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TRICARE
MANAGEMENT ACTIVITY

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CHANGE 117
6010.51-M
MARCH 19, 2011

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL
FOR
TRICARE OPERATIONS MANUAL (TOM), AUGUST 2002**

The TRICARE Management Activity has authorized the following addition(s)/revision(s).

CHANGE TITLE: CORRECTION - TRICARE YOUNG ADULT (TYA) PROGRAM

CONREQ: 15257

PAGE CHANGE(S): See page 2.

SUMMARY OF CHANGE(S): Aug 2002 TOM, Change 115 (dated March 14, 2011) was published with an error. This change corrects Chapter 25, Section 1, paragraph 6.1.

EFFECTIVE DATE: January 1, 2011 (Standard Only).

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Director, Operations Division

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CHANGE 117
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REMOVE PAGE(S)

CHAPTER 25

Section 1, pages 9 through 12

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Section 1, pages 9 through 13

5.1. Jurisdiction For Premium Billing And Collection

5.1.1. *The particular contractor servicing the address for the young adult dependent shall perform premium billing and collection functions for the young adult dependent.*

5.1.2. *As part of each monthly bill, the contractor shall provide the opportunity for the young adult dependent to submit a change of address to the servicing contractor. At any time the servicing contractor notices that a new residential address is in the servicing area of another TRICARE contractor, the contractor shall initiate the actions necessary in DOES to transfer premium collection and other applicable administrative services to the new servicing contractor. The jurisdiction shall be based on the young adult dependent's reported new residential address. A young adult dependent may elect to provide an alternate mailing address, but the servicing contractor is based on the residential, not alternate mailing, address. A young adult dependent may transfer regions at any time. There is no maximum number of transfers from one region to another allowed each year. The gaining contractor shall perform the premium collections for overdue and future payments. Contractors may establish reports that facilitate the transfer of enrollment to another contractor.*

5.1.3. *All unsolicited PNTs for young adult dependents will be evaluated to determine if residential address changes require a transfer of premium collection and other applicable administrative services to another contractor for servicing. If a transfer is indicated, the contractor will follow requirements specified in [paragraph 5.1.2.](#) within 90 calendar days of notification in the change of the residential address.*

5.2. Issuance Of Bills

All bills for premium payments shall be issued to the address requested by the young adult dependent on the 10th calendar day of each month, or the next business day if the 10th of the month falls on a weekend, for the following month. All direct bills shall be for full month premiums and/or prorated amounts, if applicable, and shall reflect a due date of the last day of each billing month. Bills shall reflect all payments received through no less than the fifth day of the month. The following statement will appear on all bills: Young adult dependents eligible for medical coverage from their eligible employer-sponsored health plan as defined in section 5000A(f)(2) of the Internal Revenue Code of 1986 do not qualify for TYA coverage. A request to terminate TYA coverage must be submitted to preclude recoupment actions and to request a refund of any overpaid premiums, as applicable.

5.3. Premium Collection

The contractor shall credit the young adult dependent for premium payments received. All bills shall specify that the premium payment is due for receipt by the contractor NLT the last calendar day of the current month for the following month of coverage. In the case of a start date of coverage at anytime other than the first of a month (see [paragraph 4.1.1.](#) for continuation of coverage or as directed by the TRICARE RD, TAO Director, or designee), the first month's premium shall be prorated on a daily basis to synchronize billing to the first of the month, and future premiums adjusted accordingly. 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. The amount of the initial premium payment due may be printed on the prescribed form.

5.3.1. The contractor shall accept credit/debit cards, checks, cashier's checks, and money orders for the first three months of premiums. Otherwise the contractor shall accept recurring payments by credit/debit card (i.e., Visa/MasterCard) and Electronic Funds Transfer (EFT) only (see [paragraph 5.3.3.](#) for exception). An EFT payment or an automatic credit/debit card payment shall be processed on the first business day of the month of coverage. The contractor shall not generate bills if the young adult dependent's premiums are being paid via the EFT or automatic credit/debit card payment method. The contractor shall advise young adult dependents at the time of EFT election that an insufficient-funds fee of up to \$20 U.S. may be assessed, if sufficient funds are not available.

5.3.2. The contractor shall be responsible for initiating EFTs and automatic credit/debit card payments with a financial institution upon receipt of instructions from the young adult dependent.

5.3.3. The contractor shall directly bill the young adult dependent when a problem occurs in initially setting up the EFT or credit card payments or when there are insufficient funds to process a monthly EFT. The contractor may apply a fee of up to \$20 U.S. for insufficient funds. The contractor shall include notice of the fee of up to \$20 U.S. when billing the young adult dependent. If the contractor is unable to obtain the requested premium payment from the young adult dependent's account for any reason after an EFT or recurring credit card payment is established, the young adult dependent will be responsible for paying the overdue premiums and any insufficient-funds fee by means of direct billing.

