



TRICARE
MANAGEMENT ACTIVITY

MB&RB

**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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16401 EAST CENTRETECH PARKWAY
AURORA, COLORADO 80011-9066

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The Department of Defense, Office of the Secretary, has authorized the following addition(s)/revision(s) to 32 CFR Part 199, reissued April 2005.

CHANGE TITLE: CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS); TRICARE RETIRED RESERVE FOR MEMBERS OF THE RETIRED RESERVE

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REMOVE PAGE(S)

Master Table of Contents, page 1

CHAPTER 2

Table of Contents, pages v and vi

Chapter pages 31 through 33

CHAPTER 25

★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★

INSERT PAGE(S)

Master Table of Contents, page 1

Table of Contents, pages v and vi

Chapter pages 31 through 33

Table of Contents, page i

Chapter pages 1 through 6

TITLE 32 NATIONAL DEFENSE

CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS)

PART 199.1 - GENERAL PROVISIONS

PART 199.2 - DEFINITIONS

PART 199.3 - ELIGIBILITY

PART 199.4 - BASIC PROGRAM BENEFITS

PART 199.5 - TRICARE EXTENDED CARE HEALTH OPTION (ECHO)

PART 199.6 - TRICARE-AUTHORIZED PROVIDERS

PART 199.7 - CLAIMS SUBMISSION, REVIEW, AND PAYMENT

PART 199.8 - DOUBLE COVERAGE

PART 199.9 - ADMINISTRATIVE REMEDIES FOR FRAUD, ABUSE, AND CONFLICT OF INTEREST

PART 199.10 - APPEAL AND HEARING PROCEDURES

PART 199.11 - OVERPAYMENTS RECOVERY

PART 199.12 - THIRD PARTY RECOVERIES

PART 199.13 - TRICARE DENTAL PROGRAM

PART 199.14 - PROVIDER REIMBURSEMENT METHODS

PART 199.15 - QUALITY AND UTILIZATION REVIEW PEER REVIEW ORGANIZATION PROGRAM

PART 199.16 - SUPPLEMENTAL HEALTH CARE PROGRAM FOR ACTIVE DUTY MEMBERS

PART 199.17 - TRICARE PROGRAM

PART 199.18 - UNIFORM HMO BENEFIT

PART 199.19 - RESERVED

PART 199.20 - CONTINUED HEALTH CARE BENEFIT PROGRAM (CHCBP)

PART 199.21 - PHARMACY BENEFITS PROGRAM

PART 199.22 - TRICARE RETIREE DENTAL PROGRAM (TRDP)

