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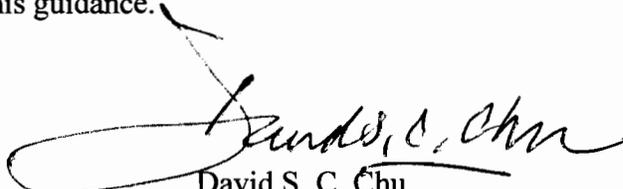
JUL 26 2007

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS

SUBJECT: Policy Guidance for TRICARE Reserve Select (TRS)

This memorandum implements the provisions of section 706 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364), October 16, 2006, which restructures and expands the TRS program. TRICARE Reserve Select is a premium-based TRICARE health plan for certain Selected Reserve members and their families provided under section 1076d of title 10, United States Code (U.S.C.) as amended in Public Law 109-364.

This memorandum establishes the policy, responsibilities and procedures for the administration of the TRS health plan. This program is to be fully implemented by October 1, 2007. Secretaries of the Military Departments shall prescribe implementing instructions consistent with this guidance.



David S. C. Chu

cc: Commandant of the Coast Guard



**POLICY GUIDANCE**  
**for**  
**TRICARE Reserve Select (TRS)**

This DoD policy implements recent enhancements to TRICARE health care coverage for certain Selected Reserve members and their eligible family members provided under section 1076d of title 10, United States Code (10 U.S.C. 1076d), which was enacted by section 706 of the John Warner National Defense Authorization Act of Fiscal Year 2007 (P.L.109-364). These TRICARE benefits are collectively called TRICARE Reserve Select.

The TRICARE Dental Program is a separate benefit that is available to all members of the Selected Reserve and their eligible family members under 10 U.S.C. 1076a, and must be purchased separately from TRS.

**(1) Definitions**

- (a) Federal Employees Health Benefits (FEHB) Program. For the purpose of this policy, the term Federal Employees Health Benefits (FEHB) Program, includes all health benefit plans covered under chapter 89 of title 5 U.S.C. Primarily this includes employer-sponsored group health insurance programs covering Federal employees, retirees, former employees, family members and former spouses. Federal employees are eligible to elect FEHB coverage unless their position is excluded by law or regulation.
- (b) Date Received by the TRICARE Managed Care Support Contractor. The date a TRS request form is faxed, electronically transmitted, delivered to a TRICARE Service Center, or post-marked, shall be used as the “date received by” the TRICARE Managed Care Support Contractor. If the TRS request form and premiums are not received by the TRICARE Managed Care Support Contractor by the required due date as set forth by the Assistant Secretary of Defense for Health Affairs (ASD (HA)), the procedures set forth by the ASD (HA) for late enrollments or reenrollments shall apply.

**(2) TRICARE Reserve Select**. TRS is a premium-based TRICARE health plan that is available to members of the Selected Reserve at 28 percent of the premium cost. TRS offers coverage similar to TRICARE Standard (and TRICARE Extra) with the active duty family member deductibles and cost shares applied to both Selected Reserve members and family members under the TRS plan.

- (a) TRS. TRS is a benefit with qualification criteria and a premium rate. TRS requires the member to serve in the Selected Reserve in order to be covered under TRS. The specific qualification criteria for TRS are described in paragraph (3) below.
- (b) Types of Coverage. Reserve component members may purchase TRS health care coverage for member-only or member and family.

- (c) Program Information. The Secretaries of the Military Departments shall take action to ensure—to the maximum extent practicable—that their Reserve component members receive information about TRS as described in paragraphs (3) and (4), below, to include:
- (i) a clear explanation of the qualification criteria for TRS,
  - (ii) procedures for purchasing TRS coverage, and
  - (iii) a description of the health care benefits provided under TRS.

**(3) TRICARE Reserve Select Criteria**

(a) Qualifying to Purchase TRS.

- (i) *Selected Reserve Members.* The Reserve component member shall be a member of the Selected Reserve of the Ready Reserve.
- (ii) *Excluded from TRICARE Reserve Select.* The law excludes all Selected Reserve members who are enrolled, or eligible to enroll, in FEHB from purchasing TRS.

(b) Requirements to Purchase TRS. The following requirements must be accomplished in order for the member to purchase TRS health coverage.

- (i) *Selected Reserve Service.* A Reserve component member must be serving in the Selected Reserve on the first day of TRS coverage and must remain in the Selected Reserve for the entire period covered under TRS.
- (ii) *Determining Eligibility.* The member's Reserve component is responsible for determining the member's qualifications for TRS. The member's Reserve component shall provide to the Defense Enrollment Eligibility Reporting System (DEERS) at the Defense Manpower Data Center (DMDC) the service member's current Reserve category.

