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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 YOUNG ADULT

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REMOVE PAGE(S)

Master Table of Contents, page 1

CHAPTER 2

Table of Contents, pages v and vi

Chapter pages 33 and 34

CHAPTER 26

★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★

INSERT PAGE(S)

Master Table of Contents, page 1

Table of Contents, pages v and vi

Chapter pages 33 and 34

Table of Contents, page i

Chapter pages 1 through 5

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

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

PART 199.26 - TRICARE YOUNG ADULT

APPENDIX A - ACRONYMS

TMA Version - April 2005

Physical therapist.24
 Physician.24
 Physician in training.24
 Podiatrist (Doctor of Podiatry or Surgical Chiropody).24
 Preauthorization.24
 Prescription drugs and medicines.24
 Preventive care.25
 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).26
 Prosthetic supplies.26
 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.27
 Radiation therapy services.27
 Rare Diseases.27
 Referral.27
 Registered nurse.27
 Rehabilitation.28
 Rehabilitative therapy.28
 Reliable evidence.28
 Representative.28
 Reservist.28
 Resident (medical).28
 Residential treatment center (RTC).28
 Respite care.28
 Retiree.29
 Routine eye examinations.29
 Sanction.29
 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.30
 State victims of crime compensation programs.30

TMA Version - April 2005

Student status.....	30
Supplemental insurance plan.....	30
Suppliers of portable X-ray services.....	31
Surgery.....	31
Surgical assistant.....	31
Suspension of claims processing.....	31
Teaching physician.....	31
Third-party payer.....	31
Timely filing.....	32
Transitional Assistance Management Program (TAMP).....	32
Treatment plan.....	32
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.....	33
TRICARE Young Adult.....	33
Uniform HMO benefit.....	33
Uniformed Services.....	33
Unlabeled or Off-Label Drugs.....	33
Veteran.....	33
Waiver of benefit limits.....	33
Well-child care.....	33
Widow or Widower.....	33
Worker’s compensation benefits.....	33
X-ray services.....	33

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.

TRICARE Young Adult. The program authorized by and described in Sec. 199.26 of this part.

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

TMA Version - April 2005

74964, Dec. 10, 2008; 74 FR 44755, Aug. 31, 2009; 75 FR 47455, Aug. 6, 2010; 75 FR 47458, Aug. 6, 2010; 76 FR 8297, Feb. 14, 2011; [76 FR 23483, Apr. 27, 2011](#)]

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 YOUNG ADULT

(a) Establishment. 1
 (1) Purpose. 1
 (2) Statutory authority. 1
 (3) Scope of the program. 1
 (4) Major features of TRICARE Young Adult. 1
 (i) TRICARE rules applicable. 1
 (ii) Premiums. 1
 (iii) Procedures. 2
 (iv) Benefits. 2
 (v) Transition period. 2

(b) Eligibility for TRICARE Young Adult coverage. 2
 (1) Young adult dependent. 2

(c) TRICARE Young Adult premiums. 3
 (1) Annual establishment of rates. 3
 (2) Premium adjustments. 3

(d) Procedures. 3
 (1) Purchasing coverage. 3
 (i) Continuation coverage. 3
 (ii) Open enrollment. 3
 (iii) Retroactive coverage. 4
 (2) Termination of coverage. 4
 (A) Active Duty Military Sponsor. 4
 (B) Selected Reserve (Sel Res) Sponsor. 4
 (C) Retired Reserve Sponsor. 4
 (3) Lockout. 5
 (4) Eligibility for the Continued Health Care Benefit Program. 5
 (5) Changing Coverage. 5

(e) Preemption of State Laws. 5

(f) Administration. 5

TMA Version - April 2005

PART 199.26 - TRICARE YOUNG ADULT

(a) Establishment. The TRICARE Young Adult (TYA) program offers the medical benefits provided under the TRICARE programs to qualified unmarried adult children who do not otherwise have eligibility for medical coverage under a TRICARE program at age 21 (23 if enrolled in a full-time course of study at an institution of higher learning approved by the Secretary of Defense) and are under age 26.

(1) Purpose. As specified in paragraph (c) of this section, TRICARE Young Adult is a premium-based health plan that is available for purchase by any qualified adult child as that term is defined in paragraph (b) of this section. The TRICARE Young Adult program allows a qualified adult child to purchase TRICARE coverage.

(2) Statutory authority. TRICARE Young Adult is authorized by 10 U.S.C. 1110b.

(3) Scope of the program. TRICARE Young Adult is geographically applicable to the same extent as specified in section 199.1(b)(1) of this part.

(4) Major features of TRICARE Young Adult. (i) TRICARE rules applicable.

(A) Unless specified in this section or otherwise prescribed by the ASD (HA), provisions of this Part apply to TRICARE Young Adult.

(B) The TRICARE Dental Program (Sec. 199.13 of this part) and the TRICARE Retiree Dental Program (Sec. 199.22 of this part) are not covered under TRICARE Young Adult.

