CHAPTER 25
SECTION 1

TRICARE YOUNG ADULT (TYA)

1.0. GENERAL

TYA is premium-based TRICARE coverage available for purchase by qualified young adult dependents under the age of 26 who are no longer eligible for TRICARE at age 21 (age 23 if *formally* enrolled in a full-time course of study at an institution of higher learning approved by the Secretary of Defense *and more than 50% dependent on the uniformed service sponsor for financial support*). Section 702 of the Ike Skelton National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2011 (Public Law 111-383) established the authority for the TYA program and created Section 1110b, Chapter 55, 10 United States Code (USC).

The effective date of coverage is January 1, 2011. Only TYA Standard/Extra *coverage* will be initially offered. Young adult dependents may purchase retroactive coverage back to January 1, 2011, until September 30, 2011. TYA Prime *coverage* will be added *upon direction from the Contracting Officer (CO)*, but without retroactive coverage.

1.1. Benefits/Scope Of Care

When TYA coverage becomes effective, qualified beneficiaries receive the benefits of the TRICARE program purchased, including access to Military Treatment Facilities (MTFs) and pharmacies. TYA coverage features the per service cost-share, deductible, and catastrophic cap provisions of the TRICARE plan purchased based on the status of the uniformed service sponsor *and the geographical location of the young adult dependent*. Premiums are not credited to deductibles or catastrophic caps. The provisions of 32 CFR 199.16(a)(3) concerning the Supplemental Health Care Program (SHCP) for dependents under the care of the MTF apply to TYA.

1.2. Specific Programs Not Available Under TYA

Specific programs not available under TYA include those listed below:

- TRICARE Dental Program (TDP) and the TRICARE Retiree Dental Program (TRDP) are not part of the medical programs under Chapter 55, 10 USC and, therefore, not covered under TYA. Eligibility for these dental programs ends when the dependent turns age 21 (age 23 if enrolled in a full-time course of study at an institution of higher learning approved by the Secretary of Defense) or as otherwise indicated in the implementing regulations for those programs.

- Continued Health Care Benefit Program (CHCBP).

- TRICARE Reserve Select (TRS) if the young adult dependent is a Selected Reserve member in his or her own right.

2.0. TYA *COVERAGE*

2.1. TYA is a premium based program which allows an eligible young adult dependent to purchase medical coverage. TYA offers individual coverage only with an individual fee "paid-through date" for each TYA purchaser. A *separate* monthly premium will be charged for each young adult dependent even if there is more than one qualified dependent in the uniformed service sponsor's family who *purchases* for TYA coverage. Dependents qualifying for TYA coverage can purchase individual coverage according to the rules governing the TRICARE programs for which they are qualified on the basis of their uniformed service sponsor's status (active duty, retired, Selected Reserve, or Retired Reserve). Young adult dependents can purchase TRICARE coverage plans that are offered in their geographic area, i.e., TRICARE Standard/Extra and TRICARE Prime.

2.2. Each year the government will determine the monthly premium rates payable by young adult dependents for *TYA* coverage. The government will provide the premium rates to the contractor no later than (NLT) 60 calendar days prior to the effective date. Unless otherwise specified or directed, the premium rate will be in effect for a full calendar year effective the first day of January.

3.0. QUALIFYING TO PURCHASE TYA COVERAGE

In order to purchase TYA coverage, young adult dependents who meet the *qualifications* listed in paragraph 3.1. must be listed in the Defense Enrollment Eligibility Reporting System (DEERS) database. The Defense Manpower Data Center (DMDC) will ensure that dependents meeting the *qualifications* will be reflected as eligible to purchase or continue TYA coverage if the uniformed service sponsor is eligible for health care under Chapter 55, 10 USC *or* Chapter 58, 10 USC Section 1145(a), Transitional Assistance Management Program (TAMP). The contractor shall rely solely upon DEERS to identify young adult dependents qualified to purchase TYA coverage. The contractor shall refer young adult dependents and uniformed service sponsors to a Real-Time Automated Personnel Identification System (RAPIDS) site *if the dependent is not found in DEERS; for other eligibility issues follow procedures listed in the TRICARE Systems Manual (TSM), Chapter 3, Section 1.6*. Qualifications to purchase TYA are listed in paragraph 3.1., and are provided for the contractor's information only.