- (iii) *TRICARE Reserve Select Enrollment.* The TRS request form, DD 2896-1 will be available August 11, 2007, from the DMDC TRICARE Reserve Select Application (TRSA). This request form was developed for the enhanced TRS program with coverage effective October 1, 2007.

(A) *Selected Reserve Members.* In order to purchase coverage under TRS, a qualified Selected Reserve member must complete and submit a TRS request form accompanied by the first month's premium payment to the applicable TRICARE Managed Care Support Contractor in accordance with deadlines established by the Assistant Secretary of Defense for Health Affairs.

(B) *Certification of Non Eligibility or Enrollment in Federal Employees Health Benefits (FEHB) Program.*

- (I) The Selected Reserve member shall sign the TRS request form and certify he or she is not eligible for or enrolled in FEHB.

(II) The Service member's signed TRS request form shall document the service member's understanding and responsibility to terminate TRS coverage upon establishing eligibility for or enrolling in FEHB.

(4) **Purchasing TRS Coverage.** The Director of the TRICARE Management Activity (TMA) will conduct the enrollment for the TRICARE Reserve Select purchased health care program. Open Enrollment for the newly enhanced TRS program will begin on or about August 11, 2007 for TRS coverage beginning October 1, 2007.

- (a) **Continuous Open Enrollment.** Qualified Selected Reserve members (except those described in paragraph (3)(a)(ii) above, may purchase TRS coverage throughout the year. The Selected Reserve member must submit a TRS request form accompanied by the first month's premium payment to the applicable managed care support contractor.
- (b) **Continuation of Coverage.** Following a period of active duty or full time National Guard duty of greater than 30 days, a period of early TRICARE coverage based on a delayed-effective-date active duty orders, or a period of Transitional Assistance Management Program (TAMP), a qualified Selected Reserve members described in paragraph (3)(a), above, may purchase TRS coverage with a begin date of coverage immediately following the termination of coverage under another non-premium based TRICARE program. The TRS request form and correct premium payment must be received by the TRICARE Managed Care Support Contractor no later than 60 days after the termination of the non-premium based TRICARE coverage.
- (c) **Qualifying Life Event.** For continuous coverage for a new family member or during a change of family composition, a qualified Selected Reserve member as described in paragraph (3)(a), above, may purchase or change TRS coverage type in connection with a qualifying life event (QLE) that results in a change of family composition. All family composition changes shall be reported to DEERS (e.g., new born, adoption, marriage, divorces). The qualified service member shall submit the TRS request form and appropriate premium amount to the TRICARE Managed Care Support Contractor. The TRS request form and correct premium payment must be received by the TRICARE Managed Care Support Contractor no later than 60 days after the date of the qualifying life event.
- (d) **Survivor Coverage under TRICARE Reserve Select.** If a member of the Selected Reserve dies while covered under TRS, the eligible family member(s) (spouse and/or children) may elect to retain or purchase TRS coverage for up to six months beyond the date of the member's death. The surviving spouse (or legal guardian when coverage is provided to the member's child or children and there is no surviving spouse) shall be responsible for payment of the monthly premiums for coverage under the TRS benefit.
  - (i) ***Retain Coverage.*** Existing family coverage will automatically continue for six months from the death of the sponsor. If coverage was for sponsor and spouse without additional dependents, member and family coverage and premium shall be converted to self-only coverage.
  - (ii) ***Purchase Coverage.*** The surviving spouse or legal guardian of the member's child or children when there is no surviving spouse may submit a TRS request form and premium payment to the TRICARE Managed Care Support Contractor

to purchase TRS coverage. The TRS request form and correct premium payment must be received by the TRICARE Managed Care Support Contractor no later than 60 days after the death of the sponsor.

**(5) Period of TRS Coverage**

- (a) Covered Period. TRS coverage under the enhanced NDAA FY 07 legislation shall be available October 1, 2007, for Selected Reserve members meeting the qualifications described in paragraph (3), above, and meeting the purchasing requirements described in paragraph (4), above. Fixed length periods of TRS coverage are eliminated. TRS coverage once established shall continue until a condition described in paragraph (6), below, terminates the TRS coverage.
- (b) Date Coverage Begins
- (i) *Continuous Open Enrollment*. If the TRS request form and premium are received by the TRICARE Managed Care Support Contractor by the last day of the month, TRS coverage shall begin either the first day of the next month or the first day of the second following month as indicated by the service member on the TRS request form.
  - (ii) *Continuation Coverage*. TRS coverage shall begin the day immediately following the termination of the service member's non-premium based TRICARE program. However, the member must submit a completed TRS request form and premium payment within 60 days as described in paragraph (4)(b), above.
  - (iii) *Qualifying Life Event*. TRS coverage shall begin the date of the qualifying life event.
  - (iv) *Survivor Coverage*. TRS coverage shall begin on the day after the sponsor's date of death.

