their covered family members, and TRS survivors are eligible for space-available care in a MTF/eMSM, including MTF/eMSM pharmacies with the same access priority as ADFMs not enrolled in TRICARE Prime. 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 TRS. The contractor shall review and modify MTF/eMSM Memoranda of Understanding (MOU)/Statement of Responsibilities (SOR) 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 Select.

**Note:** Effective January 1, 2018, TRICARE Select cost-shares, copayments, deductibles, and catastrophic caps applicable to ADFMs at the Group B rate replaces the previous TRICARE Standard/Extra coverage. See TRICARE Reimbursement Manual (TRM), [Chapter 2](#).

### 1.2 Specific Programs Not Available Under TRS

Specific programs not available under TRS include those listed below:

- TRICARE Dental Program (TDP) is not part of the medical programs under 10 United States Code (USC) Chapter 55 and, therefore, not covered under TRS.
- TRICARE Reserve and National Guard Family Member Benefits program 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).
- 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 Active Duty Service Members (ADSMs).
- Special Supplemental Food Program.

## **2.0 TRS COVERAGE AND PREMIUMS**

**2.1** TRS offers two types of coverage: TRS member-only coverage and TRS member and family coverage. Effective January 1, 2018, TRICARE Standard/Extra coverage was replaced by TRICARE Select. See the TRM, [Chapter 2](#).

**2.2** 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 22.A-1](#). Unless otherwise specified, the premium rates will be in effect for a full calendar year effective the first day in January. 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 SelRes throughout the period of coverage. The qualifications unique to TRS are listed below for contractor information purposes only.

### **3.1 Member Qualifications For Purchase Of TRS Coverage**

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

### **3.2 Survivor Qualifications For Purchase Of TRS Coverage**

If a member of the SelRes 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 SelRes 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 TOP contractor shall perform these services for TRS members/TRS-covered survivors, 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 TRS coverage, qualified RC members and qualified survivors must present a completed request within deadlines specified in the following paragraphs. The contractor shall not accept handwritten TRS requests. The contractor shall accept TRS requests presented from the Government furnished web-based self-service enrollment system/application as well as those presented by phone, by mail, at TRICARE Service Centers (TSCs) operated by the TOP contractor, and by other means determined by the contractor.

**4.1.2** If a lockout is in place, the contractor may accept and process requests up to 90 days before the end of the 12 month lockout period for new coverage to begin after the 12 month lockout period ends. 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 member or survivor, 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** When purchasing initial coverage, the contractor shall collect a payment equal to two months of **monthly** 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). When purchasing continuous coverage, the contractor shall collect a payment up to **three** months of premium applicable for the type of coverage requested; contingent on the method and date the request is submitted.

**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 as specified in paragraph 4.9 and its subordinate paragraphs, 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. (Contact the Contracting Officer (CO) or Contracting Officer Representative (COR) for a copy of the applicable form.) If the request is for survivor coverage, the statements about “a health coverage plan under 5 USC 89 (FEHBP)” do not apply. 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 coverage, see [paragraph 4.3](#)

## **4.2 Open Enrollment**

A qualified member or qualified survivor may purchase TRS coverage throughout the year unless locked out from TRS coverage. Prior to January 1, 2018, the effective date of coverage was the first of the month following the month of receipt. Effective January 1, 2018, the effective date of coverage is 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 as indicated on the TRS request.

## **4.3 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 completed TRS request required by [paragraph 4.1](#) must be either received by the contractor by phone, entered into the Government furnished web-based self-service enrollment system/application or postmarked no later than 90 days after the termination of other TRICARE coverage. If the qualified member or qualified survivor does not meet the requirement for continuation coverage, the request will be processed as a new request. See the TPM, [Chapter 10, Section 4.1](#), for information regarding the Continued Health Care Benefits Program (CHCBP).

## **4.4 Qualifying Life Events (QLEs)**

A qualified member may purchase TRS coverage in connection with a QLE. First, qualified members are responsible to report all changes in family composition to military personnel officials who update DEERS. Second, the request identifying the QLE must be received by the contractor or postmarked **within 90 days from** the date of the QLE. See TPM, [Chapter 10, Section 2.1](#) for a list of QLEs.

## **4.5 Survivor Coverage Under TRS**

**4.5.1** 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, effective dates and deadlines specified in [paragraphs 4.2, 4.3, and 4.4](#) 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](#).

**4.5.2** 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

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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 notify them of their continued coverage and their option to terminate coverage, if so desired, by presenting a completed TRS request as specified in [paragraph 4.1](#).

**4.5.3** 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 presenting a completed TRS request as specified in [paragraph 4.1](#). The TRS request required by [paragraph 4.1](#) must be either received by the contractor or postmarked no later than 90 days after the date of death of the Selected Reservist. DMDC will notify to survivors of the option to purchase coverage.

#### **4.6 Changes in TRS Coverage**

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

##### **4.6.1 Change Type of Coverage Changes**

A TRS member/survivor may change TRS type of coverage following procedure for a QLE as in [paragraph 4.4](#) or procedures for open enrollment specified in [paragraph 4.2](#). The contractor shall follow procedures specified in [paragraph 5.4](#) for premium adjustments resulting from changes in coverage.