3.1. Dependent *Qualifications* For Purchase Of TYA Coverage

A young adult dependent qualifies to purchase TYA coverage if the dependent meets the following criteria:

- Would be a dependent child under Chapter 55, 10 USC Section 1072(2) but for exceeding the age limit under that section; and

- Is a dependent under the age of 26; and

- Is not eligible for medical coverage from an eligible employer-sponsored health plan from the young adult dependent's employer as defined in Section 5000A(f)(2) of the Internal Revenue Code of 1986; and

- Is not married; and

- Is not otherwise eligible for care under Chapter 55, 10 USC or Chapter 58, 10 USC Section 1145(a), TAMP; and

- Is not a member of the uniformed services.

3.2. Eligibility Of Uniformed Service Sponsor

3.2.1. Eligibility for TYA is only determined by a proper eligibility response in DEERS. Based on the status of the uniformed service sponsor, the ability to purchase may be limited or not allowed based on the uniformed service sponsor's status and eligibility for medical care under Chapter 55, 10 USC or Chapter 58, 10 USC Section 1145(a). *In addition, young adult dependents must meet all other qualifications shown in paragraph 3.1.*

3.2.2. Young adult dependents of active duty members (including those called to active duty for more than 30 days) *may qualify* to purchase TYA coverage until the active duty sponsor's date of separation or reaching the age of 26, whichever comes first. Upon the death of an active duty sponsor, dependents eligible for Transitional Survivor coverage may *qualify to* purchase TYA coverage up to the age of 26.

3.2.3. Young adult dependents of retired *uniformed service sponsors may qualify* to purchase TYA coverage until they reach the age of 26.

3.2.4. Young adult dependents of uniformed *service* sponsors eligible to purchase TRS or TRICARE Retired Reserve (TRR) *may qualify* to purchase TYA coverage *only* if the sponsor is enrolled in TRS or TRR. Failure of the uniformed service sponsor to enroll in and maintain enrollment in TRS or TRR or failure to pay TRS or TRR premiums will result in the young adult dependent not being eligible to purchase TYA coverage as of the date of the sponsor's loss of enrollment in TRS or TRR.

3.2.5. If the Selected Reserve sponsor dies while enrolled in TRS, the young adult dependent *may qualify* to purchase TYA coverage for six months after the date of death of the Selected Reserve sponsor, or until the young adult dependent reaches the age of 26, whichever comes first.

3.2.6. Young adult dependents of a member of the Retired Reserve, who dies while in a period of TRR coverage, *may* qualify to purchase new or continue existing TYA coverage until the young adult dependent reaches the age of 26. If a member of the Retired Reserve is not covered by TRR on the date of his or her death, his or her surviving dependents do not qualify for TYA coverage until the date on which the deceased member of the Retired Reserve would have attained age 60, at which time they may purchase TYA coverage until reaching the age of 26.

4.0. COVERAGE-RELATED PROCEDURES

The contractor shall process coverage-related transactions through the Web Defense Online Enrollment System (Web DOES) (TSM, Chapter 3, Section 1.5). Premium-related transactions shall be reported through the enrollment fee payment interface (see the TSM, Chapter 3, Section 1.5). The contractor shall perform all premium functions in accordance with paragraph 5.0. and its subordinate paragraphs. The TRICARE Overseas Program (TOP) contractor shall perform these services for young adult dependents residing outside of the 50 United States or the District of Columbia. See the TSM, Chapter 2, Addendum M, for a full list of TYA Health Care Delivery Program (HCDP) Coverage Code Values.

4.1. Purchasing Coverage

To purchase TYA coverage, young adult dependents may either complete the prescribed paper application or use the Beneficiary Web Enrollment (BWE) application (http://www.dmdc.osd.mil/appj/bwe/) and submit it, along with at least an initial payment *(see paragraph 4.1.)* of premiums for either TYA Standard/Extra (see paragraph 4.1.3. for additional retroactive coverage rules) or TYA Prime coverage, within deadlines specified in the following paragraphs. *(For enrollments effective on or after October 1, 2012, the initial payment required is two months of premium.)* Initially only a fillable form will be available via the BWE tool. Young adult dependents have the option of completing the form online, printing it, and mailing the completed application form. The contractor shall collect completed TYA applications submitted at TRICARE Service Centers (TSCs), by mail, and/or by other means determined by the contractor. If a qualified young adult dependent would like to change coverage from TYA Standard/Extra to TYA Prime, a separate application form must be submitted. TYA application forms submitted before the CO directed effective start date for TYA Prime coverage will be processed as TYA Standard/Extra coverage. If TYA Prime coverage is still desired, the young adult dependent must submit another TYA application form to request TYA Prime coverage when available. If an enrollment lockout is in place (see paragraph 4.3.2.), the contractor may accept and process requests up to 45 days before the end of the 12 month lockout period for new coverage to begin after the 12 month lockout period ends. The contractor shall not process new coverage transactions into Web DOES unless the initial payment *has been* received *and in* the correct amount for the type of coverage purchased. The procedures for determining the effective date of coverage are specified in the following paragraphs.