**(6) Termination of TRS Coverage**. Conditions described below shall terminate a sponsor's, and if applicable, the family's TRS coverage.

- (a) Loss of Selected Reserve Status. TRS coverage shall terminate effective the date of loss of Selected Reserve status.
- (b) Eligibility or Enrollment in FEHB
- (i) *Service Member*. Upon eligibility for or enrollment in FEHB, a service member enrolled in TRS shall submit a request form to terminate his or her TRS coverage. TRS coverage shall terminate the day prior to eligibility for coverage or enrollment under FEHB, whichever occurs first. Service members' responsibilities and liabilities are defined in paragraph (13). The TRS Request form to terminate TRS coverage may be submitted up to 60 days in advance of FEHB eligibility.
  - (ii) *Reserve Component*. Based on FEHB eligibility information provided by the Office of Personnel Management, the Reserve component shall determine the

service member's eligibility status and terminate TRS coverage, if warranted, as described in paragraph 12(c) and inform the service member of the provisions in paragraph 13(b).

- (c) Failure to Make Premium Payments. TRS coverage shall terminate if the service member fails to make premium payments in a timely manner as determined by the Director, TRICARE Management Activity. The service member and enrolled family members shall be locked out of TRS coverage for the longer period of one year from the effective date of termination initiated for failure to make payment or until overdue amounts are paid in full.
- (d) Covered Under Another TRICARE Benefit. TRS coverage shall terminate as of 12:01 a.m. of the day of the member's eligibility for any non-premium based TRICARE benefit (e.g., active service [active duty or full-time National Guard duty] greater than 30 days, receipt of a delayed-effective-date active duty order).
- (e) Voluntary Termination. TRS coverage shall terminate when the member notifies the TRICARE Managed Care Support Contractor that he or she no longer wishes to purchase health coverage under this program. The effective date of termination of coverage shall be the last day of the month in which the request form was received by the TRICARE Managed Care Support Contractor. This decision shall place a one year lock out from the date of termination on the sponsor and dependents enrolled in the TRS plan.
- (f) Death of the Sponsor. TRS coverage for the sponsor shall end the date of the sponsor's death.
- (g) Survivor Coverage. TRS survivor coverage shall end six months after the date of the sponsor's death. If the surviving spouse or legal guardian of the dependent children wishes to terminate TRS coverage on the date of the member's death, the TRS request form shall be received by the TRICARE Managed Care Support Contractor no later than 60 days after the date of the sponsor's death in order to terminate coverage retroactive to the date of the sponsor's death.

**(7) Transition Period August 11, 2007 – September 30, 2007**

- (a) TRS Tier Program. The three-tier TRS program shall be in effect through September 30, 2007. The DMDC web application for tier TRS processing shall be operational for the qualified service member to obtain coverage through September 30, 2007.
  - (i) *New Enrollments.* Service members wishing to enroll in the three-tier TRS health coverage plan prior to October 1, 2007, shall meet the qualification requirements, enrollment procedures, and pay appropriate premiums in the premium structure as prescribed in the DoD TRICARE Reserve Select Policy dated June 28, 2006.
  - (ii) *Currently Enrolled.* Service members currently enrolled in TRS tier 1, tier 2 or tier 3, who maintain qualifications for their tier plan, and continue to pay

premiums in a timely manner shall continue TRS coverage through September 30, 2007.

(b) Transition from the Current Three-Tier TRS Health Plan to the Enhanced TRS Plan.