(C) TRICARE Standard is available to all TYA-eligible young adult dependents. TYA enrollees in TRICARE Standard may use TRICARE Extra (under Sec. 199.17(e) of this Part).

(D) TRICARE Prime is available to TYA-eligible young adult dependents of sponsors to the same extent it is available to those sponsors' dependents who do not exceed the age requirements of Sec. 199.3 of this part, provided that TRICARE Prime is available in the geographic location where the TYA enrollee resides. This applies to TYA-eligible:

(1) Dependents of sponsors on active duty for more than 30 days or covered by TAMP (under Sec. 199.3(e));

(2) Dependents of sponsors who are retired members eligible for TRICARE Prime; and

(3) Survivors of members who died while on active duty for more than 30 days or while receiving retired or retainer pay.

(ii) Premiums. TRICARE Young Adult coverage is a premium based program that an eligible young adult dependent may purchase. There is only individual coverage, and a premium shall be charged for each dependent even if there is more than one qualified dependent in the military sponsor's family that qualifies for TRICARE Young Adult coverage. Dependents qualifying for TRICARE Young Adult status can purchase individual

TMA Version - April 2005

TRICARE Standard or Prime coverage (as applicable) according to the rules governing the TRICARE program for which they are qualified on the basis of their military sponsor's status (active duty, retired, Selected Reserve, or Retired Reserve) and the availability of a desired plan in their geographic location. Premiums shall be determined in accordance with paragraph (c) of this section.

(iii) Procedures. Under TRICARE Young Adult, qualified dependents under paragraph (b) of this section may purchase individual TRICARE coverage by submitting a completed request in the appropriate format along with an initial payment of the applicable premium. Procedures for purchasing coverage and paying applicable premiums are prescribed in paragraph (d) of this section.

(iv) Benefits. When their TRICARE coverage becomes effective, qualified beneficiaries receive the benefit of the TRICARE program that they selected, including, if applicable, access to military treatment facilities and pharmacies. TRICARE Young Adult coverage features the per service cost share, deductible and catastrophic cap provisions based on program selected, i.e., the TRICARE Standard/Extra program or the TRICARE Prime program, as well as the status of their military sponsor. Access to military treatment facilities under the system of access priorities in section 199.17(d)(1) of this Part is also based on the program selected as well as the status of the military sponsor. Premiums are not credited to deductibles or catastrophic caps.

(v) Transition period. During fiscal year 2011, the TYA program will include only TRICARE Standard program coverage.

(b) Eligibility for TRICARE Young Adult coverage.--(1) Young adult dependent. A young adult dependent qualifies to purchase TRICARE Young Adult coverage if the dependent meets the following criteria:

- (i) Would be a dependent child under section 199.3 of this Part but for exceeding the age limit under that section; and
- (ii) Is a dependent under the age of 26; and
- (iii) Is not enrolled, or eligible to enroll, for medical coverage in an eligible employer-sponsored health plan as defined in section 5000A(f)(2) of the Internal Revenue Code of 1986; and
- (iv) Is not otherwise eligible under section 199.3 of this Part; and
- (v) Is not a member of the uniformed services.

(2) The dependents' sponsor is responsible for keeping the Defense Enrollment Eligibility Reporting System (DEERS) current with eligibility data through the sponsor's Service personnel office. Using information from the DEERS, the managed care support contractors have the responsibility to validate a dependent's qualifications to purchase TRICARE Young Adult coverage.

(c) TRICARE Young Adult premiums. Qualified young adult dependents are charged premiums for coverage under TRICARE Young Adult that represent the full cost of the program, including reasonable administrative costs, as determined by the ASD(HA) utilizing an appropriate actuarial basis for the provision of TRICARE benefits for the TYA-eligible beneficiary population. Separate premiums shall be established for TRICARE Standard and Prime plans. There may also be separate premiums based on the uniformed services sponsor's status. 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 Young Adult monthly premium rates shall be established and updated annually on a calendar year basis by the ASD(HA) for TRICARE Young Adult individual 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 a similar demographic population (based on age and health plans) as those enrolled in TRICARE Young Adult, as determined by the ASD(HA). TRICARE Young Adult premiums shall be based on the actual costs of providing benefits to TYA dependents during the preceding years if the population of TYA enrollees is large enough during those preceding years to be considered actuarially appropriate. Until such time that actual costs from those preceding years become available, TRICARE Young Adult premiums shall be based on the actual costs during the preceding calendar years for providing benefits to the population of similarly aged dependents to make the underlying group actuarially appropriate. An adjustment may be applied to cover overhead costs for administration of the program.

(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 mandated by legislative enactment, including but not limited to significant new programs or benefits.

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

(1) Purchasing coverage. Procedures may be established for a qualified dependent to purchase individual coverage. To purchase TRICARE Young Adult coverage for effective dates of coverage described below, qualified dependents 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 by the Director, TRICARE Management Activity for a qualified dependent to purchase TRICARE Young Adult coverage with an effective date immediately following the date of termination of coverage under another TRICARE program. Application for continuation coverage must be made within 30 days of the date of termination of coverage under another TRICARE program.