4.1.1. Open Enrollment

A qualified young adult dependent may purchase TYA coverage throughout the year unless locked out from TYA coverage.

4.1.1.1. TYA Standard/Extra Plans

4.1.1.1.1. The effective date of TYA Standard/Extra coverage shall be the first day of the next month, or the first day of the month requested up to 90 days in the future, provided the request and premium payment required by paragraph 4.1. are received in the TSC or postmarked by the last day of the month.

4.1.1.1.2. For applications with a TYA effective date starting on or before May 1, 2011, the contractors shall extend the TYA application deadline until May 31, 2011. For TYA applications received on or after June 1, 2011, paragraph 4.1.1.1.1. will be followed.

4.1.1.2. TYA Prime Plans

4.1.1.2.1. TYA Prime effective dates will be determined in accordance with Chapter 6, Section 1, paragraph 7.1.

4.1.1.2.2. Young adult dependents may qualify to purchase TOP Prime or TOP Prime Remote plan coverage (see the TRICARE Policy Manual (TPM), Chapter 12, Section 3.2).

4.1.2. Continuation Coverage

A young adult dependent may purchase TYA coverage with an effective date immediately following the termination of coverage under another TRICARE program, including the CHCBP. The TYA application required by paragraph 4.1. along with an initial payment *(see paragraph 4.1.)*, must either be received in the TSC, entered into the BWE application, or postmarked NLT 30 days following termination of coverage. See paragraph 10.0. and the TPM, Chapter 10, Section 4.1, for information regarding termination of CHCBP coverage and refund of CHCBP premiums. If the young adult dependent does not meet the requirement for continuation or retroactive coverage, the application will be processed as an open enrollment application.

4.1.3. Retroactive TYA Standard/Extra Coverage

A qualified young adult dependent may elect retroactive TYA Standard/Extra coverage effective as of January 1, 2011, if the dependent was eligible as of that date. If retroactive coverage is elected, TYA Standard/Extra premiums must be paid for the time period between January 1, 2011, and the date of the election, along with at least the *initial payment (see paragraph 4.1.)*. If retroactive coverage is requested but the young adult dependent was not eligible for TYA Standard/Extra coverage on January 1, 2011, then the date the young adult dependent became eligible for TYA Standard/Extra coverage shall be used as the coverage effective date. Premiums are to be prorated as necessary for the time period between the coverage effective date and the date of election, which includes at least the *initial payment (see paragraph 4.1.)*. No purchase of retroactive coverage may take place after September 30, 2011. Retroactive coverage is limited to the TYA Standard/Extra benefit only. See paragraph 10.0. and the TPM, Chapter 10, Section 4.1, for information regarding termination of CHCBP coverage and refund of CHCBP premiums.

4.1.4. Changing Coverage Within Same Contractor

4.1.4.1. Upon receipt of an application, qualified dependents already enrolled in a TYA plan and who are current in their premium payments may elect to change to another TYA plan for which the qualified dependent is eligible based on the sponsor's eligibility and the geographic location of the qualified young adult dependent. Changes in coverage are effective following the application processing time frames listed in paragraph 4.1.1.

4.1.4.2. If the premium amount changes, the contractor will adjust future premiums by applying any overages to future TYA premium payments, and adjusting the Electronic Funds Transfer/Recurring Credit/Debit Card (EFT/RCC) payments so the young adult dependent is not over or undercharged for the coverage requested.

4.1.5. Transfer of Coverage to Another Contractor

Young adult dependents desiring to transfer TYA coverage to another contractor must submit a new application to the desired contractor. Transfer of TYA coverage to another contractor is only permitted if the young adult dependent is current with their premiums. The gaining contractor shall process transfer requests within 10 calendar days.

