



DEFENSE
HEALTH AGENCY

HPOB

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

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The Defense Health Agency has authorized the following addition(s)/revision(s).

**CHANGE TITLE: NATIONAL DEFENSE AUTHORIZATION ACT FISCAL YEAR 2016, SECTION 701,
PRIME SERVICE AREA ENROLLMENT**

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PAGE CHANGE(S): See page 2.

**SUMMARY OF CHANGE(S): This change provides a "one-time" election for beneficiaries who:
(1) were involuntarily disenrolled from TRICARE Prime on September 30, 2013, due to the prime
service area closure, (2) reside greater than 100 miles from an MTF, and (3) are an eligible beneficiary
by reason of service in the Army, Navy, Air Force, or Marine Corps, to continue their TRICARE Prime
enrollment.**

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

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Chapter 27

Prime Service Area (PSA) Reduction Policies And Effective Dates

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Chapter 27

Section 1

Prime Service Area (PSA) Reduction Policies And Effective Dates

1.0 GENERAL

1.1 As of October 1, 2013, new TRICARE Prime enrollments will no longer be available to beneficiaries who reside outside of a TRICARE Third Generation (T-3) Prime Service Area (PSA), unless they waive their access to care standards. PSAs are geographic areas where TRICARE Prime is offered. PSAs were created to ensure medical readiness of the active duty force by augmenting the capability and capacity of Military Treatment Facilities (MTFs). Policy also allowed establishment of PSAs around the Base Realignment and Closure (BRAC) sites. The PSAs being eliminated (referred to as Transitional PSAs or TPSAs) were not built around MTFs or BRAC sites, but in other geographic locations under the prior TRICARE Next Generation (TNEX) contract. Some PSAs are also being reduced. The TPSAs were allowed to continue until all three regions were operating under the T-3 contracts.

1.2 TRICARE Prime enrollment for beneficiaries enrolled outside of a TRICARE T-3 PSA will be automatically terminated effective October 1, 2013 by the Defense Enrollment Eligibility Reporting System (DEERS), unless they meet exception criteria contained in the policy section below. Two notification letters will be mailed to beneficiaries potentially impacted during the February to July 2013 period fully explaining the PSA changes and their TRICARE health plan options as stated in [paragraph 2.9](#). The majority of the disenrolled beneficiaries will retain TRICARE Standard and TRICARE Extra coverage. Some of the disenrolled beneficiaries may be eligible to continue their Prime enrollment in a T-3 PSA or with one of the six Uniformed Services Family Health Plans (USFHPs). See [paragraph 2.4](#) for the impact on TRICARE Young Adult (TYA) Prime enrollees.

1.3 The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2014, Section 701, signed into law on December 26, 2013, gives certain beneficiaries a "one-time" election to continue their TRICARE Prime enrollment. The eligible beneficiaries include those who: (1) were involuntarily disenrolled from TRICARE Prime on September 30, 2013, due to the PSA reduction, and (2) live within 100 miles of an MTF. Enrollment processes for these beneficiaries are outlined below.

1.4 The NDAA for FY 2016, Section 701 signed into law on November 25, 2015, gives certain beneficiaries a "one-time" election to continue their TRICARE Prime enrollment. These eligible beneficiaries include those who: (1) were involuntarily disenrolled from TRICARE Prime on September 30, 2013, due to the PSA reduction, (2) reside more than 100 miles from an MTF, and (3) are an eligible beneficiary by reason of service in the Army, Navy, Air Force, or Marine Corps. Special enrollment processes for these particular beneficiaries are outlined below.

2.0 POLICY

2.1 Active Duty Services Members (ADSMs)

TRICARE Prime enrollments for ADSMs, including activated National Guard and Reserve members (for more than 30 days), will not be affected by the PSA reductions. All ADSMs shall remain enrolled in TRICARE Prime or TRICARE Prime Remote (TPR), as appropriate.

2.2 Active Duty Family Members (ADFM) (including ADFM TYA Prime Enrollees)

ADFM (including ADFM TYA Prime enrollees) enrolled in TRICARE Prime and who reside outside of a T-3 PSA on September 30, 2013, will be grandfathered in TRICARE Prime starting October 1, 2013. They will remain enrolled in TRICARE Prime as long as they reside within 40 miles of the residence where they were originally granted grandfathered status and maintain eligibility as ADFMs. The Managed Care Support Contractors (MCSCs) must continue to have a Primary Care Manager (PCM) available for these beneficiaries and ensure all claims and benefits are administered as TRICARE Prime. ADFMs shall remain enrolled in TPR for Active Duty Family Members (TPRADFM), as appropriate. The MCSCs will manage the grandfathered ADFMs as stated in this chapter.