##### **4.6.2 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 member is established. Eligibility is established by going to a military personnel office staffed by military personnel officials who update DEERS. The effective date of coverage for the added family member(s) shall follow procedures specified in [paragraphs 4.2](#) or [4.4](#). The TRS request must be either received by the contractor or postmarked no later than 90 days after that date.

##### **4.6.3 TRS Newborn/Adopted Child Coverage**

**4.6.3.1** For newborns or adopted children added to existing TRS Member Only coverage, a request to enroll the newborn/adopted child must be submitted as specified in [paragraph 4.4](#); as well as a required monthly premium payment that equals Member and Family coverage from the newborn's/adopted child's date of birth/adoption. The contractor shall pend claims for the newborn/adopted child prior to receiving the request. If the request and required monthly premium payment are not submitted by the 90th day (120 days if overseas) of the birth/adoption, the contractor shall deny claims and process the coverage date effective the date the request is received/postmarked.

**4.6.3.2** For newborns or adopted children added to existing TRS Member and Family coverage, a request to enroll the newborn/adopted child must be submitted as specified in [paragraph 4.4](#). The contractor shall pend claims for the newborn/adopted child under TRS Member and Family coverage. If the request is not submitted by the 90th day (120 days if overseas), the contractor shall deny claims and process the coverage date effective the date the request is received/postmarked.

#### **4.7 Automatic Eligibility Updates**

DEERS will automatically update start and/or end dates of coverage when a beneficiary's eligibility is updated by the military services; i.e., an adjustment to the effective date of active duty, retirement date changes, divorces, etc. The contractor will receive a Government furnished policy notification advising them of all changes.

#### **4.8 Processing**

**4.8.1** The contractor shall process all TRS transactions through the Government furnished web-based system/application for members or survivors with a residential address as indicated by the requestor on the TRS 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 completed TRS requests (see [paragraph 4.1](#)) no later than 10 calendar days after receipt.

**4.8.2** The contractor shall process all TRS transactions using the Government furnished web-based system/application due to either:

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

The contractor shall notify the requestor within 10 business days and offer to return any premium payments collected to the member, with an explanation of what is needed for the contractor to accept the request for processing.

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

#### **4.9 Termination 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 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 member's/survivor'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 TRS coverage. When applied, a lockout shall remain in effect for 12 months after the last paid-through date.

##### **4.9.1 Loss of TRS Qualification**

No lockout shall be applied for the loss of qualification. At any time a member/survivor ceases to meet all eligibility qualifications, coverage under the TRS program shall terminate. The effective date of termination for a member/survivor covered under TRS shall be the effective date of the loss of their qualification for TRS coverage. If a subsequent change in circumstances occurs such as losing eligibility for FEHBP, the member may qualify again to purchase TRS coverage. Members/survivors 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 member/survivor.

#### **4.9.1.1 Sponsor Loss of Eligibility**

No lockout shall be applied for sponsor loss of eligibility. When a sponsor's eligibility is terminated, coverage under TRS is also terminated. If a sponsor's eligibility is terminated at a date other than the anticipated end date, DEERS will send the contractor an unsolicited Government furnished policy notification advising the contractor of the terminated coverage. If a sponsor's eligibility is restored within 90 days from loss of eligibility, DEERS will automatically reinstate the TRS coverage previously in effect and send the unsolicited Government furnished policy notification to the appropriate contractor notifying them of the reinstated TRS coverage. Upon notification of the reinstated TRS coverage, the contractor shall contact the sponsor within 10 business days from receipt of unsolicited Government furnished policy notification and collect all required premiums owed through the current month (see [paragraphs 5.2.2 through 5.2.4](#)). When a sponsor's 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 sponsor/survivor as appropriate (see [paragraph 4.9](#)). Upon termination of coverage, DMDC will send a notification to the member.

#### **4.9.1.2 Individual Family Member or Survivor Loss of Eligibility**

No lockout shall be applied for individual family member or survivor loss of eligibility. If a family member's or survivor's eligibility is terminated at a date other than an anticipated end date, DEERS will send the contractor an unsolicited Government furnished policy notification advising the contractor of the terminated coverage. 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 Government furnished policy notification advising the contractor of the terminated coverage. The contractor shall terminate coverage for the family member(s) or survivor(s) as appropriate (see [paragraph 4.9](#)). The contractor shall update the fee system based on the terminated coverage for the family member(s) or survivor(s) as appropriate. Upon termination of coverage, DMDC will send a notification to the family member(s) or survivor(s).

#### **4.9.1.3 Sponsor Involuntarily Removed**

No lockout shall be applied for a sponsor being involuntarily removed from the SelRes. When DEERS shows that a member is being involuntarily removed from the SelRes under other than adverse conditions, and the member was covered by TRS on the last day of his or her SelRes membership, DEERS will terminate TRS coverage 180 days after the date on which the member is removed from the SelRes. DEERS will send the contractor an unsolicited Government furnished policy notification 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 terminated earlier. This extended TRS coverage provision expires December 31, 2018.

