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TRICARE
MANAGEMENT ACTIVITY

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CHANGE 122
6010.51-M
MAY 31, 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: JURISDICTION FOR PREMIUM BILLING AND COLLECTION
CLARIFICATION**

CONREQ: 15279

PAGE CHANGE(S): See page 2.

SUMMARY OF CHANGE(S): This change provides guidance to the Managed Care Support Contractors (MCSCs) regarding transfer of enrollments of TRICARE Reserve Select (TRS) or TRICARE Retired Reserve (TRR) survivors. Additionally, it provides guidance to the MCSCs to establish the financially responsible individual for survivor plans.

EFFECTIVE AND IMPLEMENTATION DATE: August 1, 2011.


Reta M. Michak
Director, Operations Division

ATTACHMENT(S): 13 PAGES
DISTRIBUTION: 6010.51-M

CHANGE 122
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CHAPTER 24

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member's or survivor's request from being accepted for processing according to submission deadlines specified in this section.

5.0. PREMIUM BILLING AND COLLECTION

The contractor shall perform all premium and billing functions required for TRS. Members/survivors are responsible for all premium payments for the type of coverage elected (i.e., TRS member-only or TRS member and family). All billing will be monthly; neither annual nor quarterly billings are authorized. Premium related transactions shall be reported through the enrollment fee payment interface (see the TSM, [Chapter 3, Section 1.5, paragraph 1.2.8.1.](#)).

5.1. Jurisdiction for Premium Billing and Collection

5.1.1. The particular contractor servicing the address for the TRS member or survivor shall perform premium billing and collection functions for the TRS member/survivor. *The contractor shall identify the financially responsible individual for survivor plans from the survivors actually covered by TRR in descending order of precedence:*

- *Spouse*
- *Oldest Enrolled Child (or Legal Guardian as applicable)*

5.1.2. As part of each monthly bill, the contractor shall provide the opportunity for the TRS member/*financially responsible* survivor to submit a change of address to the servicing contractor. At any time the servicing contractor notices that a new address is in another TRICARE region or outside the 50 United States or the District of Columbia, 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 TRS member's or *financially responsible* survivor's reported new address. Any TRS member/*financially responsible* survivor may transfer to a new region at any time. The gaining contractor shall perform the premium collections for future payments. If the beneficiary's account is overdue (without a current paid-through date) and the gaining contractor needs to disenroll, they then have to void the transfer and contact the original contractor to disenroll for the paid-through date.

5.1.3. All unsolicited PNTs for TRS members/survivors 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.](#)

5.2. Issuance of Bills

All direct bills for premium payments shall be issued on the 10th calendar day of each month, or the next business day, 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. Direct bills shall reflect all payments received through no less than the fifth day of the month. The following statement will appear on all direct bills: "Selected Reserve members (but not survivors) eligible for a health plan under 5 USC 89

(FEHBP) are not eligible for TRICARE Reserve Select and must submit a TRS request to terminate TRS coverage”.

5.3. Premium Collection

The contractor shall credit the TRS member/survivor 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, the first bill generated by the contractor shall include the prorated amount on a daily basis necessary to synchronize billing to the first of the month. The daily prorated amount shall be equal to 1/30th of the appropriate premium (rounded to the penny) regardless of how many days are actually in the month. The amount of the initial premium payment due may be printed on the prescribed form.

5.3.1. The contractor shall accept payments by personal check, cashier’s check, money order, credit/debit card (i.e., Visa/MasterCard) and Electronic Fund Transfer (EFT). 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 TRS member/survivor elects to use either the EFT or automatic credit/debit card payment method. The contractor shall advise members/survivors at the time of EFT election that an insufficient funds fee of up to \$20 U.S. will 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 the member’s/survivor’s financial institution upon request by the TRS member/survivor.

5.3.3. The contractor shall direct bill the TRS member/survivor when a problem occurs in initially setting up the EFT 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 member/survivor. If the contractor is unable to obtain the requested premium payment from the TRS member’s/survivor’s account for any reason after an EFT is established, the TRS member 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 member’s/survivor’s coverage as specified in [paragraph 5.1](#).

5.4. Annual Premium Adjustment

5.4.1. Contractors shall include advance notification of 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 member only and member and family coverage. For those members/survivors not receiving a monthly bill, the contractor shall issue a notice advising the member/survivor of the adjusted premium amount at the same time the October, 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 the first, the government will provide instructions about notification of members/survivors.

