



DEFENSE
HEALTH AGENCY

HPOS

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

CHANGE 119
6010.56-M
FEBRUARY 28, 2014

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: TRICARE RESERVE SELECT COVERAGE REINSTATEMENT

CONREQ: 16773

PAGE CHANGE(S): See page 2.

SUMMARY OF CHANGE(S): This change allows TRICARE Reserve Select (TRS) members/survivors who have their coverage suspended as a result of failing to pay their monthly premiums, to contact their contractor and submit a request to either have their coverage reinstated retroactively or establish new coverage; depending on whether the request is received by the contractor or post marked no later than the first business day of the fourth month after the paid-through date or after the first business day of the fourth month (but less than one year) after the paid-through date.

EFFECTIVE DATE: Upon direction of the Contracting Officer.

IMPLEMENTATION DATE: Upon direction of the Contracting Officer.

LOZOYA.JOSE
.L.1231416397

Digitally signed by
LOZOYA.JOSE.L.1231416397
DN: c=US, o=U.S. Government,
ou=DoD, ou=PKI, ou=TMA,
cn=LOZOYA.JOSE.L.1231416397
Date: 2014.02.25 07:50:59 -07'00'

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

ATTACHMENT(S): 7 PAGES
DISTRIBUTION: 6010.56-M

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

CHANGE 119
6010.56-M
FEBRUARY 28, 2014

REMOVE PAGE(S)

CHAPTER 22

Section 1, pages 9 - 15

INSERT PAGE(S)

Section 1, pages 9 - 15

government determines that an administrative situation occurred that prevented a member's or survivor's request to enroll from being accepted for processing according to submission deadlines specified in this section.

4.5.3 Lifting Suspension of TRS Coverage

The contractor shall lift suspension of TRS coverage before 12 months has elapsed from the paid-through date as specified below. If a suspension is not lifted by 12 months from the paid-through date, the termination and lock out become final for the time period ending 12 months from the paid-through date.

4.5.3.1 Reinstatement of Suspended TRS Coverage (Retroactive Coverage)

4.5.3.1.1 While a 12 month suspension is in force, a TRS member/survivor may submit a request to the contractor to retroactively reinstate TRS coverage with no justification needed. The contractor shall lift the suspension and process the appropriate transaction to reinstate coverage effective the first day after the last paid-through date if the request meets all of the following conditions:

- The request is received by the contractor or postmarked NLT the first business day of the fourth month after the paid-through date;
- Payment of all premiums from the last paid-through date through the current month, plus the amount for the following two months is included (to include any administrative fees); and
- Information is provided to establish recurring electronic premium payments as specified in paragraph 5.2.2.

4.5.3.1.2 The contractor shall reject the request to reinstate coverage retroactively if any of the conditions above are not met, and inform the member/survivor of their option to purchase new coverage specified under paragraph 4.5.3.2. The contractor shall issue a response to the member/survivor within 10 calendar days of receipt for all reinstatement requests. The response is either a rejection of the request with reason specified or notification that the TRS coverage has been reinstated retroactively.

4.5.3.2 Reinstatement of Suspended TRS Coverage (No Retroactive Coverage)

4.5.3.2.1 While a 12 month suspension is in force, a TRS member/survivor may submit a request to the contractor for new TRS coverage with no justification needed. The contractor shall lift the suspension and process the appropriate transaction for new TRS coverage effective the first day of the following month the request is received, with no new application (DD Form 2896-1) required if the request meets all of the following conditions:

- The request is received by the contractor or postmarked after the first business day of the fourth month (but less than one year) after the paid-through date;
- Payment of two months of the appropriate premium payment in full is included (to include any administrative fees); and

- Information is provided to establish recurring electronic premium payments as specified in [paragraph 5.2.2](#).

4.5.3.2.2 The contractor shall reject the request for new coverage if any of the conditions above are not met. The contractor shall issue a response to the member/survivor within 10 calendar days of receipt for all new coverage requests. The response is either a rejection of the request with reason specified or notification that new TRS coverage has been established.

5.0 PREMIUM COLLECTION

The contractor shall perform all premium collection functions required for TRS. Service members or survivors are responsible for all premium payments for the type of coverage elected (i.e., TRS member-only or TRS member and family). After enrollment, only 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 1.4](#)).

5.1 Jurisdiction for Premium Collection

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

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

5.1.2 Any time the servicing contractor notices that a new residential address is in the servicing area of another TRICARE contractor, the losing contractor shall notify the TRS member or survivor within 10 calendar days that they need to contact the servicing contractor in their new area to transfer their coverage to the new area. A TRS member or survivor may elect to provide an alternate mailing address, but the servicing contractor shall be based on the TRS member's or financially responsible survivor's residential, not alternate mailing address. Any TRS member/financially responsible survivor may transfer regions at any time. The gaining contractor shall perform the premium collections for future payments.

5.1.3 All unsolicited PNTs for TRS members or survivors will be evaluated to determine if residential address changes require a notification to the TRS member or survivor (see [paragraph 5.1.2](#)).