PART 199.23 - SPECIAL SUPPLEMENTAL FOOD PROGRAM

PART 199.24 - TRICARE RESERVE SELECT

PART 199.25 - TRICARE RETIRED RESERVE

APPENDIX A - ACRONYMS

TMA Version - April 2005

Physician in training. 24

Podiatrist (Doctor of Podiatry or Surgical Chiropody). 24

Preauthorization. 24

Prescription drugs and medicines. 24

Preventive care. 24

Primary caregiver. 25

Primary payer. 25

PRIMUS clinics. 25

Private room. 25

Profound hearing loss (adults). 25

Profound hearing loss (children). 25

Progress notes. 25

Prosthetic or Prosthetic device (prosthesis). 25

Prosthetic supplies. 25

Provider. 26

Provider exclusion and suspension. 26

Provider termination. 26

Psychiatric emergency. 26

Public facility. 26

Public facility adequacy. 26

Public facility availability. 26

Qualified accreditation organization. 26

Radiation therapy services. 27

Rare Diseases. 27

Referral. 27

Registered nurse. 27

Rehabilitation. 27

Rehabilitative therapy. 27

Reliable evidence. 28

Representative. 28

Reservist. 28

Resident (medical). 28

Residential treatment center (RTC). 28

Respite care. 28

Retiree. 28

Routine eye examinations. 28

Sanction. 28

Secondary payer. 29

Semiprivate room. 29

Serious physical disability. 29

Skilled nursing facility. 29

Skilled nursing services. 29

Spectacles, eyeglasses, and lenses. 29

Speech generating device (SGD). 29

Sponsor. 29

Spouse. 29

State. 29

State victims of crime compensation programs. 29

Student status. 29

Supplemental insurance plan. 30

TMA Version - April 2005

Suppliers of portable X-ray services..... 30

Surgery. 31

Surgical assistant. 31

Suspension of claims processing..... 31

Teaching physician..... 31

Third-party payer. 31

Timely filing. 31

Transitional Assistance Management Program (TAMP). 31

Treatment plan..... 31

TRICARE Extra plan. 32

TRICARE Hospital Outpatient Prospective Payment System (OPPS)..... 32

TRICARE Prime plan..... 32

TRICARE program..... 32

TRICARE Reserve Select..... 32

TRICARE Retired Reserve..... 32

TRICARE standard plan. 32

Uniform HMO benefit. 32

Uniformed Services. 32

Unlabeled or Off-Label Drugs. 32

Veteran..... 33

Waiver of benefit limits..... 33

Well-child care..... 33

Widow or Widower. 33

Worker’s compensation benefits. 33

X-ray services. 33

Surgery. Medically appropriate operative procedures, including related preoperative and postoperative care; reduction of fractures and dislocations; injections and needling procedures of the joints; laser surgery of the eye; and those certain procedures listed in Sec. 199.4(c)(2)(i) of this part.

Surgical assistant. A physician (or dentist or podiatrist) who assists the operating surgeon in the performance of a covered surgical service when such assistance is certified as necessary by the attending surgeon, when the type of surgical procedure being performed is of such complexity and seriousness as to require a surgical assistant, and when interns, residents, or other house staff are not available to provide the surgical assistance services in the specialty area required.

Suspension of claims processing. The temporary suspension of processing (to protect the government's interests) of claims for care furnished by a specific provider (whether the claims are submitted by the provider or beneficiary) or claims submitted by or on behalf of a specific CHAMPUS beneficiary pending action by the Director, OCHAMPUS, or a designee, in a case of suspected fraud or abuse. The action may include the administrative remedies provided for in Sec. 199.9 or any other Department of Defense issuance (e.g. DoD issuances implementing the Program Fraud Civil Remedies Act), case development or investigation by OCHAMPUS, or referral to the Department of Defense-Inspector General or the Department of Justice for action within their cognizant jurisdictions.

Teaching physician. A teaching physician is any physician whose duties include providing medical training to physicians in training within a hospital or other institutional provider setting.

Third-party payer. Third-payer means an entity that provides an insurance, medical service, or health plan by contract or agreement, including an automobile liability insurance or no fault insurance carrier and a worker's compensation program or plan, and any other plan or program (e.g., homeowners insurance) that is designed to provide compensation or coverage for expenses incurred by a beneficiary for medical services or supplies. For purposes of the definition of "third-party payer," an insurance, medical service, or health plan includes a preferred provider organization, an insurance plan described as Medicare supplemental insurance, and a personal injury protection plan or medical payments benefit plan for personal injuries resulting from the operation of a motor vehicle.

NOTE: TRICARE is secondary payer to all third-party payers. Under limited circumstances described in Sec. 199.8(c)(2) of this part, TRICARE payment may be authorized to be paid in advance of adjudication of the claim by certain third-party payers. TRICARE advance payments will not be made when a third-party provider is determined to be a primary medical insurer under Sec. 199.8(c)(3) of this part.

Timely filing. The filing of CHAMPUS claims within the prescribed time limits as set forth in Sec. 199.7 of this part.

Transitional Assistance Management Program (TAMP). The program established under 10 U.S.C. Sec. 1145(a) and Sec. 199.3(e) of this part.

