

## **FY2012 Prime Enrollment Fee Increase**

Some of you may be aware of discussions or are starting to get questions from beneficiaries about an increase in TRICARE Prime enrollment fees. Yes, they are increasing, but only for new enrollments received by the regional contractor on or after October 1, 2011.

### **BACKGROUND:**

10 USC 1097(e)

The Secretary of Defense is allowed by law to set a premium, deductible, copayment, or other charge for health care, including enrollment fees. The Assistant Secretary of Defense for Health Affairs has been given the authority to run the health program and has authorized the enrollment fee increase. This modest annual fee increase helps TRICARE to responsibly manage costs in line with other Secretary of Defense initiatives announced earlier this year.

The President's Budget for Fiscal Year (FY) 2012 proposed increasing the annual TRICARE Prime enrollment fee from \$460/\$230 (family/individual) to \$520/\$260, with a certain exception, beginning October 1, 2011. All recent indications are that the National Defense Authorization Act for FY 2012, still to be enacted will not prohibit this increase. The exception, which requires rulemaking (a proposed rule is in coordination) or exercise by the Assistant Secretary (Health Affairs) [ASD(HA)] of waiver authority, is for survivors of active duty decease members and medical retirees and their eligible family members.

### **KEY MESSAGES:**

The most frequent question you may receive is "Why?"

Here is a customer service focus answer for beneficiaries:

The Secretary of Defense is allowed by law to set a premium, deductible, copayment, or other charge for health care, including enrollment fees. The Assistant Secretary of Defense for Health Affairs has the authority to run the health program and has authorized the enrollment fee increase. This modest annual fee increase helps TRICARE to responsibly manage costs in line with other Secretary of Defense initiatives announced earlier this year.

Here is a more media/external audience answer:

TRICARE is committed to offering the best possible health care system for our entire military family. To sustain our unique benefit we are working to streamline, become more efficient, and achieve cost savings. Together we can manage our costs responsibly and continue to provide care for our service members, retirees and their families. This modest annual fee increase is in line with many other Secretary of Defense initiatives announced in 2011.

Below are some FAQs that we developed (quickly – so let us know if they need work) to help get the information out and answer questions. Please share with others as needed.

**Q1. Why is TRICARE increasing the TRICARE Prime enrollment fee?**

A1: TRICARE is committed to the best possible health care benefit and must work to streamline, become more efficient, and achieve cost savings. This modest annual fee increase is in line with many other Secretary of Defense cost-saving initiatives announced in 2011. This is the first Prime enrollment fee increase since the TRICARE program began in 1995.

**Q2. Is the TRICARE Prime enrollment fee increasing?**

A2. Yes, the Prime enrollment fee is increasing for new Prime enrollees, whose enrollment form and initial payment are received by the regional contractor **on or after 1 October, 2011**. The Fiscal Year 2012 fee is:

- Annually: \$260 for an individual enrollment; \$520 for a family enrollment
- Quarterly: \$65 individual; \$130 family
- Monthly: \$21.66 individually ; \$43.33 family

**Note:** Prime enrollment fees freeze at the rate in effect at the time:

- Survivors of active duty service members enrolled in Prime. The rate doesn't change as long as the survivor remains enrolled in Prime and there's no break in coverage.
- Medically retired uniformed services sponsors and their eligible family members enroll in Prime. The rate doesn't change as long one family member remains enrolled in Prime and there's no break in coverage.

**Q3. I am in the process of enrolling myself and my family in TRICARE Prime. How do I know how much I have to pay?**

A3. If the regional contractor receives your enrollment form and initial payment:

- **Before October 1, 2011**, your annual enrollment fee will be:
  - Annually: \$230 for a single enrollment; \$460 for a family enrollment
  - Quarterly: \$57.50 individual; \$115 family
  - Monthly: \$19.17 individual; \$38.34 family
- **On or after October 1, 2011**, your early enrollment fee will be:
  - Annually : \$260 for a single enrollment; \$520 for a family enrollment
  - Quarterly: \$65 individual; \$130 family
  - Monthly: \$21.66 individually ; \$43.33 family

For more information, please visit [www.tricare.mil/costs](http://www.tricare.mil/costs).