4.2. Processing

4.2.1. The contractor shall process all TYA transactions through Web DOES for young adult dependents with a residential address as indicated by the TYA purchaser on the TYA application in the contractor's jurisdiction. The contractor shall process TYA requests received along with *the initial payment* (*see paragraph 4.1.*) NLT 10 calendar days after receipt.

4.2.2. The contractor shall assign Primary Care Managers (PCMs) to purchasers of TYA Prime coverage per Chapter 6.

4.2.3. If the contractor is unable to enroll the young adult dependent in DOES due to (a) a 90-day future enrollment limitation, (b) DEERS not reflecting eligibility, (c) the application being incomplete, (d) a missing initial premiums payment, or (e) an underpayment of the initial premium payment; the contractor shall provide notification to the young adult dependent, initiated within 10 calendar days, with an explanation of what is needed for the contractor to accept the application for processing and return any premium payments if appropriate.

4.3. Termination Of TYA Coverage

The contractor shall initiate return of any excess premium amounts paid prorated to the day as indicated NLT 10 calendar days after the effective date of the termination or after receipt of a Policy Notification Transaction (PNT) notifying the young adult dependent's contractor of a termination, whichever is later. Premium refunds, to include an explanation of the premium refund, will be sent to young adult dependent's residential address unless an alternate mailing address has been provided. The contractor shall also update DEERS *with any premium amount refunded* within 30 calendar days.

4.3.1. Loss Of TYA Qualification

At any time a young adult dependent ceases to meet all eligibility qualifications, coverage under the TYA program shall terminate. This could be due to the sponsor's losing eligibility for care. The effective date of termination shall be the date upon which the young adult dependent ceased to meet any of the prerequisite qualifications. If a subsequent change in circumstances occurs such as losing eligibility for an eligible employer-sponsored plan, the young adult dependent may qualify again to purchase coverage under the TYA program.

Young adult dependents who age out of TYA at age 26 may be eligible to purchase CHCBP coverage (see TPM, Chapter 10, Section 4.1).

4.3.1.1. Change in Sponsor Status

4.3.1.1.1. A change in sponsor status (active to retired; active duty to the Reserve Component (RC), etc.), may require the young adult dependent's coverage to be transferred to another TYA coverage plan or cause the TYA coverage to be terminated.

4.3.1.1.2. TYA Standard/Extra Coverage

4.3.1.1.2.1. When a sponsor's status changes, coverage under a TYA Standard/Extra coverage will be transferred in DEERS by DMDC to an appropriate TYA Standard/Extra plan consistent with the new sponsor status unless the uniformed service sponsor is not eligible for TRICARE coverage or the RC uniformed service sponsor is not enrolled in TRR or TRS. DEERS will send the contractor with whom the young adult dependent is enrolled an unsolicited PNT advising the contractor of the transferred coverage.

4.3.1.1.2.2. When a sponsor status changes and the coverage cannot be transferred, DEERS will terminate the coverage. If the termination date is different from the anticipated end date, DEERS will notify the contractor via an unsolicited PNT that the coverage is terminated. The contractor shall update their fee system as appropriate. DMDC will send a Certificate of Creditable Coverage (CoCC) to the young adult dependent.

4.3.1.1.2.3. Upon receipt of an unsolicited PNT with an updated enrollment end reason code and an enrollment extension end reason code indicating a TYA individual is again eligible for TYA coverage after termination due to a change in sponsor status, the contractor will contact the TYA individual within 10 calendar days using their best business practice to offer enrollment assistance if TYA coverage has not already been re-established.

4.3.1.1.3. TYA Prime Coverage

4.3.1.1.3.1. When a sponsor's status changes, coverage under TYA Prime plans is terminated in DEERS by DMDC. If termination is at a date other than the anticipated end date, DEERS will send the contractor with whom the young adult dependent is enrolled (and MTF if MTF enrollee) an unsolicited notification advising of the terminated coverage. The contractor shall update the fee system based on the terminated coverage for the young adult dependent as appropriate. DMDC will send a CoCC to the young adult dependent advising them of the termination of coverage.