(ii) Open enrollment. Procedures may be established for a qualified dependent to purchase TRICARE Young Adult coverage at any time. The effective date of coverage will coincide with the first day of a month.

TMA Version - April 2005

(iii) Retroactive coverage. A qualified young adult dependent may elect retroactive TRICARE Standard coverage effective as of January 1, 2011 if dependent was eligible as of that date. In the case of a young adult dependent who was not eligible as of January 1, 2011, but became eligible after that date but prior to the date of enrollment, the young adult dependent may elect retroactive TRICARE Standard coverage effective as of the date of eligibility. If retroactive coverage is elected, retroactive premiums must be paid for the time period between initial eligibility and the date of the election. If no retroactive coverage is elected or the retroactive premiums are not paid within the time prescribed, coverage will not be retroactive and coverage will apply only prospectively under the procedures set forth for open enrollment. No purchase of retroactive coverage may take place after September 30, 2011. Coverage under TRICARE Prime may not be made retroactively.

(2) Termination of coverage.(i) Loss of eligibility or entitlement for coverage by the sponsor will result in termination of the dependent's TRICARE Young Adult coverage unless otherwise specified. The effective date of the sponsor's loss of eligibility for care will also be the effective date of termination of benefits under the TYA program unless specified otherwise.

(A) Active Duty Military Sponsor. TYA coverage ends effective the date of military sponsor's separation from military service. Upon the death of an active duty sponsor, dependents eligible for Transitional Survivor coverage may purchase TYA coverage up to the age of 26.

(B) Selected Reserve (Sel Res) Sponsor. Sel Res sponsors must be currently enrolled in TRICARE Reserve Select (TRS) before a young adult dependent is eligible to purchase TYA. If TRS coverage is terminated by the sponsor, TYA coverage ends effective the same termination date as the sponsor. If the Sel Res sponsor dies while enrolled in TRS, the young adult dependent is eligible to purchase TYA coverage for six months after the date of death of the Sel Res sponsor, if otherwise eligible.

(C) Retired Reserve Sponsor. Retired Reserve members not yet eligible for retired or retainer pay must be enrolled in TRICARE Retired Reserve (TRR) to establish TYA eligibility for their young adult dependents. If TRR coverage is terminated by the sponsor, the TYA coverage for the young adult dependent ends effective the same date as the sponsor's termination of coverage under TRR. If the retired reserve sponsor dies while enrolled in TRR, the young adult dependent may continue to purchase TYA coverage until the date on which the deceased member would have attained age 60, as long as otherwise eligible. If the Retired Reserve member dies and is not enrolled in TRR, there is no eligibility for TYA coverage until the sponsor would have reached age 60. On the date the military sponsor would have reached 60, a young adult dependent who otherwise qualifies for TYA qualifies as a dependent of a deceased retired sponsor and can purchase TYA coverage.

(ii) Failure of a young adult dependent to maintain the eligibility qualifications in paragraph (b) of this section shall result in the termination of coverage under the TYA program. The effective date of termination shall be the date upon which the adult young dependent failed to meet any of the prerequisite qualifications. If a subsequent change in circumstances re-establishes eligibility (such as losing eligibility for an eligible employer-sponsored plan), the young adult dependent may re-enroll for coverage under the TYA program.

(iii) Termination of coverage results in denial of claims for services with a date of service after the effective date of termination.

(iv) Covered dependents may request termination of coverage at any time by submitting a completed request in the appropriate format in accordance with established procedures.

(3) Lockout. Dependents whose coverage under TRICARE Young Adult terminates for failure to pay premiums will not be allowed to purchase coverage again under TYA for a period of one year following the effective date of termination. Dependents who are terminated for failure to pay may request a waiver of the lockout from the Director, TRICARE Management Activity if extraordinary circumstances, as determined by the Director, prevented the dependent from being able to pay the premium. The Director may also provide a grace period not to exceed 90 days after the end of the month during which the last full premium was paid, during which a young adult dependent who would otherwise be subject to a lockout may be reinstated by the payment of all unpaid premiums. After 90 days, any waiver of a lockout by the Director shall allow the young adult dependent to re-enroll but not to receive retroactive coverage.

(4) Eligibility for the Continued Health Care Benefit Program. Upon termination of eligibility to purchase TYA coverage, dependents may purchase coverage for up to 36 months through the Continued Health Care Benefit Program under section 199.20 of this Part unless locked out of TYA.

(5) Changing Coverage. Upon application and payment of appropriate premiums, qualified dependents already enrolled in and who are current in their premium payments may elect to change to another TRICARE program for which the qualified dependent is eligible based on the sponsor's eligibility and the geographic location of the qualified young adult dependent. The Director, TMA shall establish administrative processes for this change in program enrollment; however, no change shall be effective until the applicable premium has been paid.

(e) Preemption of State Laws.-- The preemption provisions of Sec. 199.17(a)(7) of this part are applicable to the TYA program.

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

[76 FR 23483, Apr. 27, 2011]