Treatment plan. A detailed description of the medical care being rendered or expected to be rendered a CHAMPUS beneficiary seeking approval for inpatient benefits for which

preauthorization is required as set forth in Sec. 199.4(b) of this part. A treatment plan must include, at a minimum, a diagnosis (either ICD-9-CM or DSM-III); detailed reports of prior treatment, medical history, family history, social history, and physical examination; diagnostic test results; consultant's reports (if any); proposed treatment by type (such as surgical, medical, and psychiatric); a description of who is or will be providing treatment (by discipline or specialty); anticipated frequency, medications, and specific goals of treatment; type of inpatient facility required and why (including length of time the related inpatient stay will be required); and prognosis. If the treatment plan involves the transfer of a CHAMPUS patient from a hospital or another inpatient facility, medical records related to that inpatient stay also are required as a part of the treatment plan documentation.

TRICARE Extra plan. The health care option, provided as part of the TRICARE program under Sec. 199.17, under which beneficiaries may choose to receive care in facilities of the uniformed services, or from special civilian network providers (with reduced cost sharing), or from any other CHAMPUS-authorized provider (with standard cost sharing).

TRICARE Hospital Outpatient Prospective Payment System (OPPS). OPPS is a hospital outpatient prospective payment system, based on nationally established APC payment amounts and standardized for geographic wage differences that includes operating and capital-related costs that are directly related and integral to performing a procedure or furnishing a service in a hospital outpatient department.

TRICARE Prime plan. The health care option, provided as part of the TRICARE program under Sec. 199.17, under which beneficiaries enroll to receive all health care from facilities of the uniformed services and civilian network providers (with civilian care subject to substantially reduced cost sharing).

TRICARE program. The program established under Sec. 199.17.

TRICARE Reserve Select. The program established under 10 U.S.C. 1076d and Sec. 199.24 of this Part.

TRICARE Retired Reserve. The program established to allow members of the Retired Reserve who are qualified for non-regular retirement, but are not yet 60 years of age, as well as certain survivors to qualify to purchase medical coverage equivalent to the TRICARE Standard (and Extra) benefit unless that member is either enrolled in, or eligible to enroll in, a health benefit plan under Chapter 89 of Title 5, United States Code. The program benefits and requirements are set forth in section 25 of this Part.

TRICARE standard plan. The health care option, provided as part of the TRICARE program under Sec. 199.17, under which beneficiaries are eligible for care in facilities of the uniformed services and CHAMPUS under standard rules and procedures.

Uniform HMO benefit. The health care benefit established by Sec. 199.18.

Uniformed Services. The Army, Navy, Air Force, Marine Corps, Coast Guard, Commissioned Corps of the USPHS, and the Commissioned Corps of the NOAA.

Unlabeled or Off-Label Drugs. Food and Drug Administration (FDA) approved drugs that are used for indications or treatments not included in the approved labeling. The drug must

be medically necessary for the treatment of the condition for which it is administered, according to accepted standards of medical practice.

Veteran. A person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

NOTE: Unless the veteran is eligible for “retired pay,” “retirement pay,” or “retainer pay,” which refers to payments of a continuing nature and are payable at fixed intervals from the government for military service neither the veteran nor his or her dependents are eligible for benefits under CHAMPUS.

Waiver of benefit limits. Extension of current benefit limitations under the Case Management Program, of medical care, services, and/or equipment, not otherwise a benefit under the TRICARE/CHAMPUS program.

Well-child care. A specific program of periodic health screening, developmental assessment, and routine immunization for dependents under six years of age.

Widow or Widower. A person who was a spouse at the time of death of a member or former member and who has not remarried.

Worker’s compensation benefits. Medical benefits available under any worker’s compensation law (including the Federal Employees Compensation Act), occupational disease law, employers liability law, or any other legislation of similar purpose, or under the maritime doctrine of maintenance, wages, and cure.

X-ray services. An x-ray examination from which an x-ray film or other image is produced, ordered by the attending physician when necessary and rendered in connection with a medical or surgical diagnosis or treatment of an illness or injury, or in connection with maternity or well-baby care.

