



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
HEALTH AFFAIRS

16401 EAST CENTRETECH PARKWAY  
AURORA, COLORADO 80011-9066

TRICARE  
MANAGEMENT ACTIVITY

OD

CHANGE 138  
6010.51-M  
MARCH 5, 2012

**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:** LOCKOUT PROVISION

**CONREQ:** 15535

**PAGE CHANGE(S):** See page 2.

**SUMMARY OF CHANGE(S):** This change allows Active Duty Family Members (ADFM) (E-5 and above) to disenroll from TRICARE Prime and not be locked out from re-enrollment for one year, until their enrollment status changes more than twice in an enrollment year.

**EFFECTIVE AND IMPLEMENTATION DATE:** Upon direction of the Contracting Officer.

  
Reta M. Michak  
Director, Operations Division

**ATTACHMENT(S):** 2 PAGES  
**DISTRIBUTION:** 6010.51-M

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**REMOVE PAGE(S)**

**CHAPTER 6**

Section 1, pages 5 and 6

**INSERT PAGE(S)**

Section 1, pages 5 and 6

expiration and renewal of the TRICARE Prime enrollment, and a bill for the enrollment fee, if applicable (since ADSMs must be enrolled but their family members need not be, there is no action required if an ADSM does not have enrolled family members). The bill shall offer the various payment options: annual, quarterly or monthly. The contractor shall issue a delinquency notice to the appropriate individual 15 calendar days after the expiration date. The contractor shall automatically renew enrollments upon expiration unless the enrollee declines renewal, is no longer eligible for Prime enrollment, or fails to pay the enrollment fee on a timely basis, including any grace period allowed. The contractor shall allow a 30 calendar day grace period beginning the first day following the last day of the enrollment period. If the enrollee requests disenrollment during this grace period, the contractor shall disenroll the beneficiary effective retroactive to the enrollment period expiration date. The contractor may pend claims during the grace period to avoid the need to recoup overpayments. If an enrollee does not respond to the re-enrollment notification and fails to make an enrollment fee payment by the end of the grace period, the contractor is to assume that the enrollee has declined re-enrollment. The contractor shall disenroll the beneficiary retroactive to the enrollment expiration date. DMDC sends written notification to the beneficiary of the disenrollment and the reason for the disenrollment within five business days of the disenrollment transaction.

### 7.3. Disenrollment

The contractor shall automatically disenroll beneficiaries when an enrollment fee payment, either the entire annual amount or an installment payment, is not received by the 30th calendar day following the annual expiration date or the due date for the installment payment. After the 30th calendar day, the contractor shall disenroll the beneficiaries with a disenrollment effective date retroactive to the annual renewal date or the payment due date, whichever applies. Prior to processing a disenrollment with a reason of "non-payment of fees," the MCSC or Uniformed Services Family Health Plan (USFHP) provider must reconcile their fee payment system against the fee totals in DEERS. Once the MCSC confirms that the payment amounts match, the disenrollment may be entered in DOES. The disenrolled beneficiary will be responsible for the deductible and cost-shares applicable under TRICARE Extra or Standard (depending on the provider's status) for any health care received during the 30 day grace period. In addition, the beneficiary shall be responsible for the cost of any services received during the 30 day grace period that may have been covered under TRICARE Prime but are not a benefit under TRICARE Extra or Standard, e.g., preventive care.

### 7.4. Enrollment Lockout

7.4.1. The contractor shall "lockout" or deny re-enrollment for a period of 12 months from the effective date of disenrollment for the following beneficiaries:

- Retirees and/or their family members who voluntarily disenroll prior to their annual enrollment renewal date;
- ADFMs (E-5 and above) who change their enrollment status (i.e., from enrolled to disenrolled twice in *a given year*) for any reason during the enrollment year (October 1 to September 30) (refer to this chapter and the TPM, [Chapter 10, Section 2.1](#) and [3.1](#)); and

- Any beneficiary disenrolled for failure to pay required enrollment fees during a period of enrollment.

**NOTE:** The 12 month lockout provision does not apply to ADFMs whose sponsor's pay grade is E-1 through E-4.

**7.4.2.** Beneficiaries who decline re-enrollment during their annual renewal period are not subject to the 12 month enrollment lockout. At the end of an annual enrollment period, if the beneficiary declines to continue their enrollment and subsequently requests re-enrollment, a new enrollment form is required and the contractor shall process the request as a "new" enrollment. (If an enrollee did not respond to a re-enrollment notification and failed to make an enrollment fee payment by the end of the grace period, the contractor is to assume that the enrollee declined re-enrollment.)

**7.4.3.** The contractor shall not grant waivers to the 12 month lockout provision. TRICARE Regional Office (TRO) Directors may grant waivers to the lockout provisions in extraordinary circumstances.

## **8.0. ENROLLMENT FEES**

### **8.1. General**

The contractor shall collect the enrollment fee payment from the TRICARE Prime enrollee, and report enrollment fees to DEERS (see the TSM, [Chapter 3](#)). The Prime enrollee shall select one of the three payment fee options on the Prime Enrollment Application Form:

#### **8.1.1. Annual Payment Fee Option**

Annual installment will be collected in one lump sum. For initial enrollments and re-enrollments that are not yet aligned to the fiscal year, the contractor shall prorate the fee from the enrollment date to September 30. The contractor shall accept payment of the annual enrollment fee by personal check, cashier's check, traveler's check, money order or credit card (e.g., Visa/MasterCard).

#### **8.1.2. Quarterly Payment Fee Option**

Quarterly installments are equal to one-fourth ( $\frac{1}{4}$ ) of the total annual fee amount. For initial enrollments and re-enrollments that are not yet aligned to the fiscal year, the contractor shall prorate the quarterly fee to covering the period until the next fiscal year quarter (e.g., January 1, April 1, July 1, October 1) and collect quarterly fees thereafter through September 30. The contractor shall accept payment of the quarterly enrollment fee by personal check, cashier's check, traveler's check, money order or credit card (e.g., Visa/MasterCard).

#### **8.1.3. Monthly Payment Fee Option**

Monthly installments are equal to one-twelfth ( $\frac{1}{12}$ ) of the total annual fee amount. Monthly enrollment fees must be paid through an allotment from retirement pay or through Electronic Funds Transfer (EFT) from the enrollee's designated financial institution.