



DEFENSE  
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**CHANGE 85  
7950.2-M  
MARCH 25, 2016**

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL  
FOR  
TRICARE SYSTEMS MANUAL (TSM), FEBRUARY 2008**

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

**CHANGE TITLE: ENROLLMENT FEE REFUND**

**CONREQ: 17776**

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

**SUMMARY OF CHANGE(S): This change updates the TRICARE Systems Manual to include refunds as enrollment fee transactions.**

**EFFECTIVE DATE: April 25, 2016.**

**IMPLEMENTATION DATE: May 9, 2016.**

**This change is made in conjunction with Feb 2008 TOM, Change No. 176.**

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**ATTACHMENT(S): 4 PAGES  
DISTRIBUTION: 7950.2-M**

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

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**REMOVE PAGE(S)**

**CHAPTER 3**

Section 1.4, pages 19 through 22

**INSERT PAGE(S)**

Section 1.4, pages 19 through 22

**1.2.8.1 Enrollment Fee and Premium Payment Processing (For Enrollment Periods Prior to October 1, 2012)**

**1.2.8.1.1 Prime Enrollment Fee Payment (For Enrollment Periods Prior to October 1, 2012)**

**1.2.8.1.1.1** Enrollment fees may be paid monthly, quarterly, or annually. The beneficiary specifies this payment option during enrollment and the contractor shall enter the fee information in the Enrollment Fee Payment interface or the Fee/CCD Web Research application as part of the enrollment transaction. Contractors shall update DEERS with all subsequent enrollment fee payments and shall update a fee paid-through date for each. They shall transmit this information, including any credits to DEERS within one business day. With the exception of claims recoupments and Non-Sufficient Fund (NSF) fees, all monetary receipts from beneficiaries must be treated as fee payments and reported to DEERS either as fee payments or credits, unless they are refunded to the beneficiary. There is no option to retain such records in the contractor's system. The contractor's system shall be able to process fee refunds as necessary.

**1.2.8.1.1.2** DEERS will automatically apply any fee payments and adjustments posted through DOES or the Enrollment Fee Payment interface to the beneficiary's catastrophic cap (if applicable). For individual policies, the beneficiary will be credited with the fee amount; for family policies, the fee will be posted under the sponsor's family contribution towards the catastrophic cap. If the catastrophic cap is locked at the time the fee payment is sent, DEERS will reject the fee payment. The contractor shall resend the fee amount to DEERS daily until it is accepted. If the record remains locked longer than 48 hours, the contractor should contact the claims processor that placed the lock to determine the reason for the lock and when it will be released.

**1.2.8.1.1.3** The enrollment fee payment interface perform edits against the submitted fee data. The contractor shall research and correct any data discrepancies identified by DEERS (both warnings and errors) within three business days.

**1.2.8.1.1.4** DEERS records both the enrollment fee payment date and the enrollment fee paid-through date. The enrollment fee payment date reflects the date the fee was received by the contractor. The enrollment fee paid-through date reflects the last date for which coverage is paid. The purpose of tracking the paid-through date is to ensure portability. On an enrollment transfer, DEERS includes the last fee information from the enrollee's policy on the notification to the new contractor.

**1.2.8.1.1.5** DEERS does not prorate fees, determine the amount of the next enrollment fee payment, determine the date of the next enrollment fee payment, send enrollment fee payment due notifications, or identify which entity is responsible for enrollment fee payments. These actions are the responsibility of the enrolling organization. Additionally, the enrolling organization must be able to accommodate policies that are less than 12 months in length and prorate enrollment fees appropriately.

**1.2.8.1.1.6** DEERS will automatically apply any fee payments posted through the Enrollment Fee Payment interface to the catastrophic cap.

**1.2.8.1.1.7** Credits extending into FY 2013, have to be removed prior to initialization of the new premium fee model and then later sent to DEERS if those funds apply to an FY 2013 payment. For

payments effective October 1, 2012 and later, DEERS will not post credits amounts to the catastrophic cap.