4.3.1.1.3.2. If TYA eligibility is re-established subsequent to a termination due to a sponsor status change, DMDC will send an unsolicited PNT with an updated enrollment end reason code and an enrollment extension end reason code. Upon receipt of an unsolicited PNT with an updated enrollment end reason code and an enrollment extension end reason code indicating a young adult dependent is again eligible for TYA coverage after termination due to a change in sponsor status, the contractor will contact the young adult dependent within 10 calendar days using best business practices to offer enrollment assistance if TYA coverage has not already been re-established.

4.3.1.2. Sponsor Loss Of Eligibility

When a sponsor's eligibility is terminated, coverage under TYA is also terminated. If a young adult dependent's enrollment is terminated at a date other than the anticipated end date, DEERS will send the contractor with whom the young adult dependent is enrolled an unsolicited PNT advising the contractor of the terminated coverage. The contractor shall update the fee system based on the terminated coverage for the young adult dependent as appropriate. When eligibility is terminated at the anticipated end date, DEERS will not send the contractor an unsolicited PNT advising the contractor of the terminated coverage. DMDC will send a *CoCC* to the young adult dependent.

4.3.1.3. Young Adult Dependent Loss Of Eligibility

When a young adult dependent's eligibility is terminated at the anticipated end date, DEERS will not send the contractor an unsolicited PNT advising the contractor of the terminated coverage. *If a young adult dependent's coverage is terminated at a date other than the anticipated end date, DEERS will send the contractor with whom the young adult dependent is enrolled an unsolicited PNT advising the contractor of the terminated coverage.* The contractor shall update the fee system based on the terminated coverage for the young adult dependent as appropriate. *DMDC will send a CoCC to the young adult dependent.*

4.3.2. Lockout

*Young adult d*ependents whose *TYA* coverage *is* terminate*d* for failure to pay premiums will not be allowed to purchase coverage again under TYA for a period of *12 months* following the effective date of termination. *If a young adult dependent requests a new enrollment and a lockout exists, the contractor must send the request to the waiver approval authority (*TRICARE Regional Director (RD), the TRICARE Area Office (TAO) Director, *Uniformed Services Family Health Plan (USFHP) Program Office (PO),* or their designee*s) for review and action.*

4.3.2.1. Reinstatement

4.3.2.1.1. *If it is determined that an error was made by someone other than the young adult dependent (i.e. the contractor, payment agencies, etc.), upon beneficiary request, the contractor will notify the waiver approval authority. The waiver approval authority may direct the young adult dependent to be reinstated with no lapse in coverage (contingent on payment of required premiums). No new application form will be necessary.*

4.3.2.1.2. *If it is determined that the young adult dependent failed to pay fees due to extraordinary circumstances and continuous coverage is warranted, upon beneficiary request, the contractor will notify the waiver approval authority. The waiver approval authority may direct the young adult dependent to be reinstated (contingent on payment of required premiums) with no lapse in coverage. No new application form will be necessary. A reinstatement request must be received by the contractor NLT 90 days after the end of the month during which the last full premium was paid. Upon direction of the waiver approval authority, continuous coverage may be reinstated upon payment of the appropriate premiums. Premium payments, including current requirements, must be received by the contractor within 30 days of the beneficiary notification of approval for reinstatement.*

However, if payment has not been made by the 30th day, then coverage will be deemed to be terminated as of the paid-through date and no claims may be paid for care rendered after the date of termination.

4.3.2.2. Young Adult Dependent Gains Other TRICARE Coverage

No lockout shall be applied for termination due to a gain of other TRICARE coverage.

4.3.2.3. Young Adult Dependent Gains Own Eligible Employer-Sponsored Coverage

No lockout shall be applied for termination due to eligibility for medical coverage offered from an eligible employer-sponsored plan. The young adult dependent shall notify the contractor in writing within 30 calendar days when he or she is eligible or enrolled in an eligible employer-sponsored health plan offered by his or her employer.

4.3.2.3.1. If a young adult dependent becomes eligible under an eligible employer-sponsored health plan based on the young adult dependent's employment for a period of 30 days or less, TYA coverage will continue unchanged.

4.3.2.3.2. Upon written notification from a young adult dependent that he or she is eligible for medical coverage via an eligible employer-sponsored health plan for a period of more than 30 days, the contractor will terminate the TYA coverage using Web DOES without applying a lockout.

4.3.2.4. Young Adult Dependent Loses Eligibility Due To Non-Payment Of TRS Or TRR Premiums By Their Sponsor

No lockout shall be applied for young adult dependents of a TRS or TRR sponsor that was disenrolled and locked out for failure to pay TRS or TRR premiums. However, until the TRS or TRR-eligible sponsor restores TRS or TRR coverage, the young adult dependent does not qualify to purchase TYA coverage.

