

## 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). 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 the TYA Standard/Extra plan will be initially offered. Young adult dependents may purchase retroactive coverage back to January 1, 2011, until September 30, 2011. TYA Prime plans will be added effective October 1, 2011, 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. 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.
- TRICARE Plus.
- 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 PREMIUMS**

**2.1** TYA coverage 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 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 qualifies 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. Premiums are to be paid monthly for each young adult dependent.

**2.2** Each year the government will determine the monthly premium rates payable by young adult dependents for 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 eligibility criteria 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 criteria 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 and 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 for issues concerning qualifying to purchase TYA coverage, including when the young adult dependent is not in DEERS or is not showing as eligible for TYA. Qualifications to purchase TYA are listed in [paragraph 3.1](#), and are provided for the contractor's information only.

### **3.1 Dependent Eligibility 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).

**3.2.2** Young adult dependents of active duty members (including those called to active duty for more than 30 days) are eligible to purchase TYA coverage until the active duty sponsor's date of separation or reaching the age of 26, whichever comes first. However, young adult dependents eligible for transitional compensation under [32 CFR 199.3\(b\)\(2\)\(iii\)](#) may purchase coverage for the period up to one year after the uniform service sponsor's separation or until the young adult dependent reaches the age of 26, whichever comes first. Upon the death of an active duty sponsor, dependents eligible for Transitional Survivor coverage may purchase TYA coverage up to the age of 26.

**3.2.3** Qualifying young adult dependents of retired members are eligible to purchase TYA coverage until they reach the age of 26.

**3.2.4** Young adult dependents of uniformed sponsors eligible to purchase TRS or TRICARE Retired Reserve (TRR) are only eligible to purchase TYA coverage 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 is eligible 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, shall remain qualified to purchase new or continue existing TYA coverage until the date on which the deceased member of the Retired Reserve would have attained age 60 or 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 (DOES) (TRICARE Systems Manual (TSM), [Chapter 3, Section 1.4, paragraph 1.2.8.1](#)). Premium-related transactions shall be reported through the enrollment fee payment interface (see the TSM, [Chapter 3, Section 1.4, paragraph 1.2.8.1](#)). The contractor shall perform all premium and billing 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 an initial payment of three months worth of premiums for either TRICARE Standard or TRICARE Prime coverage (if available), within one dollar, within deadlines specified in the following paragraphs. 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 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 DOES unless the initial payment received for the first three months of coverage, if eligible, is the correct amount within one dollar for the type of coverage purchased. The procedures for determining the effective date of coverage are specified in the following paragraphs.

##### **4.1.1 Continuation Of 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 of three months of premiums, must either be received in the TSC, entered into the BWE application, or postmarked NLT 30 days along after the termination of other TRICARE coverage, including CHCBP. See the TRICARE Policy Manual (TPM), [Chapter 10, Section 4.1](#), for information regarding termination of CHCBP coverage and refund of CHCBP premiums.

##### **4.1.2 Open Enrollment**

A qualified young adult dependent may purchase TYA coverage throughout the year unless locked out. If the request and premium payment required by [paragraph 4.1](#) are received in the TSC or postmarked by the last day of the month, 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. For TYA Prime effective dates, follow [Chapter 6, Section 1, paragraph 3.1.2](#).

##### **4.1.3 Retroactive Coverage**

A qualified young adult dependent may elect retroactive TRICARE Standard coverage effective as of January 1, 2011, if the dependent was eligible as of that date. If retroactive coverage is elected, premiums must be paid for the time period between January 1, 2011, and the date of the election, along with the three months of prospective premiums, or as eligible. If retroactive coverage is requested but the young adult dependent was not eligible for TYA coverage on January 1, 2011, then the date the young adult dependent became eligible for TYA 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 the three months of prospective coverage, or as eligible. If no retroactive coverage is elected or the retroactive premiums are not paid within 30 days of the application, coverage will not be retroactive and coverage will apply only prospectively under the open enrollment procedures. No purchase of retroactive coverage may take place after September 30, 2011. Retroactive coverage is limited to the TRICARE Standard benefit only.

#### **4.1.4 Changing Coverage**

**4.1.4.1** Upon receipt of an application and payment of appropriate premiums, 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 4.1.2](#).

**4.1.4.2** If the premium amount drops, the contractor will adjust future premiums or at the request of the young adult dependent, refund any overpayments 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 three months premium payment (as required) NLT ten calendar days after receipt.

**4.2.2** 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 return a copy of the original application and any premium payments to the young adult dependent, initiated within calendar ten days, with an explanation of what is needed for the contractor to accept the application for processing. Premium payments that differ by less than one dollar from the correct amount due shall be considered payment in full for the initial payment. Inadequate submissions shall be re-processed when the application is complete with the appropriate effective date.