2.2.1 Terms of Grandfathered Status. The ADFM must maintain a residence within 40 miles of the residence where they were originally granted grandfathered status in order to retain grandfathered status. Grandfathered ADFMs must be assigned a PCM. Grandfathered ADFMs may add or terminate enrollment of dependents like any other ADFM (marriage, birth, adoption, divorce, etc.). Dependents may live in a separate residence outside a T-3 PSA and still be grandfathered.

2.2.2 Grandfathered ADFMs lose their grandfathered status when they are:

- No longer TRICARE eligible,
- No longer residing within 40 miles of the residence where they were originally granted grandfathered status, or
- Change to retired status.

2.2.3 All previously grandfathered beneficiaries (those grandfathered prior to the T-3 contracts) lose their grandfathered status effective October 1, 2013. They will be managed like all other beneficiaries.

2.3 Retirees And Their Family Members

2.3.1 Retirees and their family members enrolled in TRICARE Prime (including dependents of retirees enrolled in TYA Prime), who reside outside of a T-3 PSA, will be disenrolled effective midnight on September 30, 2013. Impacted retirees and their family members may re-enroll in TRICARE Prime at an MTF or with a network civilian PCM inside a T-3 PSA if they live within 100 miles of an available PCM in a T-3 PSA, submit a new request for enrollment, and waive both primary and specialty care travel time standards. They may also enroll in one of the six USFHPs, if available.

2.3.2 Retired beneficiaries who reside within a T-3 PSA, but are enrolled with a PCM located outside of a T-3 PSA will remain enrolled in TRICARE Prime. DEERS will not automatically disenroll these beneficiaries. The MCSCs shall notify these beneficiaries and assist them with selecting a PCM inside the T-3 PSA.

2.3.3 No retired beneficiary will be given grandfathered status.

2.3.4 Retired beneficiaries who are eligible and elect to re-enroll under Section 701 of the NDAA for FY 2014 must be re-enrolled effective October 1, 2013, pay retroactive enrollment fees, and waive both primary and specialty care drive time standards. The MCSCs must have available, and assign, a PCM for these beneficiaries within an existing PSA. Once enrolled and fees are paid, any TRICARE Standard claim processed with a date of service on or after October 1, 2013, for the beneficiary shall be reprocessed under the TRICARE Prime option. TRICARE Prime policies for these claims are waived as necessary to reprocess the claims, i.e., PCM referrals.

2.3.5 Retired beneficiaries who are eligible and elect to re-enroll under Section 701 of the NDAA for FY2016 must be re-enrolled by August 30, 2016, pay required enrollment fees, and waive both primary and specialty care travel drive time access to care (ATC) standards. Within an existing PSA, the MCSC must have available and assign a PCM for these beneficiaries residing greater than 100 miles from an MTF. Once enrolled and fees are paid, TRICARE claims for these beneficiaries with a date of service on or after the date of this enrollment shall be processed under the TRICARE Prime option.

2.4 TYA Enrollees

2.4.1 TYA Prime enrollments for those beneficiaries who reside outside of a T-3 PSA will be processed according to their sponsor's status.

2.4.2 ADFM TYA Prime beneficiaries enrolled outside of a T-3 PSA will be grandfathered in TYA Prime effective October 1, 2013, and will be able to retain grandfathered status as long as they meet the following conditions:

- They reside within 40 miles of the residence where they or their sponsor was originally granted grandfathered status (see [paragraphs 2.2.1](#) and [2.2.2](#)),
- They remain eligible to purchase coverage, and
- Their sponsor's status does not change.

2.4.3 Retired TYA Prime enrollees who reside outside of a T-3 PSA will be disenrolled effective midnight September 30, 2013, with no lockout applied ([Chapter 25, Section 1](#)), unless they are enrolled to a PCM within a T-3 PSA. All TYA eligible enrollees whose Prime enrollments are terminated must re-apply for coverage by completing a new TYA Application (DD Form 2947) to either enroll in TYA Standard or re-enroll in TYA Prime if they meet the requirements for retiree enrollment in TRICARE Prime contained in [paragraph 2.3](#).

2.4.4 Retired TYA Prime enrollees who are eligible and elect to re-enroll under Section 701 of the NDAA for FY 2014 must be re-enrolled effective October 1, 2013, pay retroactive premiums, and waive both primary and specialty care drive time standards. The MCSCs must have available, and

assign, a PCM for these young adults within an existing PSA. Once enrolled and premiums are paid, any TRICARE Standard claim processed with a date of service on or after October 1, 2013, for the young adults shall be reprocessed under the TRICARE Prime option. TRICARE Prime policies for these claims are waived as necessary to reprocess the claims, i.e., PCM referrals.

2.4.5 Retired TYA Prime beneficiaries who are eligible and elect to re-enroll under Section 701 of the NDAA for FY 2016 must be re-enrolled by August 30, 2016, pay required premiums, and waive both primary and specialty care travel drive time ATC standards. Within an existing PSA, the MCSC shall have available and assign a PCM for these young adults residing greater than 100 miles from an MTF. Once enrolled and premiums are paid, TRICARE claims for these beneficiaries with a date of service on or after the date of this enrollment shall be processed under the TRICARE Prime option.