4.4. Failure To Make Payment

4.4.1. Failure or refusal to pay monthly premiums and/or any outstanding insufficient fees in accordance with the procedures in this chapter shall result in termination of coverage absent approval of a waiver. The effective date of termination is the paid-through date. The contractor shall terminate coverage of the young adult dependent if the monthly premium payment is not received by the last day of the month following the due date for the monthly premium payment. After the last day of the month, the contractor shall terminate coverage with a termination effective date retroactive to the paid-through date. DMDC sends written notification to the beneficiary of the termination and the reason for the termination. Until the termination action is processed, the contractor may pend any claims received for health care furnished to the young adult dependent during the period for which premiums have yet to be paid, to avoid creating recoupment of health care costs for ineligible beneficiaries. The young adult dependent will be responsible for the cost of any health care received after the termination date following retroactive termination of coverage. If claims are not pended, the

contractor shall initiate recoupment of health care costs following the procedures in Chapter 11, Section 4.

4.4.2. Failure to provide information to establish or maintain a recurring monthly EFT/RCC for monthly premium payment will result in coverage being terminated for failure to comply with paragraph 5.2. and subordinate paragraphs.

4.4.3. A contractor shall apply a TYA purchase lockout to the young adult dependent for failure to make premium payments absent approval of a waiver. The lockout shall be for a period of 12 months from the effective date of termination. The DMDC CoCC (see paragraph 4.1.1.) includes notice of the 12 month lockout period.

4.5. Requests For Voluntary Termination

The contractor shall accept written requests for termination of coverage from young adult dependents at any time. The effective date of termination is either (a) the last day of the month in which the request was received by the contractor, (b) the last day of a future month as specified in the request given that the request was received by the contractor in the month preceding the requested month of termination, or (c) as directed by the waiver approval authority for waiver cases. The contractor shall apply a TYA purchase lockout to young adult dependents covered by the TYA plan for a period of 12 months from the effective date of terminations initiated by the young adult dependent unless the young adult dependent is eligible for an employer-sponsored health plan. The DMDC written notification of termination (see paragraph 4.1.1.) includes notice of the 12 month lockout period.

4.6. Cancelled Eligibility And Enrollment

When the contractor receives a PNT for a cancelled enrollment, the contractor will generate a letter notifying the young adult dependent of the cancellation and refund any unused portion of the premium payment. *The contractor shall update DEERS with any premium amount refunded within 30 calendar days.* No lockout shall be applied for a cancelled enrollment. The contractor shall recoup claims for the cancelled enrollment period.

4.7. Waiver Requests Of A Young Adult Dependent's Actions

The contractor shall advise young adult dependents that all waiver requests for (a) a refusal by the contractor to start coverage as requested by the young adult dependent or (b) lockouts shall be submitted by the young adult dependent to the appropriate contractor who will process and forward to the appropriate waiver approval authority. The waiver approval authority will issue decisions within 10 calendar days of receipt for all waiver requests. If changes are to be made to a young adult dependent's coverage as a result of a waiver determination, the waiver approval authority will send instructions to the contractor. The contractor shall carry out such instructions NLT 10 calendar days after receipt from the waiver approval authority, and notify the young adult dependent of the final decision. The waiver approval authority may authorize an override of information shown on DEERS, pending a system update, based on appropriate documentation regarding qualification under the law, regulation, and policy.

5.0. PREMIUM COLLECTION

The contractor shall perform all premium functions required for TYA. Young adult dependents are responsible for all premium payments for the individual coverage being purchased. At least an initial *payment (see paragraph 4.1.) is* required, then only recurring monthly premium payments are permitted. Premium-related transactions shall be reported through the enrollment fee payment interface or Catastrophic Cap and Deductible (CC&D) Fee Web (see the TSM, Chapter 3, Section 1.5).

5.1. Jurisdiction For Premium Collection

5.1.1. The particular contractor servicing the residential address for the young adult dependent shall perform premium functions for the young adult dependent.

5.1.2. Any time the servicing contractor notices that a new residential address is in the servicing area of another contractor, the losing contractor will notify the young adult dependent within 10 calendar days that they need to contact a servicing contractor in their new area to transfer their coverage to the new area. 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 future payments.