#### **1.2.8.1.2 Fee Payments Interface (For Enrollment Periods Prior to October 1, 2012)**

The contractor will send enrollment fee payment information to DEERS through a system-to-system interface. This interface includes new payments, payment adjustments, and updates to paid-through dates. Contractors must correct and resubmit enrollment fee payments rejected by DEERS or research, correct and resubmit fee payments for which DEERS has provided a warning within three business days of the error.

#### **1.2.8.1.3 Premium Payment Programs: TRS, TRR, and TYA (Payments For Enrollment Periods Prior to October 1, 2012)**

For the TRS, TRR, and TYA programs, DEERS will accept premium payment paid-through dates.

**1.2.8.1.3.1** Contractors are required to submit paid-through dates to DEERS upon receipt of premium payments. Contractors will refund all overpayments of premiums to the member. In the event the member moves from one region to another region, billings for premiums shall be initiated on the next month with coverage effective the first day following the previous paid-through date. Transfers shall be made per the TRICARE Operations Manual (TOM), [Chapter 22, Sections 1 and 2](#) and [Chapter 25, Section 1](#).

**1.2.8.1.3.2** As with any other enrollment fee or premium payment, overpayments are considered part of the fee or premium amount that must be reported to DEERS.

**Note:** TRS/TRR/TYA premium payments are not applicable to the FY catastrophic cap.

#### **1.2.8.2 Enrollment Fee and Premium Payment Processing (For Enrollment Periods On or After October 1, 2012)**

##### **1.2.8.2.1 Prime Enrollment Fee Payment and Refunds (For Enrollment Periods On or After October 1, 2012)**

**1.2.8.2.1.1** Enrollment fees may be paid monthly, quarterly, or annually. The beneficiary specifies this payment option during enrollment and the contractor shall enter the dollar amount received from the beneficiary **or the dollar amount refunded to a beneficiary** in the Premium/Fee Interface or the Fee/CCD Web Research application. DEERS will calculate the policy paid period end date and return the information to the enrolling contractor. Contractors shall send the dollar amount of all subsequent enrollment fee transactions, **including refunds of enrollment fees**, to DEERS within one business day. With the exception of claims recoupments and NSF fees, all monetary receipts from beneficiaries **or refund of enrollment fees** must be treated as **enrollment fee transactions** and be reported to DEERS. The contractor's system shall be able to process fee refunds as necessary.

**1.2.8.2.1.2** The contractor will send **enrollment fee transactions** to DEERS through a system-to-system interface. This interface includes new payments and payment adjustments, **including refunds**. DEERS will calculate the new paid period end date based on the amount submitted by the contractor. Contractors must correct and resubmit enrollment **fee transactions** rejected by DEERS

or research, correct and resubmit **transactions** for which DEERS has provided a warning within three business days of the error.

**1.2.8.2.1.3** If applicable, DEERS will automatically apply fee transactions to the beneficiary's catastrophic cap. For individual policies, the beneficiary will be credited with the fee amount; for family policies, the fee will be posted under the sponsor's family contribution towards the catastrophic cap. If the catastrophic cap is locked at the time the fee payment is sent, DEERS will reject the fee payment. The contractor shall resend the fee amount to DEERS daily until it is accepted. If the record remains locked longer than 48 hours, the contractor should contact the claims processor that placed the lock to determine the reason for the lock and when it will be released.

**1.2.8.2.1.4** The Premium/Fee Interface performs edits against the submitted fee data. The contractor shall research and correct any data discrepancies identified by DEERS (both warnings and errors) within three business days.

**1.2.8.2.1.5** DEERS calculates paid period end dates based on the premium/fee amounts collected **or refunded amounts** and entered into DEERS by the contractor. It does not determine the date of the next premium/fee payment, send premium/fee payment due notifications, or identify which entity is responsible for premium/fee payments. These actions are the responsibility of the contractors. Additionally, the contractors must be able to accommodate policies that are less than 12 months in length, and collect only the enrollment fees due.

