

## Eligibility And Coverage

Revision: C-105, January 14, 2022

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### 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 **program** participants. 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**. **In addition to this Section, the CHCBP contractor shall also use the 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) **to fulfill its responsibilities**. 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. **Beneficiaries** covered under premium-based TRICARE health benefits plans such as TRICARE Reserve Select (TRS), TRICARE Retired Reserve (TRR), TRICARE Young Adult (TYA), etc., **must purchase** coverage and **have it** 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, the CHCBP contractor **shall** contact the applicant. The **CHCBP contractor shall request** supporting documentation from the applicant **based** on the category of individual who is applying for enrollment as shown below:

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**2.1.1** Individual Uniformed Service sponsor (herein referred to as “sponsor”) and his/her family. **The contractor shall obtain** 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 **from the applicant**.

**2.1.2** Unremarried Former Spouse (URFS) and stepchildren of the sponsor. **The contractor shall obtain** a copy of the final divorce decree **from the applicant**.

**2.1.3** Child who loses TRICARE coverage due to marriage. **The contractor shall obtain** a copy of marriage certificate **from the applicant**.

**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). **The contractor shall obtain** a copy of the front and back of the Uniformed Services identification (ID) card **from the applicant**.

**2.1.5** Child who loses TRICARE coverage due to college graduation. **The contractor shall obtain** a copy of college transcript **from the applicant**.

**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. **The contractor shall obtain** 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 **from the applicant**.

**2.1.7** Child that was previously placed in sponsor’s legal custody and then loses TRICARE coverage. **The contractor shall obtain** a copy of the court order **from the applicant**.

**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 **contractor shall not allow the** child to purchase CHCBP as an individual. Also, if the child does not qualify to purchase TYA because he or she qualifies for employer sponsored coverage, **the contractor shall not enroll them in** CHCBP. 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 contractor shall not enroll** the child **in** CHCBP (see [Chapter 25](#)).

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

## **2.2 Family Members Not Identified on DEERS**

**2.2.1** **Cases where** a contractor receives a CHCBP claim which includes a family member not identified on DEERS as enrolled, but the sponsor indicates CHCBP family coverage. If the claim includes a copy of an appropriately marked CHCBP coverage card for the beneficiary, the **contractor shall process the** claim. If the claim is for a beneficiary who is less than 60 days old, **the contractor shall process** the claim, 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 **contractor shall deny the** claim.

**2.2.2** When a beneficiary is enrolled in the CHCBP, the contractor shall disenroll the beneficiary from all other TRICARE programs. The contractor shall not require the beneficiary to take any action.

### **2.3 Disputes Regarding Enrollment**

**2.3.1** The CHCBP contractor shall confirm a person's eligibility for CHCBP. The contractor shall not consider disputed questions of fact concerning a beneficiary's eligibility an appealable issue, and the contractor shall resolve the issue 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. The Government (Uniformed Service) informs Active Duty (AD) members of the CHCBP during outprocessing. The Defense Manpower Data Center (DMDC) notifies other beneficiaries in writing of CHCBP availability. 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 Chief, Managed Care Support Program Section (MCSPS) 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 URFSSs that may qualify for this program, therefore the contractor shall process all applications from URFSSs upon receipt.

### **3.2 Coverage Categories**

CHCBP offers two coverage categories. Individual coverage is available to the member or former member, an URFSS, an adult child, a surviving spouse, or other qualified individuals. Family coverage is only available to the member or former member and their family members. Family members cannot be covered under family coverage unless the member or former member is also covered by family coverage.

### 3.3 CHCBP Application

The contractor shall accept the DD Form 2837, CHCBP Application 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. The contractor shall ensure prospective coverage is accompanied by a premium payment for one quarter. The contractor shall ensure retroactive coverage is 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** Examples of the premiums the contractor shall require 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 Government establishes CHCBP premium amounts and the Government may adjust them each Fiscal Year (FY). The Government will establish premium amounts and may adjust them on a Calendar Year (CY) basis beginning January 1.

**Note:** The typical CHCBP FY is a twelve-month period from October 1 to September 30; however, CHCBP FY 2022 includes the three-month period between October 1, 2022, and December 31, 2022.

**3.5.2** The contractor shall charge the adjusted quarterly premiums on the date specified in Addendum A. The CHCBP will transition to CY operation on January 1, 2023, to allow premium collection to align with the CY collection of the CHCBP out-of-pocket expenses. The one-time transition period from FY to CY will be in effect for the quarterly premium collection period from October 1, 2022 through December 31, 2022.

**3.5.3** During the one-time transition period, the contractor shall:

- Continue to charge FY 2022 quarterly premiums.
- Upon receipt of adjusted rates from the Government, issue a written notice to the

beneficiary to notify them of the premium amount changes, the effective date of the change and the transition to CY premium collection. The contractor shall provide this notification at least 30 days prior to the effective date directed by the Contracting Officer (CO).