[51 FR 24008, Jul. 1, 1986, as amended at 64 FR 46134, Aug. 24, 1999; 66 FR 40606, Aug. 3, 2001; 66 FR 45172, Aug. 28, 2001; 67 FR 18826, Apr. 17, 2002; 67 FR 40602; Jun. 13, 2002; 68 FR 6618, Feb. 10, 2003; 68 FR 23032, Apr. 30, 2003; 68 FR 32361, May 30, 2003; 68 FR 44880, Jul. 31, 2003; 69 FR 17048, Apr. 1, 2004; 69 FR 44946, Jul. 28, 2004; 69 FR 51563, Aug. 20, 2004; 69 FR 60554, Oct. 12, 2004; 70 FR 12802, Mar. 16, 2005; 70 FR 61377, Oct. 24, 2005; 71 FR 31944, Jun. 2, 2006; 71 FR 35532, Jun. 21, 2006; 71 FR 47092, Aug. 16, 2006; 72 FR 46383, Aug. 20, 2007; 73 FR 74964; Dec. 10, 2008; 74 FR 44755; Aug. 31, 2009; [75 FR 47455; Aug. 6, 2010](#)]

EDITORIAL NOTE: For Federal Register citations affecting Sec. 199.2, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and on GPO Access.

EDITORIAL NOTE: At 66 FR 45172, Aug. 28, 2001, Sec. 199.2, was amended in part by revising the definition of “Director, OCHAMPUS”. However, because of inaccurate amendatory language, this amendment could not be incorporated.

TMA Version - April 2005

TRICARE RETIRED RESERVE

(a) Establishment. 1

(1) Purpose. 1

(2) Statutory Authority. 1

(3) Scope of the Program. 1

(4) Major Features of TRICARE Retired Reserve. 1

(i) TRICARE rules applicable. 1

(ii) Premiums. 1

(iii) Procedures. 1

(iv) Benefits. 2

(b) Qualifications for TRICARE Retired Reserve coverage-- 2

(1) Retired Reserve Member. 2

(2) Retired Reserve Survivor. 2

(c) TRICARE Retired Reserve premiums. 2

(1) Annual establishment of rates. 2

(2) Premium adjustments. 3

(3) Survivor Premiums. 3

(d) Procedures. 3

(1) Purchasing Coverage. 3

(i) Continuation Coverage. 3

(ii) Qualifying Life Event. 3

(iii) Open Enrollment. 3

(iv) Survivor coverage under TRICARE Retired Reserve. 4

(2) Changing type of coverage. 4

(3) Termination. 4

(4) Processing. 4

(5) Periodic revision. 4

(e) Preemption of State laws.-- 5

(f) Administration. 5

(g) Terminology. 5

(1) Coverage. 5

(2) Immediate family member. 6

(3) Qualified member. 6

(4) Qualified survivor. 6

TMA Version - April 2005

PART 199.25 - TRICARE RETIRED RESERVE

(a) Establishment. TRICARE Retired Reserve is established for the purpose of offering the medical benefits provided under the TRICARE Standard and Extra programs to qualified members of the Retired Reserve, their immediate family members, and qualified survivors.

(1) Purpose. As specified in paragraph (c) of this section, TRICARE Retired Reserve is a premium-based health plan that is available for purchase by any Retired Reserve member who is qualified for non-regular retirement, but is not yet 60 years of age, unless that member is either enrolled in, or eligible to enroll in, a health benefit plan under Chapter 89 of Title 5, United States Code, as well as certain survivors of Retired Reserve members.

(2) Statutory Authority. TRICARE Retired Reserve is authorized by 10 U.S.C. 1076e.

(3) Scope of the Program. TRICARE Retired Reserve is geographically applicable to the same extent as specified in 32 CFR 199.1(b)(1).

(4) Major Features of TRICARE Retired Reserve. The major features of the program include the following:

(i) TRICARE rules applicable. (A) Unless specified in this section or otherwise prescribed by the ASD (HA), provisions of 32 CFR part 199 apply to TRICARE Retired Reserve.

