



DEFENSE  
HEALTH AGENCY

HPOS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
HEALTH AFFAIRS  
16401 EAST CENTRETECH PARKWAY  
AURORA, CO 80011-9066

CHANGE 113  
6010.56-M  
DECEMBER 31, 2013

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL  
FOR  
TRICARE OPERATIONS MANUAL (TOM), FEBRUARY 2008**

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

**CHANGE TITLE: CHANGES TO PHARMACY AND BENEFICIARY WEB ENROLLMENT PROCESSES**

**CONREQ:** 16558

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

**SUMMARY OF CHANGE(S):** This change requires contractors to accept and process TRICARE Young Adult (TYA) enrollment applications using the online Beneficiary Web Enrollment (BWE) application.

**EFFECTIVE DATE:** TYA via BWE - January 1, 2014.

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

**This change is made in conjunction with Feb 2008 TPM, Change No. 105.**

ARENDALE.JOH  
N.LOUIS.II.11507  
75368

Digitally signed by  
ARENDALE.JOHN.LOUIS.II.1150775368  
DN: c=US, o=U.S. Government, ou=DoD,  
ou=PKI, ou=TMA,  
cn=ARENDALE.JOHN.LOUIS.II.115077536  
8  
Date: 2013.12.27 08:23:43 -07'00'

**John L. Arendale  
Section Chief, Health Plan  
Operations Sections (HPOS)  
Defense Health Agency (DHA)**

**ATTACHMENT(S): 8 PAGES  
DISTRIBUTION: 6010.56-M**

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, FILE THIS TRANSMITTAL WITH BASIC DOCUMENT.

**CHANGE 113**  
**6010.56-M**  
**DECEMBER 31, 2013**

**REMOVE PAGE(S)**

**CHAPTER 23**

Section 3, pages 3 and 4

**CHAPTER 25**

Section 1, pages 1 - 4, 9, 10

**INSERT PAGE(S)**

Section 3, pages 3 and 4

Section 1, pages 1 - 4, 9, 10

would result in the catastrophic cap total being exceeded). After a copayment has been collected, the contractor must submit a transaction to update the catastrophic cap amount on DEERS. If during this update, CCDD file shows that the cap is now met (due to an intervening transaction that occurred from the time between the initial eligibility inquiry and the update transaction), the following actions will be taken. The contractor will proceed with the update transaction and apply the copayment amount to the CCDD file catastrophic cap totals (which will result in the cap being exceeded). The contractor shall initiate a refund of the copayment amount (or appropriate portion thereof which exceeds the cap amount) to the beneficiary. Once the refund has been sent, the contractor will adjust (i.e., correct) the CCDD file totals to reflect the refunded copayment amount. This correction action should result in the CCDD file total reflecting that the cap has been met, but not exceeded. (If a TED record has been previously submitted, it will be necessary to submit an adjustment to the TED to correct the copayment amount.)

### **3.2 Continued Health Care Benefits Program (CHCBP) CC&D**

CHCBP CC&D totals are maintained by the CHCBP contractor. The CHCBP contractor and pharmacy contractor will develop an **automated** monthly exchange process for **sharing** current CHCBP CC&D totals. This **automated** process allows both the CHCBP contractor and pharmacy contractor to reimburse beneficiaries for any overpayments after **the date the CHCBP catastrophic cap or deductible** is met and **to** prevent future overpayments from occurring during that fiscal year. The monthly corrections should be completed prior to next **automated** monthly file exchange. If **the CHCBP** CC&D totals change and the result is underpayments, the contractors will also be responsible for recoupments.

## **4.0 MEDICAL NECESSITY AND PRIOR AUTHORIZATION**

### **4.1 Medical Necessity Reviews**

The Government will determine the formulary status of all drugs. When a drug is designated as non-formulary, the contractor shall check to see if a medical necessity determination for the non-formulary drug has previously been completed for a Direct Care (DC) dispensing. Medical necessity determinations for DC dispensings will be made available from the Pharmacy Data Transaction System (PDTS). If PDTS shows that medical necessity has previously been determined, the contractor shall dispense the prescription applying a formulary copayment.

**4.1.1** If a medical necessity determination has not previously been completed, the contractor shall apply the non-formulary copayment to the dispensed prescription. At the request of the beneficiary or provider, the contractor shall conduct a medical necessity review using Government-provided review criteria. If the contractor establishes medical necessity, the prescription shall be dispensed with the formulary copayment amount applied.

**4.1.2** The contractor will be given at least a 30-day notice before a drug is moved to a non-formulary status. Non-formulary drugs, medical necessity forms, and review criteria can be found at <http://www.tricare.mil/pharmacy>.

**4.1.3** In general, in order to establish medical necessity for a pharmaceutical agent designated non-formulary under the Uniform Formulary Rule, one or more of the following criteria must be met for ALL of the available formulary alternatives:

**4.1.3.1** The use of the formulary alternative is contraindicated;

**4.1.3.2** The patient experiences, or is likely to experience, significant adverse effects from the formulary alternative, and the patient is reasonably expected to tolerate the non-formulary medication;

**4.1.3.3** The formulary alternative results in therapeutic failure, and the patient is reasonably expected to respond to the non-formulary medication;

**4.1.3.4** The patient previously responded to a non-formulary medication, and changing to a formulary alternative would incur unacceptable clinical risk; or

**4.1.3.5** There is no formulary alternative.

## **4.2 Prior Authorizations**

Some medications require prior authorization before being dispensed through the mail order program or by a retail network pharmacy. Medications requiring prior authorization include, but may not be limited to, those established as such by the Government, brand name medications with a generic equivalent, medications with age limitations, and medications requiring a quantity limit override. Before a prescription is dispensed, the contractor shall check to see if a prior authorization for the medication in question currently exists. Prior authorizations for DC dispensings will be made available by PDTs. If a valid authorization exists, the contractor shall dispense the prescription. If a prior authorization has previously not been completed, the contractor shall complete a prior authorization review before the prescription can be dispensed. Drugs requiring prior authorization, prior authorization forms, and review criteria can be found at <http://www.tricare.osd.mil/pharmacy>.

**Note:** Government review criteria are not available for all circumstances requiring prior authorization. If Government review criteria are not available, the contractor shall develop review criteria for these circumstances. For example, there is no Government-provided review criteria for quantity limit overrides.

- END -

## 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 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** 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 the procedures listed in the TRICARE System Manual (TSM), Chapter 3, Section 1.5**. 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 1.4](#)). 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 1.4](#)). 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 L](#), 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 of three months worth 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.) **The contractor (except for the TOP contractor) shall accept and process TYA enrollment applications from the BWE application effective January 1, 2014.** Young adult dependents have the option of **submitting the application and premiums online, or** printing and mailing the completed application form **with the premiums.** The contractor shall collect completed TYA applications 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 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 received, if eligible, is 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 by the MCSC/TOP contractor 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 4.1.2](#).

**4.1.1.2.2** Young adult dependents may qualify to purchase TOP Prime or TOP Prime Remote plan coverage (see [Chapter 24, Section 5](#)).

**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 10, Section 4](#).

**4.4.2** Failure to provide information to establish or maintain a recurring 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 4.1.2](#)) 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 4.1.2](#)) 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, for determination. 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](#)) of premiums are required, then only monthly premium payments are permitted. Premium-related transactions shall be reported through the enrollment fee payment interface or CC&D Fee Web (see the TSM, [Chapter 3, Section 1.4](#)).

#### **5.1 Jurisdiction For Premium Billing And 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