**3.5.4** Starting January 1, 2023, the contractor shall:

- Collect quarterly CHCBP premiums on a CY basis.
- Upon receipt of adjusted rates from the Government, issue a written notice to the beneficiary to notify them of the premium amount changes, and the effective date of the change. The contractor shall provide this notification at least 30 days prior to the effective date directed by the CO.

**3.5.5** When qualifying events occur that change the sponsor from individual to family coverage or vice versa, the contractor shall change coverage and premiums effective with the date of the qualifying event. The contractor shall, within 10 business days of receiving such information, notify the beneficiary in writing 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** The contractor shall accept checks, money orders, or credit cards as forms of premium payment. The contractor may propose additional payment mechanisms, to include electronic processes for premium payments. The contractor shall ensure proposed electronic processes shall maintain the integrity and security of the application processes which includes 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 for 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. If the contractor receives a payment from a provider, 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. The contractor shall also send a copy of the letter 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 **the contractor must receive** a valid premium **payment**. For initial application requests, the **contractor** shall advise the beneficiary that if **the contractor does not receive the** premium payment 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 **contractor** shall advise the beneficiary **in writing** that if the contractor does not receive valid payment in full within 30 days of the date of the contractor's letter, **the contractor will terminate CHCBP** coverage. **The contractor shall** 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 **and retain** a fee of up to 20 U.S. dollars (\$20.00) **from the CHCBP applicant/purchaser**.

### **3.8 Refunds**

**The contractor shall refund** premiums 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. **The contractor shall not refund unused premiums if the beneficiary voluntarily terminated CHCBP coverage because they** obtained Other Health Insurance (OHI). 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. **Because of this,** the contractor **shall** not rely on DEERS as the sole determinant of whether or not an individual is eligible for CHCBP coverage (see [paragraph 2.0](#)). The contractor shall **ensure its systems** 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 **the contractor to enter** a CHCBP enrollment if the sponsor or **family members** 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 or **family members** 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 **contractor shall ensure the** card contains sufficient information to facilitate access to health care. **The contractor shall limit** coverage dates on the card to those dates for which **the contractor has received** a valid quarterly premium. **The contractor shall issue** cards each quarter for all subsequent quarterly payments received by the contractor. The **contractor shall ensure the** card reflects coverage for the CHCBP and provides the contractor's name, address, toll-free telephone number, and claims center mailing address **at a minimum**.

**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 **contractor shall ensure the** letter:

- **Includes** requirements for continued coverage;
- **Includes** information regarding future **bills** and premium payments;
- **Includes** a CHCBP coverage policy, or such other sufficient written information regarding the CHCBP for beneficiaries **to reference for** benefits and program requirements **questions**.

### **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. **The contractor shall ensure** renewal notices clearly specify the premium amount due, the date by which the premium must be received, and the mailing address to **send** the premium payment. **The contractor shall ensure** renewal notices 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 day grace period following the premium due date in which the beneficiary may submit **their** 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 **payment** 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 **contractor shall ensure the** second renewal notice indicates **it** is the second and final billing notice and that if **the contractor does not receive** payment by the due date specified in the notice, that CHCBP coverage will be terminated as of that date. The **contractor shall ensure the** notice advises the beneficiary that if coverage is terminated due to nonpayment of premium, that **the beneficiary** 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

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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 **must** send a written request to the contractor. **The contractor shall not permit** beneficiaries who voluntarily disenroll from the CHCBP to re-enroll until they gain and then once again lose TRICARE coverage. **The contractor shall** refund unused premiums 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. 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**

**The contractor shall obtain DHA Communications approval for all** informational materials, booklets, brochures, and other public material prior to finalizing the material. **The contractor shall include** the contractor's name, mailing address, toll-free telephone number and web site **on all materials**.

## **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 reports as identified by the 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 **Government will limit** data elements or information for such reports 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 **it will require up to three such ad hoc reports** per contract year. **The Government does not expect the contractor** level of effort for the ad hoc reports 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.

**9.2** The CHCBP contractor shall perform all Section 6055 information reporting to the Internal Revenue Service (IRS) and provide statements to individuals with CHCBP coverage during the reporting tax period in the manner, time frames, and forms specified in Section 6055 of the Internal Revenue Code (IRC) and associated IRS regulations. The CHCBP contractor shall notify the Contracting Officer's Representative (COR) when completed each year.

**9.3** Because not all CHCBP enrollments are recorded in DEERS, the CHCBP contractor shall use coverage data from the contractor's enrollment system to generate the required information reports and statements. **The CHCBP contractor shall report** CHCBP coverage information to the IRS.

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