5.3.4. Premium payments shall be made payable to the contractor servicing the young adult dependent's coverage as specified in [paragraph 5.1.](#)

5.4. Annual Premium Adjustment

5.4.1. Contractors shall include advance notification of any annual premium adjustments on the October, November, and December monthly bills. (The October notification may not include the actual premium rates for the new year.) The notification shall include the new amount for TYA coverage. For those young adult dependents not receiving a monthly bill, the contractor shall issue a notice advising the young adult dependent of the adjusted premium amount at the same time the October (if available), November, and December bills are mailed and shall initiate all actions required to allow the continuation of the EFT transaction or credit/debit card payment with the adjusted premium amount.

5.4.2. For premium adjustments that go into effect at any time other than January 1st, the government will provide instructions about notification to TYA purchasers.

5.5. Online Transactions

In addition to requirements specified in [paragraph 5.0.](#) and its subordinate paragraphs, the contractor may provide online capability for young adult dependents 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 TYA claims using established TRICARE cost-sharing rules and guidance based on the sponsor's status and the TYA plan purchased. Normal claims jurisdiction rules apply (*see Chapter 8, Section 2*). Normal TRICARE Other Health Insurance (OHI) processing rules apply to TYA except for claims from eligible employer-sponsored health plans. See [paragraph 6.6](#).

6.2. Non-Availability Statement (NAS) requirements shall apply to young adult dependents in the same manner as under the corresponding TRICARE plan.

6.3. If a young adult dependent purchases TYA coverage during the same fiscal year that he or she had another TRICARE health plan in effect, the individual cost-shares, contributions to the individual and family deductibles, and contributions to the family catastrophic cap from the other TRICARE health plan still apply in that fiscal year and shall not be recalculated. However, any cost-shares, contributions to deductibles, or contributions to the catastrophic cap amounts previously paid under CHCBP shall not be carried over to a TYA plan since CHCBP is not a TRICARE plan.

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 [Chapter 22, Section 3](#). The Managed Care Support Contractors (MCSCs) shall follow procedures established in the TRICARE Reimbursement Manual (TRM), [Chapter 4, Section 4](#), regarding dual eligible claims processing. Payment of Medicare Part B premiums do not provide a basis to waive TYA premiums.

6.5. If the contractor receives a PNT notifying them of a retroactive TYA disenrollment the contractor shall initiate recoupment of claims paid if appropriate as specified in [Chapter 11](#).

6.6. If at any time the contractor discovers that the young adult dependent may be eligible or is enrolled in an eligible employer-sponsored health plan from their employer, the contractor shall report the discovery to the appropriate TRICARE RD, TAO Director, or their designee NLT one business day after discovery. Claims may be pended or held until a final decision is reached. As applicable, the contractor shall follow [paragraph 4.3](#) and its subordinate paragraphs for loss of TYA eligibility.

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 other TRICARE plans.

7.1. Customer Education

7.1.1. Materials (i.e., public notices, flyers, informational brochures, web site, etc.) will be developed and distributed centrally by Department of Defense (DoD), TRICARE Management Activity (TMA), Office of C&CS. The contractor shall distribute all informational materials associated with the TYA program to the same extent and through the

same means as other TRICARE materials are distributed. Copies of the TYA handbook and other informational materials may be obtained through the usual TMA C&CS process.

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

7.2. Customer Service

The contractor shall provide all customer service support to young adult dependents in a manner equivalent to that provided to other TRICARE beneficiaries. When the contractor receives an inquiry involving TYA eligibility or qualifications and the individual does not show as TYA eligible in DEERS, the contractor shall refer the individual to the appropriate RAPIDS site.

8.0. ANALYSIS AND REPORTING

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

9.0. PAYMENTS FOR CONTRACTOR SERVICES RENDERED

9.1. Claims Reporting

The contractor shall report TYA program claims according to [Chapter 3](#). The contractor shall process payments on a non-financially underwritten basis for the health care costs incurred for each TYA claim processed to completion according to the provisions of [Chapter 3](#).

9.2. Fiduciary Responsibilities

9.2.1. The contractor shall act as a fiduciary for all funds acquired from TYA premium collections, which are government property. The contractor shall develop strict funds control processes for its collection, retention and transfer of premium funds to the government. All premium collections received by the contractor shall be maintained in accordance with these procedures.

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

9.2.3. The contractor shall wire-transfer the premium collections, net of refund payments, monthly to a specified government account as directed by the TMA Contract Resource Management (CRM) Finance And Accounting Office (F&AO). The government will provide the contractor with information for this government account. The contractor shall notify the TMA CRM F&AO, by e-mail, within one business day of the deposit, specifying the date and amount of the deposit as well as its purpose (i.e., TYA premiums). Collections for delinquency cases that have been transferred to TMA Office of General Counsel-Appeals,

Hearings & Claims Collection Division (OGC-AC) shall be wire-transferred separately. The contractor shall notify TMA CRM F&AO and TMA OGC-AC by e-mail within one business day of the day of deposit, specifying the sponsor name, DoD benefits number, payment amount, payment date, date case was transferred to TMA OGC-AC, and the date and amount of the deposit.

9.2.4. The contractor shall maintain a system for tracking and reporting premium billings, collections, and starts of coverage. The system is subject to government review and approval.

9.2.5. The contractor shall electronically submit monthly reports of premium activity supporting the wire transfer of dollars to the Contracting Officer (CO).