(B) Certain special programs established in 32 CFR part 199 are not available to members covered under TRICARE Retired Reserve. These include the Extended Health Care Option (ECHO) program and the Supplemental Health Care Program (see Sec. 199.16) except when referred by a Military Treatment Facility (MTF) provider for incidental consults and the MTF provider maintains clinical control over the episode of care. The TRICARE Retiree Dental Program (see Sec. 199.13) is independent of this program and is otherwise available to all members who qualify for the TRICARE Retiree Dental Program whether or not they purchase TRICARE Retired Reserve coverage. The Continued Health Care Benefits Program (see Sec. 199.13) is also independent of this program and is otherwise available to all members who qualify for the Continued Health Care Benefits Program.

(ii) Premiums. TRICARE Retired Reserve coverage is available for purchase by any Retired Reserve member if the member fulfills all of the statutory qualifications as well as certain survivors. A member of the Retired Reserve or qualified survivor covered under TRICARE Retired Reserve shall pay the amount equal to the total amount that the ASD(HA) determines on an appropriate actuarial basis as being appropriate for that coverage. There is one premium rate for member-only coverage and one premium rate for member and family coverage.

(iii) Procedures. Under TRICARE Retired Reserve, Retired Reserve members (or their survivors) who fulfilled all of the statutory qualifications may purchase either the member-only type of coverage or the member and family type of coverage by submitting a completed request in the appropriate format along with an initial payment of the applicable premium.

TMA Version - April 2005

TMA Version - April 2005

Procedures for purchasing coverage and paying applicable premiums are prescribed in this section.

(iv) Benefits. When their coverage becomes effective, TRICARE Retired Reserve beneficiaries receive the TRICARE Standard (and Extra) benefit including access to military treatment facilities on a space available basis and pharmacies, as described in Sec. 199.17 of this part. TRICARE Retired Reserve coverage features the deductible and cost share provisions of the TRICARE Standard (and Extra) plan for retired members and dependents of retired members. Both the member and the member's covered family members are provided access priority for care in military treatment facilities on the same basis as retired members and their dependents who are not enrolled in TRICARE Prime as described in paragraph 199.17(d)(1)(E) of this Part.

(b) Qualifications for TRICARE Retired Reserve coverage--(1) Retired Reserve Member. A Retired Reserve member qualifies to purchase TRICARE Retired Reserve coverage if the member meets both the following criteria:

(i) Is a member of a Reserve component of the armed forces who is qualified for a non-regular retirement at age 60 under chapter 1223 of title 10, U.S.C., but who is not yet age 60 and

(ii) Is not enrolled in, or eligible to enroll in, a health benefits plan under chapter 89 of title 5, U.S.C.

(2) Retired Reserve Survivor. If a qualified member of the Retired Reserves dies while in a period of TRICARE Retired Reserve coverage, the immediate family member(s) of such member shall remain qualified to purchase new or continue existing TRICARE Retired Reserve coverage until the date on which the deceased member of the Retired Reserve would have attained age 60 as long as they meet the definition of immediate family members specified in paragraph (g)(2) of this section. This applies regardless whether either member-only coverage or member and family coverage was in effect on the day of the TRICARE Retired Reserve member's death.

(c) TRICARE Retired Reserve premiums. Members are charged premiums for coverage under TRICARE Retired Reserve that represent the full cost of the program as determined by the ASD(HA) utilizing an appropriate actuarial basis for the provision of the benefits provided under the TRICARE Standard and Extra programs for the TRICARE Retired Reserve eligible beneficiary population. Premiums are to be paid monthly. The monthly rate for each month of a calendar year is one-twelfth of the annual rate for that calendar year.

(1) Annual establishment of rates.(i) TRICARE Retired Reserve monthly premium rates shall be established and updated annually on a calendar year basis by the ASD(HA) for each of the two types of coverage, member-only coverage and member-and-family coverage.

(ii) The appropriate actuarial basis used for calculating premium rates shall be one that most closely approximates the actual cost of providing care to the same demographic population as those enrolled in TRICARE Retired Reserve as determined by the ASD(HA). TRICARE Retired Reserve premiums shall be based on the actual costs of providing benefits to TRICARE Retired Reserve members and their dependents during the preceding years if the population of Retired Reserve members enrolled in TRICARE Retired Reserve is large

enough during those preceding years to be considered actuarially appropriate. Until such time that actual costs from those preceding years becomes available, TRICARE Retired Reserve premiums shall be based on the actual costs during the preceding calendar years for providing benefits to the population of retired members and their dependents in the same age categories as the retired reserve population in order to make the underlying group actuarially appropriate. An adjustment may be applied to cover overhead costs for administration of the program by the government.