5.5. Premium Adjustments from Changes Associated with QLEs

5.5.1. When a QLE is processed that changes the premium, the effective date of the premium change shall be the date of the QLE.

5.5.2. If the change from a QLE results in an increase in the premium, the contractor shall adjust the next bill or electronic payment, to include any underpaid amount (prorated to the day as specified in [paragraph 5.3.](#)), to the effective date of the change.

5.5.3. If the change from a QLE results in a decrease in the premium, the contractor shall retain any overpaid amount and apply it to subsequent bills or electronic payment until all of the overpayment is exhausted.

5.6. Terminations and Premium Adjustments

The contractor shall initiate the process to refund any premium amounts applied for coverage after the date of termination as specified in [paragraph 4.4.](#)

5.7. Online Transactions

In addition to requirements specified in [paragraph 5.0.](#) and its subordinate paragraphs, the contractor may provide online capability for TRS members/survivors to conduct business related to premium collection and other applicable administrative services through secure access to the contractor's web site.

6.0. CLAIMS PROCESSING

6.1. The contractor shall process TRS claims under established TRICARE Standard and TRICARE Extra ADFM cost-sharing rules and guidance. Normal TRICARE Other Health Insurance (OHI) processing rules apply to TRS.

6.2. The contractor shall pend all claims for health care provided to a newborn/new child of a TRS member until the member completes the process specified in [paragraph 4.2.3.1.](#) If the contractor becomes aware that a TRS member has an unregistered newborn/new child the contractor shall notify the TRS member of the requirement to enroll the newborn/new child in DEERS and submit a request form for the newborn/new child NLT 60 days after birth/custody. When the member completes the process specified in [paragraph 4.2.3.2.](#), the contractor shall process any claims associated with the newborn/new child's health care. If the member fails to complete the process as specified in [paragraph 4.2.3.2.](#), the contractor shall deny any claims associated with the newborn/new child's health care.

6.3. Premium payments made for TRS shall not be applied to the fiscal year deductible or catastrophic cap limit.

6.4. Non-Availability Statements (NASs) requirements shall apply to TRS members, family members, and survivors in the same manner as for ADFMs under TRICARE Standard/Extra.

6.5. Medicare is the primary payer for TRICARE beneficiaries who have Medicare eligibility. Claims under the TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC) will be adjudicated under the rules set forth in [Chapter 20, Section 3](#). The MCSCs shall follow procedures established in the TRICARE Reimbursement Manual (TRM), [Chapter 4, Section 4](#) regarding dual-eligibles' claims processing.

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

6.7. If at anytime the contractor discovers that the Selected Reserve member may be eligible for or enrolled in the FEHBP, the contractor shall report the discovery to the appropriate TRICARE RD or their designee or TAO Director NLT one business day after discovery. As applicable, the contractor shall follow [paragraph 4.4.1](#), and its subordinate paragraphs for loss of TRS eligibility. If any other actions are to be taken by the contractor as a result of this discovery, the TRICARE RD or their designee or TAO Director will send instructions to the contractor.

7.0. COMMUNICATIONS AND CUSTOMER SERVICE

In addition to communications and customer service functions specified throughout this chapter, the contractor shall perform communications and customer service functions to the same extent as they do for TRICARE Standard and TRICARE Extra.

7.1. Customer Education

7.1.1. Information materials (i.e., public notices, flyers, informational brochures, etc.) will be developed and printed centrally by Department of Defense (DoD), TRICARE Management Activity (TMA), Office of Communications and Customer Service (C&CS). The contractor shall distribute all documents associated with the TRS Program to the same extent and through the same means as TRICARE Standard materials are distributed. Copies of the TRS Handbook and other information materials may be ordered through the usual TMA Communication and Customer Service ordering process.

7.1.2. Upon start of coverage under TRS the contractor shall mail one copy of the TRS Handbook to each new TRS member/survivor with TRS member-only coverage and one copy to the household of each TRS member with TRS member/survivor and family coverage. The contractor shall send additional handbooks upon request, such as when survivors or TRS members and covered family members live in different locations (split coverage).

7.2. Customer Service

The contractor shall provide all customer service support in a manner equivalent to that provided TRICARE Standard beneficiaries. When the contractor receives an inquiry

involving TRS eligibility or qualifications, the contractor shall refer the inquiry to the member's RC.

8.0. ANALYSIS AND REPORTING

TRS 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 TRS program claims according to [Chapter 3](#). The contractor shall process payments on a non-financially underwritten basis for the healthcare costs incurred for each TRS 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 TRS premium collections, which are government property. The contractor shall develop strict funds control processes for its collection, retention and transfer of premium funds to the government. All premium collections received by the contractor shall be maintained in accordance with these procedures.