#### **4.3 Termination Of TYA Coverage**

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

### **4.3.1 Loss Of TYA Eligibility**

Failure of a young adult dependent to maintain all eligibility qualifications shall result in the termination of coverage under the TYA program. Loss of eligibility can be due to the sponsor's losing eligibility for care or failure of the dependent to meet the eligibility requirements. The effective date of termination shall be the date upon which the adult young dependent failed to meet any of the prerequisite qualifications. If a subsequent change in circumstances re-establishes eligibility (such as losing eligibility for an eligible employer-sponsored plan), the young adult dependent may re-enroll for 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 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 letter to the young adult dependent advising of loss of coverage due to the sponsor's loss of eligibility.

#### **4.3.1.2 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. The contractor shall update the fee system based on the terminated coverage for the young adult dependent as appropriate.

### **4.3.2 Lockout**

Dependents whose coverage under TYA terminates for failure to pay premiums will not be allowed to purchase coverage again under TYA for a period of one year following the effective date of termination. Dependents who are terminated for failure to pay may request a waiver of the lockout from the TRICARE Regional Director (RD), the TRICARE Area Office (TAO) Director, or their designee if extraordinary circumstances beyond the control of the young adult dependent, as determined by the waiver approval authority, resulted in an inability to pay premium payments in accordance with program requirements, or if the lapse in coverage was due to eligibility for employer-sponsored coverage. The TRICARE RD, TAO Director, or designee, is the waiver approving authority. A grace period not to exceed 90 days after the end of the month during which the last full premium was paid, during which a young adult dependent who would otherwise be subject to a lockout may be reinstated by the payment of all unpaid premiums. However, if payment has not been made by the 90th day, then coverage will be deemed to be terminated as of the last day of the month in which an appropriate payment was made and no claims may be paid for care rendered after the date of termination. Reasons for termination of coverage will be recorded in DEERS using Web DOES.

#### **4.3.2.1 Young Adult Dependent Gains Other TRICARE Coverage**

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

**4.3.2.1.1** If a young adult dependent gains other TRICARE coverage for a period of 30 days or less, TYA coverage will continue unchanged.

**4.3.2.1.2** If a young adult dependent gains other TRICARE coverage for a period of more than 30 days, DEERS will terminate TYA coverage. The contractor must be aware of the fact that DEERS may reflect Active Duty Service Member (ADSM) and Active Duty Family Member (ADFM) TRICARE coverage before the service member actually reports for active duty.

**4.3.2.1.3** If a young adult dependent gains other TRICARE coverage via a family member (marriage, adoption, or ward status), the young adult dependent must terminate coverage under TYA and shall not incur a lockout.

#### **4.3.2.2 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 notifies the contractor in writing when he or she is eligible or enrolled in an eligible employer-sponsored health plan offered by his or her employer.

**4.3.2.2.1** 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.

**4.3.2.2.2** 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 DOES without applying a lockout.

#### **4.3.2.3 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 is ineligible to purchase TYA coverage.

### **4.4 Failure To Make Payment**

**4.4.1** Failure 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. Premium payments that differ by less than one dollar from the correct amount due shall be considered payment in full for that month. The effective date of termination is the paid-through date. The contractor shall automatically 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 pending, the contractor shall initiate recoupment of health care costs following the procedures in [Chapter 10, Section 4](#).

**4.4.2** 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 written notification of termination (see [paragraph 4.1.1](#)) includes notice of the 12 month lockout period.

#### **4.5 Requests For Voluntary Termination**

The contractor shall accept requests for termination of coverage from young adult dependents at anytime. The effective date of termination is either (a) the last day of the month in which the request was postmarked or received in the TSC, (b) the last day of a future month as specified in the request given that the request was postmarked or received in the TSC in the month preceding the requested month of termination, or (c) as directed by the TRICARE RD, TAO Director, or their designee, 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 adult age 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. No lockout shall be applied for a cancelled enrollment.

#### **4.7 Exceptions**

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 TRICARE RD, TAO Director, or their designee, for determination. The TRICARE RD, TAO Director, or their designee will issue decisions within ten 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 TRICARE RD, TAO Director, or their designee will send instructions to the contractor. The contractor shall carry out such instructions NLT 10 calendar days after receipt from the TRICARE RD, TAO Director, or their designee, and notify the young adult dependent of the final decision. The TRICARE RD, TAO Director, or their designee may authorize an override of information shown on DEERS, pending a system update, based on appropriate documentation regarding eligibility under the law, regulation, and policy.

## **5.0 PREMIUM BILLING AND COLLECTION**

The contractor shall perform all premium and billing functions required for TYA. Young adult dependents are responsible for all premium payments for the individual coverage being purchased. As listed on the TYA application, monthly bills may be sent to an address other than the residential mailing address. All billing will be monthly; neither annual nor quarterly billings are authorized. Premium-related transactions shall be reported through the enrollment fee payment interface (see the TSM, [Chapter 3, Section 1.4, paragraph 1.2.8.1](#)).

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

**5.1.1** The particular contractor servicing the address for the young adult dependent shall perform premium billing and collection functions for the young adult dependent.