(2) Premium adjustments. In addition to the determinations described in paragraph (c)(1) of this section, premium adjustments may be made prospectively for any calendar year to reflect any significant program changes or any actual experience in the costs of administering the TRICARE Retired Reserve Program.

(3) Survivor Premiums. A surviving family member of a Retired Reserve member who qualified for TRICARE Retired Reserve coverage as described herein will pay premium rates at the member-only rate if there is only one surviving family member to be covered by TRICARE Retired Reserve and at the member-and-family rate if there are two or more survivors to be covered.

(d) Procedures. The Director, TRICARE Management Activity (TMA), may establish procedures for the following.

(1) Purchasing Coverage. Procedures may be established for a qualified member to purchase one of two types of coverage: member-only coverage or member and family coverage. Immediate family members of the Retired Reserve member may be included in such family coverage. To purchase either type of TRICARE Retired Reserve coverage for effective dates of coverage described below, Retired Reserve members and survivors qualified under either paragraph (b)(1) or (b)(2) of this section must submit a request in the appropriate format, along with an initial payment of the applicable premium required by paragraph (c) of this section in accordance with established procedures.

(i) Continuation Coverage. Procedures may be established for a qualified member or qualified survivor to purchase TRICARE Retired Reserve coverage with an effective date immediately following the date of termination of coverage under another TRICARE program.

(ii) Qualifying Life Event. Procedures may be established for a qualified member or qualified survivor to purchase TRICARE Retired Reserve coverage on the occasion of a qualifying life event that changes the immediate family composition (e.g., birth, death, adoption, divorce, etc.) that is eligible for coverage under TRICARE Retired Reserve. The effective date for TRICARE Retired Reserve coverage will coincide with the date of the qualifying life event. It is the responsibility of the member to provide personnel officials with the necessary evidence required to substantiate the change in immediate family composition. Personnel officials will update DEERS in the usual manner. Appropriate action will be taken upon receipt of the completed request in the appropriate format along with an initial payment of the applicable premium in accordance with established procedures.

(iii) Open Enrollment. Procedures may be established for a qualified member or qualified survivor to purchase TRICARE Retired Reserve coverage at any time. The effective date of coverage will coincide with the first day of a month.

(iv) Survivor coverage under TRICARE Retired Reserve. Procedures may be established for a surviving family member of a qualified Retired Reserve member who qualified for TRICARE Retired Reserve coverage as described in paragraph (b)(2) of this section to purchase new TRICARE Retired Reserve coverage or continue existing TRICARE Retired Reserve coverage. Procedures similar to those for qualifying life events may be established for a qualified surviving family member to purchase new or continuing coverage with an effective date coinciding with the day of the member's death. Procedures similar to those for open enrollment may be established for a qualified surviving family member to purchase new coverage at any time with an effective date coinciding with the first day of a month.

(2) Changing type of coverage. Procedures may be established for TRICARE Retired Reserve members/survivors to request to change type of coverage during open enrollment as described in paragraph (d)(1)(iii) of this section or on the occasion of a qualifying life event that changes immediate family composition as described in paragraph (d)(1)(ii) of this section by submitting a completed request in the appropriate format.

(3) Termination. Termination of coverage for the member will result in termination of coverage for the member's family members in TRICARE Retired Reserve, except as described in paragraphs (d)(1)(iv) of this section. The termination will become effective in accordance with established procedures.

(i) Coverage shall terminate for members or their survivors who no longer qualify for TRICARE Retired Reserve as specified in paragraph (c) of this section. For purposes of this section, the member or their survivor no longer qualifies for TRICARE Retired Reserve when the member has been eligible for coverage in a health benefits plan under Chapter 89 of Title 5, U.S.C. for more than 60 days. Further, coverage shall terminate when the Retired Reserve member attains the age of 60 or, if survivor coverage is in effect, when the deceased Retired Reserve member would have attained the age of 60.