**Note:** Prime enrollment fees freeze at the rate in effect at the time:

- Survivors of active duty service members enroll in Prime. The rate doesn't change as long as at least one of the qualifying survivors' remains enrolled in Prime and there's no break in coverage.

- Medically retired uniformed services sponsors and their eligible family members enroll in Prime. The rate doesn't change as long one family member remains enrolled in Prime and there's no break in coverage.

**Q4. I am being medically retired and want to enroll in TRICARE Prime. How much is my TRICARE Prime enrollment fee and what amount do I include with my enrollment form?**

A4. If the regional contractor receives you're:

- Enrollment form, initial payment ( *and* a copy of your retirement orders **before October 1, 2011**, your enrollment fee will be:
  - \$230 for individual enrollment.
    - You may submit an annual payment (\$230) or a payment of \$57.50 if you plan on paying on a quarterly basis or setting up a monthly payment/allotment. You won't have a break in Prime coverage.
  - \$460 for family enrollment.
    - You may submit an annual payment (\$460) or a payment of \$115.00 if you plan on paying on a quarterly basis or setting up a monthly payment/allotment. You and your family won't have a break in Prime coverage.
    - Quarterly: \$57.50 individual; \$115 family
    - Monthly: \$19.17 individual; \$38.34 family
- Enrollment form and initial payment **after October 1, 2011**, your enrollment fee will be:
  - \$260 for individual enrollment.
    - You may submit an annual payment (\$260) or a payment of \$65.00 if you plan on paying on a quarterly basis, or setting up a monthly payment/allotment.
    - If you submit your enrollment form:
      - Before the 20<sup>th</sup> of the month (October), your Prime coverage begins November 1, 2011.
      - After the 20<sup>th</sup> of the month (October 20), your Prime coverage begins December 1, 2011.
  - \$520 for family enrollment.
    - You may submit an annual payment (\$520) or a payment of \$130.00 if you plan on paying on a quarterly basis, or setting up a monthly payment/allotment.
    - Quarterly: \$65 individual; \$130 family
    - Monthly: \$21.66 individually ; \$43.33 family
    - If you submit your enrollment form:
      - Before the 20<sup>th</sup> of the month (October), you and your family's Prime coverage begins November 1, 2011.

- After the 20<sup>th</sup> of the month (October 20), your and your family's Prime coverage begins December 1, 2011.

Since you are being medically retired, your Prime enrollment fee will freeze at the rate in effect at the time of your enrollment. If you have a break in Prime coverage for any reason (for example, you move overseas where Prime isn't available to retirees), you will pay the enrollment fee rate in effect on the date you submit a new enrollment form.

**Q5. Who does the increase in the TRICARE Prime enrollment fee for fiscal year 2012 affect?**

A5. The increase affects those who pay enrollment fees and are new to Prime or had a break in Prime enrollment (for example, a person was using TRICARE Standard or lived where Prime wasn't available) and whose enrollment form and initial payment is received by the regional contractor on **or after October 1, 2011**. These enrollees pay the new annual rate of:

- \$260 for an individual enrollment; or
- \$520 for a family enrollment

**Note:** Prime enrollment fees freeze at the rate in effect at the time:

- Survivors of active duty service members enroll in Prime. The rate doesn't change as long as at least one of the qualifying survivors' remains enrolled in Prime and there's no break in coverage.
- Medically retired uniformed services sponsors and their eligible family members enroll in Prime. The rate doesn't change as long one family member remains enrolled in Prime and there's no break in coverage.

**Q6. Will TRICARE Prime enrollment fees increase every year?**

A6. TRICARE Prime enrollment fees are subject to increase each fiscal year (October 1 – September 30).

**Q7. With the increase in the TRICARE Prime enrollment fee starting October 1, 2011, can fees still be paid on a monthly, quarterly, or annual basis?**

A7. Yes, the process for paying enrollment fees hasn't changed.