9.2.2. Either a separate non-interest bearing account shall be established for the collection and disbursement of TRS premiums or the account used for TRICARE Retired Reserve (TRR) premium collections, when established, shall be used for TRS premiums as well. The contractor shall deposit premium collections to the established account within one business day of receipt.

9.2.3. The contractor shall wire-transfer the premium collections and net of refund payments, monthly to a specified government account as directed by 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., TRS premiums). Premiums for TRS and TRR, when established, may be sent as a single wire as long as CRM is notified of the amounts of each type of premium. Collections for delinquency cases that have been transferred to 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 email within one business day of the day of deposit, specifying the sponsor name, sponsor Social Security Number (SSN) (last four digits), payment amount, payment date, date case was transferred to 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).

10.0. DELINQUENT PREMIUMS

10.1. The contractor shall no longer collect delinquent premiums with two exceptions:

- Contractors shall continue to collect delinquent premiums in cases in which TRS members and/or family members have entered into installment payment agreements.
- Contractors shall continue to collect delinquent premiums in cases in which TRS members and/or family members received health care services during the grace period.

10.2. The contractor shall terminate collection of delinquent premiums for all other cases within 60 days through an adjustment to the account and issue written notification to the debtor that collection has been terminated. Language for a sample letter is included at [Addendum A, Figure 24-A-1](#). A summary report of all cases terminated shall be provided to the OGC within 30 days following termination of all cases. Such report shall include the sponsor's name, SSN, debt amount and date closed.

10.3. The contractor shall be responsible for coordinating with DEERS to ensure coverage dates for all TRS members and/or family members are correct. The coverage dates in DEERS will not be changed for those members and/or family members who have entered into installment payment agreements or for cases in which TRS members and/or family members obtained medical services during the grace period. OGC will provide the premium paid through dates to the contractor for cases for which the premiums were not collected by OGC so that DEERS can be updated accordingly.

4.4.3.2. A contractor shall apply a TRR purchase lockout to the Retired Reserve member, family members, and/or survivors. The lockout shall be for a period of 12 months from the effective date of termination. The DMDC written notification of termination (see [paragraph 4.4.3.1.](#)) includes notice of the 12 month lockout period.

4.4.4. Member/Survivor Request for Voluntary Termination

4.4.4.1. Termination of Existing Plan(s)

The contractor shall accept requests for termination of coverage from TRR members/survivors at anytime. The effective date of termination is either (a) the last day of the month in which the request was postmarked or received in the TSC or (b) the last day of a future month as specified in the request given that the request was postmarked or received in the TSC in the month preceding the requested month of termination. The contractor shall apply a TRR purchase lockout to all beneficiaries covered by the TRR plan for a period of 12 months from the effective date of terminations initiated by the TRR member or survivor. The DMDC written notification of termination (see [paragraph 4.4.3.1.](#)) includes notice of the 12 month lockout period.

4.4.4.2. Termination of an Individual's Coverage

The contractor shall accept requests for termination of coverage for individual family members or survivors from TRR members/survivors at anytime. The effective date of termination is either (a) the last day of the month in which the request was postmarked or received in the TSC, or (b) the last day of a future month as specified in the request given that the request was postmarked or received in the TSC in month preceding the requested month of termination, or (c) as otherwise specified. The contractor shall apply a TRR purchase lockout to individual family members or survivors whose TRR coverage was terminated upon request for a period of 12 months from the effective date of terminations initiated by the TRR member or survivor. The DMDC written notification of termination (see [paragraph 4.4.3.1.](#)) includes notice of the 12 month lockout period.

4.4.4.3. Cancelled Eligibility and Enrollment

When the contractor receives a PNT for a cancelled enrollment, the contractor will generate a letter notifying the covered member/survivor of the cancellation and refund any unused portion of the premium payment. No lockout shall be applied for a cancelled enrollment.