5.2 Premium Collection Processes

5.2.1 The contractor shall credit the TRS member or survivor for premium payments received. In the case of a start date of coverage at any time other than the first of a month, the first payment collected by the contractor shall include the prorated amount on a daily basis necessary to synchronize billing 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. DEERS will automatically prorate the premium due for mid-month enrollments from the

effective date of coverage to the end of that first enrollment month, e.g., from the 18th of the month to the 31st.

5.2.2 The contractor shall collect monthly premium payments from TRS members or survivors as appropriate and shall report the premium amount paid for those payments to DEERS (see the TSM, [Chapter 3](#)), including any overpayments that are not refunded to the TRS member or survivor. 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 United States (U.S.) dollars (\$20.00). The contractor shall provide commercial payment methods for TRS 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 Electronic Funds Transfer (EFT) or Recurring Credit/Debit Card (RCC) (i.e., Visa/MasterCard) from a designated financial institution. These are the only acceptable payment methods for the recurring monthly premiums. An EFT payment or a RCC payment shall be processed within the first five business days of the month of coverage. The contractor shall advise TRS members or survivors at the time of EFT/RCC election that an insufficient funds fee of up to \$20 U.S. may be assessed, if sufficient funds are not available.

5.2.4 TRS members or survivors must make the required initial payment (as specified in [paragraph 4.1](#)) at the time the TRS application is submitted to allow time for the EFT/RCC to be established for subsequent monthly premium payments.

5.2.5 The contractor shall establish 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 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 TRS member or survivor 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 4.1](#) during this 30 day period in order to preserve the TRS member's or survivor's enrollment status.

5.2.8 The contractor shall directly bill the TRS member or survivor only when a problem occurs in setting up or maintaining the EFT or RCC payment; to include a fee of up to \$20 U.S. due to insufficient funds. Bills may be sent to the residential or alternate mailing address designated by the TRS member or survivor. All bills shall specify that the premium payment is due for receipt by the contractor no later than the last business day of the month. Premium payments shall be made payable to the contractor servicing the member's or survivor's coverage as specified in [paragraph 5.1](#). The contractor shall terminate billing once the problem with EFT/RCC payment is resolved.

5.3 Annual Premium Adjustment

5.3.1 Contractors shall notify current TRS members or survivors in writing of any annual premium adjustments NLT 30 days after the contractors receive notification of the updated premiums.

5.3.2 For premium adjustments that go into effect at any time other than January the first, the government will provide instructions about notification of TRS members or survivors.

5.4 Premium Adjustments from Changes Associated with QLEs

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

5.4.2 If the change from a QLE results in an increase in the premium, the contractor shall notify the TRS member or survivor of the increase and adjust the next premium amount due, to include any underpaid amount (prorated to the day as specified in [paragraph 5.2](#)), to the effective date of the change.

5.4.3 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 electronic payments until all of the overpayment is exhausted.

5.5 Suspensions/Terminations

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

5.6 Online Transactions

In addition to requirements specified in [paragraph 5.0](#) and its subordinate paragraphs, the contractor may provide online capability for TRS members or 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 register the newborn/new child in DEERS and submit a TRS 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 newborn/new 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 newborn/

new child's health care.

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

6.4 Non-Availability Statement (NAS) 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 are eligible for Medicare. Claims under the TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC) will be adjudicated under the rules set forth in the TRICARE Reimbursement Manual (TRM), [Chapter 4, Section 4](#). The Managed Care Support Contractors (MCSCs) shall follow procedures established in [Chapter 8, Section 2](#), regarding claims jurisdiction for dual eligibles.

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 10](#).

6.7 If at any time 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 qualification.

7.0 BENEFICIARY EDUCATION AND SUPPORT DIVISION (BE&SD)

In addition to BE&SD functions specified throughout this chapter, the contractor shall perform BE&SD 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 BE&SD. 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 TRICARE handbook and other information materials may be ordered through the usual TMA BE&SD ordering process.

7.1.2 Upon start of coverage under TRS the contractor shall mail one copy of the TRICARE handbook to each first time TRS member's or survivor's household. The TRS member's or survivor's servicing contractor shall send additional handbooks upon request.

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 qualifications, the contractor shall refer the individual to the appropriate RC.

8.0 PAYMENTS FOR CONTRACTOR SERVICES RENDERED

8.1 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 health care costs incurred for each TRS claim processed to completion according to the provisions of [Chapter 3](#).

8.2 Fiduciary Responsibilities

8.2.1 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.

8.2.2 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.

8.2.3 The contractor shall wire-transfer the premium collections and 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., 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 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.

8.2.4 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.

9.0 DELINQUENT PREMIUMS

9.1 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.

TRICARE Operations Manual 6010.56-M, February 1, 2008

Chapter 22, Section 1

TRICARE Reserve Select (TRS)

9.2 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 22.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.

9.3 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.

- END -