5.1.3. All unsolicited PNTs for young adult dependents will be evaluated to determine if residential address changes require a notification to the young adult dependent (see paragraph 5.1.2.).

5.2. Premium Collection Processes

5.2.1. The contractor shall credit the young adult dependent for premium payments received. Premium payments are 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. or as directed by the waiver approval authority), the first *payment collected by the contractor* shall *include the* prorated *amount* on a daily basis *necessary* to synchronize *the paid-through date* to the *last day* 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.

5.2.2. The contractor shall collect monthly premium payments from TYA purchasers as appropriate and shall report the *premium amount* paid for those payments, including for any overpayments that are not refunded to the purchaser, to DEERS. (See the TSM, Chapter 3.) In the event that there are insufficient funds to process a premium payment, the contractor may assess the account holder a fee of up to 20 U.S. dollars ($20.00). The contractor shall provide commercial payment methods for TYA premiums that best meet the needs of beneficiaries while conforming to paragraphs 5.2.3. through 5.2.8.

5.2.3. Monthly premiums must be paid-through an automated, recurring electronic payment through an EFT or a RCC from a designated financial institution. These are the only

acceptable payment methods for the recurring monthly premiums. An EFT/RCC payment shall be processed on the first business day of the month of coverage.

5.2.4. Purchasers must pay at least the first *initial payment as specified in paragraph 4.1.* at the time the TYA application is submitted to allow time for the EFT/RCC to be established. The contractor shall accept payment of at least the first installment by personal check, cashier's check, traveler's check, money order, or credit card (e.g., Visa/MasterCard).

5.2.5. The contractor shall initiate recurring monthly EFTs/RCCs and is responsible for obtaining and verifying the information necessary to do so.

5.2.6. The contractor shall initiate action to modify EFT/RCC payment amounts to support premium changes.

5.2.7. The contractor shall direct bill the young adult dependent only when a problem occurs in setting up or maintaining the EFT or RCC. Bills may be sent to the residential or mailing address designated by the young adult dependent.

5.2.8. When an administrative issue arises that stops or prevents an automated monthly payment from being received by the contractor (e.g., incorrect or transposed number provided by the beneficiary, credit card expired, bank account closed, etc.), the contractor shall grant the TYA purchaser 30 days after the paid-through date to provide information for a new automated monthly payment method. The contractor may accept payment in accordance with paragraph 5.2.4. during this 30 day period in order to preserve the beneficiary's TYA enrollment status.

5.3. Annual Premium Adjustment

Contractors shall notify current purchasers in writing of any annual premium adjustments NLT 30 days after the contractors receive notification of the updated premiums. The notification shall include the new amount for TYA coverage and will include the following statement:

> "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 or who are married 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."

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. *If retroactive TYA coverage is purchased and replaces previously purchased CHCBP coverage, cost-shares, contributions to deductibles, or contributions to the catastrophic cap amounts previously paid under CHCBP shall be carried over to a TYA plan. Otherwise*, 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.

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 contractors 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 *waiver approval authority* 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 TYA 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.

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).

9.2.4. The contractor shall maintain a system for tracking and reporting premiums, 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 CO.

10.0. CHCBP TO TYA PROCEDURES

Young adult dependents who qualify for TYA coverage and were previously or currently enrolled in the CHCBP may elect to purchase TYA.

10.1. Enrollment Procedures

Enrollment actions must be coordinated between the CHCBP contractor and the TYA enrolling contractor. The CHCBP contractor will provide contact information to the enrolling contractors to coordinate CHCBP to TYA enrollments.

10.1.1. CHCBP Coverage Was Terminated More Than 30 Days Before Receipt of TYA Application and Young Adult Dependent Is Not Eligible for Continuation or Retroactive TYA Coverage

The enrolling contractor will validate in DEERS that the CHCBP enrollment was terminated more than 30 days from the date of the TYA application. The TYA enrolling contractor will process the TYA application according to paragraph 4.1.2.