**Q8. Are TRICARE Prime enrollees who paid on a quarterly or monthly basis for fiscal year 2011 going to have to increase their payment amounts starting in October?**

A8. No, fees won't be increasing during fiscal year 2012 (October 1, 2011 – September 1, 2012) for those who are already enrolled in Prime. The Prime enrollment fee *is* increasing for new Prime enrollees, whose enrollment form and initial payment are received by the regional contractor **on or after 1 October, 2011**. The Fiscal Year 2012 fee is:

- \$260 for an individual enrollment; or
- \$520 for a family enrollment

Note: By "new" we mean those who weren't enrolled in Prime before October 1, 2011.

**Q9. Does the TRICARE Prime enrollment fee increase affect enrollees who paid their annual enrollment fee for fiscal year 2012 before October 1, 2011?**

A9. No, as long as you submitted your payment timely, your fees won't increase.

**Q 10. When will the TRICARE Prime enrollment fees increase for those who sent in a "new enrollment" application with an effective date of 10/01/11?**

A10. If this is a new enrollment, the enrollment fee goes up if the enrollment fee and payment are received by the regional contractor **on or after October 1, 2011**.

**Note:** By "new" we mean the individual or family was not enrolled in Prime before October 1, 2011.

**Q11. Is there a waiver available for beneficiaries who can't afford the fiscal year 2012 TRICARE Prime enrollment fee increase?**

A11. No, there's no waiver.

**Q12. Is the fiscal year 2012 TRICARE Prime enrollment fee increase based on the sponsor's military rank?**

A12. No, Prime enrollment fees aren't related to a sponsor's rank.

**Q13. Will beneficiaries be notified by mail, email, or phone call about the fiscal year 2012 TRICARE Prime enrollment fee increase?**

A13. The regional contractor is only contacting those new enrollees whose enrollment form and payment were received **on or after October 1, 2011** and whose fee payment needs to be adjusted.

**Q14. Do the current Prime rules (20<sup>th</sup> of the month) and lock out provisions apply to the fiscal year 2012 TRICARE Prime enrollment fee increases?**

A14. Yes, the current enrollment rules and lock out provisions apply. Enrollees have to make sure they submit their payments on time to avoid enrollment problems with Prime coverage.

**Q15. How does the fiscal year 2012 TRICARE Prime enrollment fee increase affect survivors, medically retired retirees and other special beneficiary retiree populations?**

A15. Prime enrollment fees freeze at the rate in effect at the time:

- Survivors of active duty service members enroll in Prime. The rate doesn't change as long as at least one of the qualifying survivors' remains enrolled in Prime and there's no break in coverage.
- Medically retired uniformed services sponsors and their eligible family members enroll in Prime. The rate doesn't change as long one family member remains enrolled in Prime and there's no break in coverage.

**Q16. I don't agree with the TRICARE Prime enrollment fee increase. Are there other TRICARE options available to me?**

A16. Yes, please visit [www.tricare.mil](http://www.tricare.mil) to learn about the options available to you and to compare plans.

**Q17. I paid my TRICARE Prime enrollment fee based on what was on the TRICARE Prime Enrollment Application and PCM Change form (DD 2876) which shows \$230 individual/\$460 family; however, the contractor didn't receive it until after October 1, 2011. I don't think I should have to pay the fiscal year 2012 Prime enrollment fee.**

A17. TRICARE was unable to collect and change all the existing enrollment forms. Because the Secretary of Defense directed this action to be effective October 1, 2011, you are required to pay the higher fee.

**Q18. Can I use the Beneficiary Web Enrollment tool to submit my enrollment fee and payment?**

A18: **Before October 1, 2011:** beneficiaries, other than active duty, may use the Beneficiary Web Enrollment tool ([www.tricare.mil/bwe](http://www.tricare.mil/bwe)) to complete *and submit* an enrollment.

**On or after October 1, 2011:** beneficiaries, other than active duty, may use the Beneficiary Web Enrollment tool to print out a blank TRICARE Prime enrollment application for mailing and view or update personal contact information in DEERS. Enrollment forms are also available at [www.tricare.mil/forms](http://www.tricare.mil/forms).

**Q19. If my TRICARE Prime enrollment fees go up, do my Prime copays, point-of-service deductible, and fiscal year catastrophic cap amounts increase?**

A19. No. Remember, your enrollment fee continues to count toward the catastrophic cap.