**1.2.8.2.1.6** DEERS records both the enrollment fee **transaction** date and the enrollment fee paid **or refunded amount**. The enrollment fee **transaction** date reflects the date the fee was received **or refunded** by the contractor. The enrollment fee paid **or refunded amount** will be used by DEERS to calculate the paid period end date. DEERS includes the last fee information from the enrollee's policy on notifications to the contractors. DEERS calculates and reports credits to all policies.

**1.2.8.2.1.7** Contractors must remove all existing credits on DEERS prior to the initialization of the new premium model. Credits not refunded to the beneficiary must be re-posted as a FY 2012 credit or a FY 2013 payment after initialization. Any credits remaining on or after October 1, 2012, must be removed from FY 2012 and either refunded to the beneficiary or posted as a payment for FY 2013. Effective October 1, 2012 and later, DEERS will not post credit amounts to the catastrophic cap.

**1.2.8.2.2 Premium Payment and Refunds: TRS, TRR, and TYA Programs (For Enrollment Periods On or After October 1, 2012)**

**1.2.8.2.2.1** For the TRS, TRR, and TYA programs, the contractor will enter into DEERS the premium amount collected **and the premiums refunded** for the policy and DEERS will calculate and return to the contractor the paid period end date.

**1.2.8.2.2.2** Contractors are required to submit all premium amounts collected **or premiums refunded to the beneficiary** to DEERS upon receipt. Contractors will refund all overpayments of premiums to the member at termination of coverage. In the event the member moves from one region to another region, billings for premiums shall be initiated the next month with coverage effective the first day following the previous paid period end date. Enrollment transfers shall be made per the TRICARE Operations Manual (TOM), [Chapter 22, Sections 1 and 2](#) and [Chapter 25, Section 1](#).

**1.2.8.2.2.3** As with any other enrollment fee or premium payment, overpayments not refunded to the beneficiary are considered part of the fee or premium amount that must be reported to DEERS.

**Note:** TRS/TRR/TYA premium payments are not applied to the FY catastrophic cap.

### **1.2.8.3 Enrollment Fee Waivers**

**1.2.8.3.1** DEERS will automatically maintain fee waiver entitlement data for families. Multiple fee waiver entitlements may exist at the same time (i.e., the family has a waiver for Medicare at the same time that they have met the catastrophic cap for part of a fiscal year). DEERS will supply all fee waiver entitlements and calculate fees due based on all waiver entitlement data.

**1.2.8.3.2** When new enrollments are processed, certain fee waiver entitlements will be immediately available on the enrollment PNT. Under certain circumstances (i.e., Medicare enrollments), the enrollment data will be processed and a PNT is sent prior to the calculation of the fee waiver entitlements. In such cases, a subsequent PNT will be sent immediately after the fee waiver entitlement recalculation that will include the updated waiver data. DEERS will calculate fees due.

**1.2.8.3.3** When primary data changes in DEERS that affect fee waivers, the corresponding entitlement periods will be recalculated. If a fee waiver entitlement affects the current or future fiscal years for an active policy, DEERS will send an unsolicited notification to the most recent contractor.

**1.2.8.3.4** Additionally, if primary data in DEERS changes that makes an existing entitlement invalid (i.e., the family going back under the catastrophic cap), the existing entitlement will be marked inactive and an unsolicited PNT will be sent to the contractor if it affects an active policy's current or future fiscal years. DEERS will calculate or recalculate any fees due.

## **1.3 Address, Telephone Number, and E-Mail Address Updates**

### **1.3.1 Addresses**

DEERS receives address information from a number of source systems. Although most systems only update the residence address, DEERS actually maintains multiple addresses for each person. The contractor shall update the residential and mailing addresses in DEERS, whenever possible. These addresses shall not reflect unit, MTF, or MCSC addresses unless provided directly by the beneficiary. The mailing address captured on DEERS is primarily used to mail the enrollment card and other correspondence. The residential address is used to determine enrollment jurisdiction at the Zip Code level. DEERS uses a commercial product to validate address information received online and from batch sources.

### **1.3.2 Telephone Numbers**

DEERS has several types of telephone numbers for a person (e.g., home, work, and cellular). Contractors shall make reasonable efforts to add or update telephone numbers.