- (i) ***Termination of Three-tier TRS Program.*** *On September 30, 2007 the Defense Manpower Data Center (DMDC) shall terminate all existing three-tier TRS plans.*
- (ii) ***Enrollment Requirements for Currently Enrolled TRS Member.*** Qualified members as described in paragraph (3)(a), above, who are currently enrolled in the three-tier TRS program and wishing to purchase the enhanced TRS plan for coverage beginning on October 1, 2007, shall submit a new TRS request form to the TRICARE Managed Care Support Contractor by September 30, 2007.
  - (A) ***TRS Request Form.*** The new TRS request form, DD Form 2896-1, will be available on the Defense Manpower Data Center Web site on or about August 11, 2007. (<https://www.dmdc.osd.mil/appj/trs/index.jsp>)
  - (B) ***Date Coverage Begins.*** TRS request forms received by the TRICARE Managed Care Support Contractor by September 30, 2007, shall begin the enhanced TRS coverage on October 1, 2007.
  - (C) ***Premiums.***
    - (I) Service members currently enrolled in the three-tier TRS and providing electronic funds transfer or automatic credit/debit card payments from the member's financial institution shall continue to pay their premiums by that means. There is no requirement to submit a premium with the TRS request form. The TRICARE Management Activity shall adjust tier 2 and tier 3 premiums to the 28 percent rate effective October 1, 2007.
    - (II) Service members currently enrolled in the three-tier TRS and providing premium payment by check, money order or one time credit/debit card payment shall include a TRS premium payment for the month of October 2007 along with their TRS Request Form. Monthly premiums are currently \$81 for member only coverage and \$253 for member and family coverage.
- (iii) ***Failure to Submit TRS Request Form.*** Currently enrolled service members who do not submit a new TRS Request form to the TRICARE Managed Care Support Contractor by September 30, 2007, shall have their TRS coverage terminated effective September 30, 2007.

(8) **TRS Premiums.** Reserve component members who purchase TRS coverage must pay a monthly premium for that coverage.

- (a) **TRS.** The member's portion of the monthly premium for TRS coverage shall be equal to 28 percent of the total monthly premium, or as otherwise prescribed by law.

- (b) Premium Payments. Premiums shall be paid directly by the member to the applicable TRICARE Regional Contractor.
- (c) Premium Rates. The amount of the monthly premium shall be determined annually by the Assistant Secretary of Defense for Health Affairs, acting on behalf of the Secretary of Defense. The premium cost shall be determined to be reasonable for that coverage based on an appropriate actuarial basis. The premiums shall be published annually by the Assistant Secretary of Defense for Health Affairs.

**(9) Assistant Secretary of Defense for Reserve Affairs Responsibilities**

- (a) Publish Guidelines. Publish personnel policy guidance for the purchase of TRS coverage.
- (b) Maintain Oversight. Maintain oversight of personnel administration of the TRS program.

**(10) Reserve Component Responsibilities**

- (a) Communications Plan. At least annually, the Reserve components shall provide Selected Reserve members, and other individuals as determined by the Secretary of the Military Department concerned, with information about the TRS qualification requirements and TRS benefit so that members will be able to make an informed decision about purchasing TRS.
- (b) FEHB Due Process. Each Reserve component shall establish a procedure to provide due process for service members who are enrolled in TRS when notified that the member is reported as currently eligible for or enrolled in FEHB based on Office of Personnel Management information. DMDC shall provide the Reserve component a report of service members so reported on a quarterly basis.
- (c) Record FEHB Eligibility Determination. The Reserve component shall document on the Defense Manpower Data Center TRSA web application the final determination of FEHB eligibility or enrollment by a service member within 30 days of RC notification of service member's existing eligibility for or enrollment in FEHB. If it is established that the member was erroneously reported as FEHB eligible, the information used to verify that determination shall be provided to the Office of the Assistant Secretary of Defense for Reserve Affairs.
- (d) Reinstatement of Selected Reserve Status. The Reserve component shall correct a service member's record in DEERS when the member was erroneously removed from Selected Reserve status. The corrected period of Selected Reserve status shall show as one continuous period of time.

- (11) Service Member Responsibility**. The Reserve component member shall promptly notify the appropriate TRICARE Managed Care Support Contractor when he or she no longer meets the eligibility criteria for TRS coverage because of eligibility for or enrollment in FEHB, as described in paragraph (3)(a)(ii), above.

- (a) Disciplinary Action. The member may be subject to disciplinary action under the Uniform Code of Military Justice or other applicable laws for failing to report his or her change in eligibility, thereby fraudulently representing that he or she is eligible for TRS health care coverage.
  - (b) Payment of All Health Costs. A member who is FEHB eligible or enrolled shall reimburse the Department of Defense for all health care cost erroneously provided by TRS.
- (12) Administration. The Assistant Secretary of Defense (Health Affairs) may establish other rules and procedures for effective administration of TRICARE Reserve Select, and may authorize exceptions to the requirements if permitted by law, based upon extraordinary circumstances.