#### **4.9.2 Member or Survivor Gains Other TRICARE Coverage**

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

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

**4.9.2.2** If a TRS member or survivor gains other TRICARE coverage for a period of more than 30 days, DEERS will terminate TRS coverage in accordance with [paragraph 4.9.1.1](#). The contractor must be aware of the fact that DEERS may reflect ADSM and ADFM TRICARE coverage before the member actually reports for active duty.

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

### **4.9.3 Failure to Make Payment**

**4.9.3.1** Failure or refusal to pay monthly premiums and/or any outstanding insufficient funds fees in accordance with the procedures in this section shall result in termination of coverage and a lockout shall be applied as specified in [paragraph 4.7](#). The effective date of termination is the first day following the last paid-through date. The contractor shall automatically terminate 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 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.

**4.9.3.2** 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.

**4.9.3.3** DMDC sends written notification of the termination, the effective date, the reason, and the lockout from the last paid-through date to the TRS member or survivor.

**4.9.3.4** Until the termination action is processed, 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 effective date. If claims are not pended, the contractor shall initiate recoupment of health care costs following the procedures in [Chapter 10, Section 3](#).

### **4.9.4 Request for Voluntary Termination**

The contractor shall apply a lockout as specified in paragraph 4.9 for voluntary termination requested by the member/survivor. DMDC sends written notification of the termination, the effective date, the reason, and the lockout period from the last paid-through date.

**4.9.4.1** The contractor shall accept requests for termination of coverage from members, survivors, or individual family members 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/application system.

**4.9.4.2** The effective date of termination is either the last day of the month in which the request was postmarked or received by the contractor or the last day of a future month as specified in the request, if the request was postmarked or received by the contractor in the month preceding the requested month of termination.

#### **4.9.5 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 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. The contractor shall recoup claims for the canceled enrollment period.

#### **4.9.6 TRS Survivor Coverage Termination**

If TRS coverage is continued as described in [paragraph 4.5.2](#) 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 4.5.2](#), to be received by the contractor no later than 90 days after the date of death in order to terminate coverage retroactive to the day after the member's death. 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 4.9](#).

#### **4.10 Exceptions**

##### **4.10.1 Administrative Issues**

The TRO, the TAO, or their designee will notify the contractor when the Government determines that an administrative situation (i.e., delay in RC personnel transaction) occurred that prevented a SelRes member's or survivor's request to enroll from being accepted for processing according to submission deadlines specified in this section.

##### **4.10.2 Reinstatement of Terminated TRS Coverage (Retroactive Coverage)**

**4.10.2.1** A qualified member/survivor may request the contractor to reinstate terminated TRS coverage retroactive to the last paid-through date with no justification needed. The contractor shall accept the request 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](#).

**Note:** If the member/survivor contacts the contractor via telephone for reinstatement of previous coverage, up to two months of additional premiums are required as determined by the contractor, to reestablish a monthly billing cycle (plus any administrative fees).

**4.10.2.2** 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 period as specified in [paragraph 4.9](#).

## **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.

**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 EFT or 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 90 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 90 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 Terminations**

The contractor shall initiate the process to refund any premium amounts applied for coverage after the date of termination as specified in [paragraph 4.9](#).

#### **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 Extra/Standard (through December 31, 2017) and TRICARE Select (starting January 1, 2018) cost-sharing rules and guidance. Normal TRICARE Other Health Insurance (OHI) processing rules apply to TRS.

**6.2** The contractor shall **process** all claims for health care provided to a newborn/**adopted** child of a TRS member **as** specified in [paragraph 4.6.3](#). If the contractor becomes aware that a TRS member has an unregistered newborn/**adopted** child, the contractor/TOP contractor shall notify the TRS member of the requirement to register the newborn/**adopted** child in DEERS and submit a request for the newborn/**adopted** child **to be enrolled under TRS coverage with** 90 days (120 days if overseas) **from** birth/**adoption**. When the member completes the process specified in [paragraph 4.6.3](#), the contractor shall process any claims associated with the newborn/**adopted** child's health care. If the member fails to complete the process as specified in [paragraph 4.6.3](#), the contractor shall deny any claims associated with the newborn/**adopted** child's health care.

**6.3** Premium payments made for TRS coverage shall not be applied to the calendar 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 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 TRS premiums.

**6.5** If the contractor receives a Government furnished policy notification 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 SelRes member may be eligible for or enrolled in the FEHBP, the contractor shall report the discovery to the appropriate TRO, or the TAO, or their designee no later than one business day after discovery. As applicable, the contractor shall follow [paragraph 4.9.1](#) and its subordinate paragraphs for loss of TRS qualification.

## **7.0 COMMUNICATIONS AND CUSTOMER SERVICE (C&CS)**

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 TRICARE Select.

### **7.1 Customer Education**

Upon start of coverage under TRS, the DMDC-generated enrollment notification provides information on how purchasers can obtain TRS-specific and other TRICARE plan information.

### **7.2 Customer Service**

The contractor shall provide all customer service support in a manner equivalent to that provided TRICARE Select enrollees. 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

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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 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 to DHA OGC 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.

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