(ii) Coverage may terminate for members and survivors who gain coverage under another TRICARE program.

(iii) Coverage shall terminate for members and survivors who fail to make a premium payment in accordance with established procedures.

(iv) Procedures may be established for covered members and survivors to request termination of coverage at any time by submitting a completed request in the appropriate format.

(v) Members or qualified survivors whose coverage under TRICARE Retired Reserve terminates under paragraph (d)(3)(iii) or (d)(3)(iv) of this section will not be allowed to purchase coverage under TRICARE Retired Reserve to begin again for a period of one year following the effective the date of termination.

(4) Processing. Upon receipt of a completed request in the appropriate format, enrollment actions will be processed into DEERS in accordance with established procedures.

(5) Periodic revision. Periodically, certain features, rules or procedures of TRICARE Retired Reserve may be revised. If such revisions will have a significant effect on members'

or survivors' costs or access to care, members or survivors may be given the opportunity to change their type of coverage or terminate coverage coincident with the revisions.

(e) Preemption of State laws.--(1) Pursuant to 10 U.S.C. 1103, the Department of Defense has determined that in the administration of chapter 55 of title 10, U.S. Code, preemption of State and local laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods is necessary to achieve important Federal interests, including but not limited to the assurance of uniform national health programs for military families and the operation of such programs, at the lowest possible cost to the Department of Defense, that have a direct and substantial effect on the conduct of military affairs and national security policy of the United States. This determination is applicable to contracts that implement this section.

(2) Based on the determination set forth in paragraph (f)(1) of this section, any State or local law or regulation pertaining to health insurance, prepaid health plans, or other health care delivery, administration, and financing methods is preempted and does not apply in connection with TRICARE Retired Reserve. Any such law, or regulation pursuant to such law, is without any force or effect, and State or local governments have no legal authority to enforce them in relation to TRICARE Retired Reserve. (However, the Department of Defense may, by contract, establish legal obligations on the part of DoD contractors to conform with requirements similar to or identical to requirements of State or local laws or regulations with respect to TRICARE Retired Reserve).

(3) The preemption of State and local laws set forth in paragraph (f)(2) of this section includes State and local laws imposing premium taxes on health insurance carriers or underwriters or other plan managers, or similar taxes on such entities. Such laws are laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods, within the meaning of 10 U.S.C. 1103. Preemption, however, does not apply to taxes, fees, or other payments on net income or profit realized by such entities in the conduct of business relating to DoD health services contracts, if those taxes, fees or other payments are applicable to a broad range of business activity. For the purposes of assessing the effect of Federal preemption of State and local taxes and fees in connection with DoD health services contracts, interpretations shall be consistent with those of the Federal Employees Health Benefits Program under 5 U.S.C. 8909(f).

(f) Administration. The Director, TRICARE Management Activity, may establish other rules and procedures for the effective administration of TRICARE Retired Reserve and may authorize exceptions to requirements of this section, if permitted by law, based on extraordinary circumstances.

(g) Terminology. The following terms are applicable to the TRICARE Retired Reserve program.

(1) Coverage. This term means the medical benefits covered under the TRICARE Standard or Extra programs as further outlined in other sections of Part 199 of Title 32 of the Code of Federal Regulations, whether delivered in military treatment facilities or purchased from civilian sources.

TMA Version - April 2005

(2) Immediate family member. This term means spouse (except former spouses) as defined in paragraph 199.3(b)(2)(i) of this part, or child as defined in paragraph 199.3(b)(2)(ii).

(3) Qualified member. This term means a member who has satisfied all the criteria that must be met before the member is authorized for TRR coverage.

(4) Qualified survivor. This term means an immediate family member who has satisfied all the criteria that must be met before the survivor is authorized for TRR coverage.

[75 FR 47455, Aug. 6, 2010]

TMA Version - April 2005