4.4.5. TRR Survivor Coverage Termination

If TRR coverage is continued as described in [paragraph 4.1.4.1.](#) and the survivors do not wish to keep the coverage, the survivors must submit a request in writing in accordance with procedures described in [paragraph 4.1.4.1.](#) for receipt by the contractor NLT 60 days after the date of death in order to terminate coverage retroactive to the day after the member's death and no lockout is applied. Alternatively, the survivor may request to terminate coverage in accordance with [paragraph 4.4.4.](#) Otherwise, DEERS will terminate TRR survivor coverage on the date on which the deceased member of the Retired Reserve would have attained age 60. Refunds of premiums will be handled as specified in [paragraph 4.4.](#)

4.5. Exceptions

4.5.1. Reconsiderations of Member's and Survivor's Actions

The contractor shall advise TRR members/survivors that all reconsideration requests for a (a) refusal of a late submission of a TRR request or (b) lockouts shall be submitted to the appropriate TRICARE RD or their designee or TAO Director for determination. The TRICARE RD or their designee or the TAO Director will issue decisions within ten calendar days of receipt for all reconsideration requests. If changes are to be made to a member's/survivor's coverage as a result of a reconsideration determination, the TRICARE RD, or their designee or the TAO Director will send instructions to the contractor. The contractor shall carry out such instructions NLT 10 days after receipt from the TRICARE RD or their designee or TAO Director. The TRICARE RD or their designee, or the TAO Director may authorize an "override" of information contained on DEERS, pending a system update, based on appropriate documentation regarding eligibility under the law, regulation and policy.

4.5.2. Administrative Issues

The TRICARE RD, or their designee or TAO Director will notify the contractor when the government determines that an administrative situation occurred that prevented a retired member's or survivor's request from being accepted for processing according to submission deadlines specified in this section.

5.0. PREMIUM BILLING AND COLLECTION

The contractor shall perform all premium and billing functions required for TRR. Retired Reserve members or survivors are responsible for all premium payments for the type of coverage elected (i.e., TRR member-only or TRR member-and-family). All billing will be monthly; neither annual nor quarterly billings are authorized. Premium-related transactions shall be reported through the enrollment fee payment interface (see the TSM, [Chapter 3, Section 1.5, paragraph 1.2.8.1.](#)).

5.1. Jurisdiction For Premium Billing And Collection

5.1.1. The particular contractor servicing the address for the TRR member or survivor shall perform premium billing and collection functions for the TRR member/survivor. *The contractor shall identify the financially responsible individual for survivor plans from the survivors actually covered by TRR in descending order of precedence:*

- *Spouse*
- *Oldest Enrolled Child (or Legal Guardian as applicable)*

5.1.2. As part of each monthly bill, the contractor shall provide the opportunity for the TRR member/*financially responsible* survivor 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 TRR member's

or *financially responsible* survivor's reported new address. Any TRR member/*financially responsible* survivor may transfer regions at any time. The gaining contractor shall perform the premium collections for overdue and future payments.

5.1.3. All unsolicited PNTs for TRR members/survivors 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](#).

5.2. Issuance Of Bills

All bills for premium payments shall be issued on the 10th calendar day of each month, or the next business day, 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: Retired Reserve members (but not survivors) eligible for a health plan under 5 USC 89, the FEHBP, do not qualify for TRR and must submit a request to terminate TRR coverage.

5.3. Premium Collection

The contractor shall credit the TRR member or survivor 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, the first bill generated by the contractor shall include the prorated amount on a daily basis necessary to synchronize billing to the first of the month. The daily prorated amount shall be equal to 1/30th of the appropriate premium (rounded to the penny) regardless of how many days are actually in the month. The amount of the initial premium payment due may be printed on the prescribed form.

5.3.1. The contractor shall accept payments by personal check, cashier's check, money order, credit/debit card (i.e., Visa/MasterCard), and Electronic Funds Transfer (EFT). 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 TRR member/survivor elects to use either the EFT or automatic credit/debit card payment method. The contractor shall advise member/survivors 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 the member's/survivor's financial institution upon being requested to do so by the TRR member/survivor.

5.3.3. The contractor shall directly bill the TRR member/survivor when a problem occurs in initially setting up the EFT or credit card payments 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 member/survivor. If the contractor is unable to obtain the requested premium payment from the TRR member's/survivor's account for any reason after an EFT or recurring credit

card payment is established, the TRR member/survivor 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 member's or survivor'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 member-only and member-and-family coverage. For those members/survivors not receiving a monthly bill, the contractor shall issue a notice advising the member/survivor of the adjusted premium amount at the same time the October, 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 the first, the government will provide instructions about notification of members/survivors.

5.5. Premium Adjustments From Changes Associated With QLEs

5.5.1. When a QLE is processed that changes the premium, the effective date of the premium change shall be the date of the QLE.