2.5 Transitional Assistance Management Program (TAMP)

TAMP beneficiaries enrolled in Prime who reside outside of a T-3 PSA will be grandfathered and managed like all other ADFMs. Additionally, grandfathered Prime enrollees will continue to be grandfathered if they become TAMP eligible and enroll in TAMP, as long as they reside within 40 miles of the residence where they were originally granted grandfathered status. Grandfathered status will not be given to TAMP beneficiaries who move into an area that is not a T-3 PSA on/after October 1, 2013.

2.6 Transitional Survivors

Transitional Survivors are grandfathered like any other ADFM. However, when a surviving spouse's status changes from Transitional Survivor to Survivor, they will be disenrolled from TRICARE Prime and have to apply for re-enrollment as a Survivor, if TRICARE Prime is available within 100 miles of their residence. The current survivors are managed like any other retired beneficiary as described in [paragraph 2.3](#); they are not grandfathered.

2.7 TPR and TPRADFM

The current policy for TPR and TPRADFM does not change.

2.8 New Enrollments in TPSAs (all beneficiaries)

2.8.1 New TRICARE Prime enrollments in the TPSAs on or after April 1, 2013 will be limited. Beneficiaries who establish a residence in a TPSA prior to August 20, 2013 (20th of the month rule) can enroll in TRICARE Prime. Beneficiaries who do not establish residence in the TPSA cannot enroll with a TPSA PCM after April 1, 2013, unless they are attached to a grandfathered ADSM. Beneficiaries may "transfer" their TRICARE Prime enrollment to the TPSA if they establish residence in a TPSA before September 30, 2013.

2.8.2 ADFMs moving into an area that is not a T-3 PSA on or after October 1, 2013 will not receive grandfathered status. If eligible to do so, they may enroll in TPRADFM. No TRICARE Prime enrollments to providers in the disestablished TPSAs shall be permitted after September 30, 2013, either for ADFMs or retirees.

2.9 Notification and Disenrollment Letters

2.9.1 The MCSCs shall print and mail two notification letters between February and July 2013. Defense Health Agency (DHA) Beneficiary Education & Support Division (BE&SD) will provide the MCSCs and the Defense Manpower Data Center (DMDC) the notification letter templates for each beneficiary category. DMDC will provide a listing of the beneficiaries, to include their name and the demographic data needed, to complete the mailings. Copies of the letters and beneficiary listing will also be provided to the TRICARE Regional Offices (TROs). In August 2013, DMDC will mail disenrollment letters to the beneficiaries whose TRICARE Prime enrollment will be terminated effective October 1, 2013.

Note: All affected beneficiaries noted in the above paragraphs may also have the option to enroll in the USFHP, where available.

2.9.2 The retired beneficiaries eligible to re-enroll under Section 701 of the NDAA for FY 2014 will receive one notification letter from the DHA in April or May 2014.

2.9.3 The retired beneficiaries eligible to re-enroll under Section 701 of the NDAA for FY 2016 will receive one notification letter from DHA through the Defense Manpower Data Center (DMDC) in April or May 2016 regarding their "one-time" re-enrollment option.

Note: For beneficiaries requesting enrollment under the provisions of the NDAA for FY 2016 Section 701, the MTF Commander will not need to notify the TRO Director of their desire to enroll a beneficiary who resides greater than 100 miles from the MTF (as would otherwise be required under Chapter 6, Section 1, paragraph 9.6.3).

3.0 EFFECTIVE DATES

3.1 New enrollments in the TPSA are not allowed after August 20, 2013, for any beneficiary category (20th of the month rule), unless they qualify for TPR or TPRADFM.

3.2 All TPSAs terminate effective midnight September 30, 2013.

3.3 Effective October 1, 2013, PSAs will be maintained only at MTFs and designated BRAC sites.

3.4 The retired beneficiaries eligible to re-enroll under Section 701 of the NDAA for FY 2014 must submit their enrollment request (per Chapter 6, Section 1, paragraph 1.1.2) and applicable fees to their MCSC prior to June 30, 2014. All forms postmarked on or prior to June 30, 2014 are acceptable. Their effective date of coverage will be October 1, 2013.

3.5 The retired beneficiaries eligible to re-enroll under Section 701 of the NDAA for FY 2016 must submit their enrollment request (per Chapter 6, Section 1, paragraph 1.1.2) and applicable fees to their MCSC prior to August 30, 2016. All enrollment forms postmarked on or prior to August 30, 2016 shall be accepted. The effective date of coverage will be based on the "20th of the month rule" for receipt of an enrollment form (per Chapter 6, Section 1, paragraph 4.1.2).

- END -

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