10.1.2. Currently Enrolled in CHCBP or TYA Application Received Within 30 Days of Termination of CHCBP Coverage

Upon receipt of a properly completed TYA application for someone currently enrolled in or within 30 days of termination of CHCBP coverage, the enrolling contractor will request the CHCBP contractor to disenroll the young adult dependent from CHCBP with an effective date one day prior to the requested start date. The CHCBP contractor will terminate the CHCBP coverage based on the TYA effective date or the CHCBP paid-through date, whichever is earlier. The CHCBP contractor will recalculate the amount of premiums required for the remaining CHCBP coverage, and refund any overpayment of CHCBP premiums. The refund shall include an explanation that the refund amount represents a refund of CHCBP premiums as a result of the TYA enrollment and how the refund amount was calculated.

10.1.3. Retroactive Coverage

See eligibility requirements in paragraph 4.1.3. Upon receipt of a properly completed TYA application for someone who is eligible for retroactive coverage according to paragraph 4.1.3., the enrolling contractor will request the CHCBP contractor to disenroll the young adult dependent from CHCBP with an effective date one day prior to the TYA retroactive coverage date or the CHCBP paid-through date, but no earlier than December 31, 2010, and NLT September 30, 2011. The CHCBP contractor will terminate the CHCBP coverage based on the requested TYA effective date or the CHCBP paid-through date, whichever is earlier. The CHCBP contractor will recalculate the amount of premiums required for the remaining CHCBP coverage, and refund any overpayment of CHCBP premiums. The refund shall include an explanation that the refund amount represents a refund of CHCBP premiums as a result of the TYA enrollment and how the refund amount was calculated.

10.2. CHCBP Premium Refund Procedures

CHCBP premium refunds do not need to be approved by the TMA CRM F&AO prior to making a payment to the beneficiary. The refunds should be reduced from the CHCBP premiums collected during a given month and the net amount sent to the TMA CRM F&AO as required by TPM, Chapter 10, Section 4.1.

10.3. Refunds for Overpayment of Family Deductible and/or Catastrophic Caps

10.3.1. *Upon termination of CHCBP coverage with retroactive TYA coverage for the same period, the CHCBP contractor will review CHCBP claims history for the retroactive period, and post any CHCBP cost-shares and deductibles to the TRICARE family deductible and catastrophic cap as a TYA claim, ensuring the amounts posted do not exceed the applicable catastrophic cap and deductible limits. Cost-shares over the catastrophic cap and deductible limit will be refunded.*

10.3.2. *Refunds for overpayments of family deductible and/or catastrophic cap must be approved by the TMA CRM F&AO before being released/mailed. Payments will be processed under manual payment procedures in Chapter 3, Section 5. Supporting documentation for these payments will be provided no more often than weekly and no less than monthly to the TMA CRM F&AO by the CHCBP contractor and will include the name, DoD Benefits Number, the calculation of the refund, and the amount being refunded. Upon approval from the TMA CRM F&AO, the CHCBP contractor will release payments for refunds of the overpaid amounts.*

10.4. TRICARE Encounter Data (TED) Records For Claims Previously Processed As CHCBP and Affected by a Retroactive TYA Enrollment

Prior TED records processed as CHCBP and affected by a TYA retroactive enrollment should be reprocessed as follows:

10.4.1. *Upon notification from the CHCBP contractor, appropriate pharmacy TED records shall be adjusted by the Pharmacy contractor to indicate the appropriate TYA HCDP Plan Coverage Code and Enrollment/Health Plan Code. These records are to be submitted on a TED Header Type Indicator 6. Administrative claim payments for these adjustments will be manually billed to TMA.*

10.4.2. *TED records, other than pharmacy, where the claim jurisdiction indicates South Region will be cancelled and replaced by the CHCBP contractor. The new TED record will retain all the original claim data except the appropriate TYA HCDP Plan Coverage Code and Enrollment/Health Plan Code will replace the CHCBP enrollment codes. These records are to be submitted on a TED Header Type Indicator 6.*

10.4.3. *TED records, other than pharmacy, with a claim jurisdiction other than the South Region will be adjusted by the CHCBP Contractor to indicate the appropriate TYA HCDP Plan Coverage Code and Enrollment/Health Plan Code. These records are to be submitted on a TED Header Type Indicator 6. Administrative claim payments for these adjustments will be manually billed to TMA.*

11.0. CODING OF TED RECORDS

When the secondary HCDP Coverage Code is 400 (Extended Care Health Option (ECHO)) and the TYA beneficiary is receiving care considered an ECHO benefit, the contractor shall submit the primary TYA HCDP Plan Coverage Code and Special Processing Codes 'PF' or 'AU' as appropriate on the TED record.