5.5.2. If the change from a QLE results in an increase in the premium, the contractor shall adjust the next bill or electronic payment, to include any underpaid amount (prorated to the day as specified in [paragraph 5.3](#)), to the effective date of the change.

5.5.3. If the change from a QLE results in a decrease in the premium, the contractor shall retain any overpaid amount and apply it to subsequent bills or electronic payments until all of the overpayment is exhausted.

5.6. Terminations

The contractor shall initiate the process to refund any premium amounts applied for coverage after the date of termination as specified in [paragraph 4.4](#).

5.7. Online Transactions

In addition to requirements specified in [paragraph 5.0](#) and its subordinate paragraphs, the contractor may provide online capability for TRR members/survivors to conduct business related to premium collection and other applicable administrative services through secure access to the contractor's web site.

6.0. CLAIMS PROCESSING

6.1. The contractor shall process TRR claims under established TRICARE Standard and TRICARE Extra retiree cost-sharing rules and guidance. Normal TRICARE Other Health Insurance (OHI) processing rules apply to TRR.

6.2. The contractor shall pend all claims for health care provided to a newborn/new child of a TRR member until the member completes the process specified in [paragraph 4.2.3.1](#). If the contractor becomes aware that a TRR member has an unregistered newborn/new child, the contractor shall notify the TRR member of the requirement to register the new child in DEERS and submit a request form for the newborn/new child NLT 60 days after birth/custody. When the member completes the process specified in [paragraph 4.2.3.1](#), the contractor shall process any claims associated with the child's health care. If the member fails to complete the process as specified in [paragraph 4.2.3.1](#), the contractor shall deny any claims associated with the child's health care.

6.3. Premium payments made for TRR shall not be applied to the fiscal year deductible or catastrophic cap limit.

6.4. Non-Availability Statement (NAS) requirements shall apply to TRR members, family members, and survivors in the same manner as for retirees under TRICARE Standard/Extra.

6.5. If a Retired Reserve member purchases TRR during the same calendar year that the member had a TRICARE Reserve Select plan in effect, the catastrophic cap, deductibles and cost shares shall not be recalculated.

6.6. Medicare is the primary payer for TRICARE beneficiaries who have Medicare eligibility. Claims under the TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC) will be adjudicated under the rules set forth in [Chapter 22, Section 3](#). The MCSCs shall follow procedures established in the TRICARE Reimbursement Manual (TRM), ([Chapter 4, Section 4](#)) regarding dual-eligibles' claims processing.

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

6.8. If at anytime the contractor discovers that the Retired Reserve member may be eligible for or enrolled in the FEHBP, the contractor shall report the discovery to the appropriate TRICARE RD or their designee or TAO Director NLT one business day after discovery. As applicable, the contractor shall follow [paragraph 4.4.1](#) and its subordinate paragraphs for loss of TRR eligibility. If any other actions are to be taken by the contractor as a result of this discovery, the TRICARE RD or their designee or TAO Director will send instructions to the contractor.

7.0. COMMUNICATIONS AND CUSTOMER SERVICE (C&CS)

In addition to C&CS functions specified throughout this chapter, the contractor shall perform C&CS functions to the same extent as they do for TRICARE Standard and TRICARE Extra.

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 TRR program to the same extent and through the same means as TRICARE Standard materials are distributed. Copies of the TRR handbook and other information materials may be obtained through the usual TMA C&CS process.

7.1.2. Upon start of coverage under TRR each contractor shall mail one copy of the TRR handbook to each TRR member/survivor with TRR member-only coverage and one copy to the household of each TRR member/survivor with TRR member-and-family coverage. The member/survivor's servicing contractor shall send additional handbooks upon request, such as when covered family members live in different locations (split locations).

7.2. Customer Service

The contractor shall provide all customer service support in a manner equivalent to that provided TRICARE Standard beneficiaries. When the contractor receives an inquiry involving TRR eligibility or qualifications, the contractor shall refer the individual to the appropriate RC.

8.0. ANALYSIS AND REPORTING

TRR 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 TRR 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 TRR 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 TRR 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. Either a separate non-interest bearing account shall be established for the collection and disbursement of TRR premiums or the account used for TRICARE Reserve Select (TRS) premium collections shall be used for TRR premiums as well. The contractor shall deposit premium collections to the established account within one business day of receipt.

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. TRR premiums). Premiums for TRS and TRR may be sent as a single wire as long as CRM is notified of the amounts of each type of premium. Collections for delinquency cases that have been transferred to 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, sponsor Social Security Number (SSN) (last four digits), 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).