**5.1.2** As part of each monthly bill, the contractor shall provide the opportunity for the young adult dependent to submit a change of address to the servicing contractor. At any time the servicing contractor notices that a new residential address is in the servicing area of another TRICARE contractor, the contractor shall initiate the actions necessary in DOES to transfer premium collection and other applicable administrative services to the new servicing contractor. The jurisdiction shall be based on the young adult dependent's reported new residential address. 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 overdue and future payments. Contractors may establish reports that facilitate the transfer of enrollment to another contractor.

**5.1.3** All unsolicited PNTs for young adult dependents will be evaluated to determine if residential address changes require a transfer of premium collection and other applicable administrative services to another contractor for servicing. If a transfer is indicated, the contractor will follow requirements specified in [paragraph 5.1.2](#) within 90 calendar days of notification in the change of the residential address.

### **5.2 Issuance Of Bills**

All bills for premium payments shall be issued to the address requested by the young adult dependent on the 10th calendar day of each month, or the next business day if the 10th of the month falls on a weekend, for the following month. All direct bills shall be for full month premiums and/or prorated amounts, if applicable, and shall reflect a due date of the last day of each billing month. Bills shall reflect all payments received through no less than the fifth day of the month. The following statement will appear on all bills: 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 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.

### 5.3 Premium Collection

The contractor shall credit the young adult dependent for premium payments received. All bills shall specify that the premium payment is 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](#) for continuation of coverage or as directed by the TRICARE RD, TAO Director, or designee), the first month's premium shall be prorated on a daily basis to synchronize billing to the first of the month, and future premiums adjusted accordingly. 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. The amount of the initial premium payment due may be printed on the prescribed form.

**5.3.1** The contractor shall accept credit/debit cards, checks, cashier's checks, and money orders for the first three months of premiums. Otherwise the contractor shall accept recurring payments by credit/debit card (i.e., Visa/MasterCard) and Electronic Funds Transfer (EFT) only (see [paragraph 5.3.3](#) for exception). An EFT payment or an automatic credit/debit card payment shall be processed on the first business day of the month of coverage. The contractor shall not generate bills if the young adult dependent's premiums are being paid via the EFT or automatic credit/debit card payment method. The contractor shall advise young adult dependents at the time of EFT election that an insufficient-funds fee of up to \$20 U.S. may be assessed, if sufficient funds are not available.

**5.3.2** The contractor shall be responsible for initiating EFTs and automatic credit/debit card payments with a financial institution upon receipt of instructions from the young adult dependent.

**5.3.3** The contractor shall directly bill the young adult dependent when a problem occurs in initially setting up the EFT or credit card payments or when there are insufficient funds to process a monthly EFT. The contractor may apply a fee of up to \$20 U.S. for insufficient funds. The contractor shall include notice of the fee of up to \$20 U.S. when billing the young adult dependent. If the contractor is unable to obtain the requested premium payment from the young adult dependent's account for any reason after an EFT or recurring credit card payment is established, the young adult dependent will be responsible for paying the overdue premiums and any insufficient-funds fee by means of direct billing.

**5.3.4** Premium payments shall be made payable to the contractor servicing the young adult dependent's coverage as specified in [paragraph 5.1](#).

### 5.4 Annual Premium Adjustment

**5.4.1** Contractors shall include advance notification of any annual premium adjustments on the October, November, and December monthly bills. (The October notification may not include the actual premium rates for the new year.) The notification shall include the new amount for TYA coverage. For those young adult dependents not receiving a monthly bill, the contractor shall issue a notice advising the young adult dependent of the adjusted premium amount at the same time the October (if available), November, and December bills are mailed and shall initiate all actions required to allow the continuation of the EFT transaction or credit/debit card payment with the adjusted premium amount.

**5.4.2** For premium adjustments that go into effect at any time other than January 1st, the government will provide instructions about notification to TYA purchasers.

## 5.5 Online Transactions

In addition to requirements specified in [paragraph 5.0](#) and its subordinate paragraphs, the contractor may provide online capability for young adult dependents 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 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 based on where the service was performed. 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. However, 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 since CHCBP is not a TRICARE 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 20, Section 3](#). The Managed Care Support Contractors (MCSCs) 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 10](#).

**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 TRICARE RD, TAO Director, or their designee 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 the TYA handbook and other 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. When the contractor receives an inquiry involving TYA eligibility or qualifications and the individual does not show as TYA eligible in DEERS, the contractor shall refer the individual to the appropriate RAPIDS site.

## **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

**TRICARE Operations Manual 6010.56-M, February 1, 2008**

Chapter 25, Section 1

TRICARE Young Adult (TYA)

---

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). 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, DoD benefits number, payment amount, payment date, date case was transferred to TMA OGC-AC, and the date and amount of the deposit.

**9.2.4** 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.

**9.2.5** The contractor shall electronically submit monthly reports of premium activity supporting the wire transfer of dollars to the Contracting Officer (CO).

- END -

