



UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000



PERSONNEL AND
READINESS

SEP 26 2001

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR OF ADMINISTRATION AND MANAGEMENT
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF FIELD ACTIVITIES

SUBJECT: Policy Guidance – Changes in Health Care Benefits and Entitlements for Uniformed Services' Retirees and Medal of Honor Recipients

The purpose of this memorandum is to implement the new health care benefits provided for in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, Public Law 106-398, October 30, 2000 (Act). The Act extends certain medical and dental benefits to surviving dependents of certain deceased members, Medal of Honor Recipients and their dependents, and certain medical benefits to Medicare-eligible Uniformed Services' retirees and their dependents (summary attached).

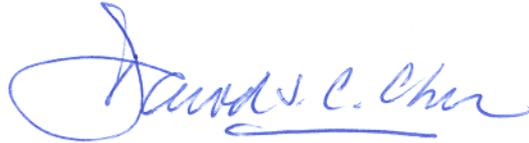
The Defense Eligibility Enrollment Reporting System (DEERS) will include eligibility for these new benefits. The Realtime Automated Personnel Identification System (RAPIDS) will accommodate those health care beneficiaries who must update their DEERS records and/or obtain new identification cards.

In most instances, the new health care benefits for Medicare-eligible retirees and their Medicare-eligible dependents is contingent upon participation in Medicare Part B. Verification of that participation will be made by electronic data exchange with the Centers for Medicare and Medicaid Services (CMS), formerly known as the Health Care Financing Administration.

Many retirees have been issued identification cards without an expiration date that indicate that TRICARE health coverage expires at eligibility for Medicare Part A, usually at age 65. Since TRICARE medical claims are processed through DEERS, and DEERS will incorporate eligibility past age 65, claims will be properly administered under the current identification card. However, new cards may be issued upon request.



This guidance is effective immediately and will be in the next revision of the DoDI 1000.13.

A handwritten signature in blue ink that reads "David S. C. Chu". The signature is written in a cursive style with a large initial "D" and a long horizontal stroke at the end.

David S. C. Chu

Attachment:
As stated

Policy Changes

A. Two-Year Extension of Dental and Medical Benefits for Surviving Dependents of Certain Deceased Members.

Effective October 30, 2000, medical and dental benefits are extended from a one-year period to a period of three years for eligible surviving dependents of certain deceased members as follows:

(1) Dental benefits shall be extended for eligible dependents as described in title 10 U.S.C., section 1072(2), subparagraph (A), (D), or (I), and includes any such dependent of a member who dies while serving on active duty for a period of more than 30 days or a member of the Ready Reserve if the dependent is enrolled on the date of the death of the member in a dental benefits plan established by the Secretary of Defense under title 10 U.S.C., section 1076a, subparagraph (a), except that the term does not include the dependent after the end of the three-year period beginning on the date of the member's death.

(2) When a member dies while serving on active duty for a period of more than 30 days, the member's eligible dependents as described in title 10 U.S.C., section 1072(2), subparagraph (A), (D), or (I), who are receiving benefits under a medical plan covered by title 10 U.S.C., section 1079, subparagraph (a), shall continue to be eligible for such benefits during the three-year period beginning on the date of the death of the member.

B. Medical and Dental Care for Medal of Honor Recipients and Their Immediate Dependents.

Effective October 30, 2000, Medal of Honor recipients who are not otherwise entitled to Uniformed Services' medical and dental care, and their dependents (including survivors), shall be given medical and dental care in the same manner that such care is provided to former members who are entitled to military retired pay and the dependents of those former members.

(1) MEDAL OF HONOR RECIPIENT – A former member of the Armed Forces who is a Medal of Honor recipient and who is not otherwise entitled to medical and dental benefits provided by chapter 55 of title 10 U.S.C., shall be entitled to medical and dental care provided by the administering Secretaries in the same manner as if entitled to retired pay. Eligible individuals will receive the DD Form 2765 reflecting the appropriate benefit and entitlement set.

(2) IMMEDIATE DEPENDENTS – A person who is an immediate dependent of a Medal of Honor recipient and who is not otherwise entitled to medical and dental benefits under chapter 55 of title 10 U.S.C., shall be entitled to medical and dental care provided by the administering Secretaries in the same manner as if the Medal of Honor recipient were, or (if deceased) was at the time of death, entitled to retired pay. Eligible dependents will receive the DD Form 1173 reflecting the appropriate benefit and entitlement set.

(3) DEFINITIONS – The term “Medal of Honor recipient” means a person who has been awarded a medal of honor under section 3741, 6241, or 8741 of title 10 or section 491 of title 14. The term “immediate dependent” means a dependent described in subparagraph (A), (B), (C), or (D) of title 10 U.S.C., section 1072(2).

C. TRICARE Senior Pharmacy Program.

Effective April 1, 2001, Medicare-eligible retirees of the Uniformed Services and qualifying dependents of retirees and active duty members, became eligible for the TRICARE retail pharmacy benefit with access to military treatment facility pharmacies, retail pharmacies, and the National Mail Order Pharmacy program. Under the new law, beneficiaries who attain the age of 65 before April 1, 2001, will be eligible to use the pharmacy benefit without being enrolled in Medicare Part B. Those who turn 65 on or after April 1, 2001, must be enrolled in Medicare Part B in order to use the pharmacy benefit.

D. Conditions for Eligibility for CHAMPUS and TRICARE Upon the Attainment of Age 65.

Effective October 1, 2001, Medicare-eligible retirees and dependents of retirees of the Uniformed Services who receive medical care from Medicare providers will have TRICARE as their second payer. TRICARE will pay the beneficiary’s remaining out-of-pocket expenses (Medicare deductibles and cost shares) for services paid for by Medicare and covered by TRICARE. In addition, Medicare-eligible retirees and their dependents will now have access to TRICARE benefits that are not covered under Medicare. To participate in the health program, beneficiaries must be eligible for Medicare Part A and enrolled in Medicare Part B and be enrolled in the Defense Eligibility Reporting System (DEERS). New identification cards are not necessary. Eligible beneficiaries obtaining an initial identification card, or upon request or reissue will receive the appropriate identification card as prescribed by DoDI 1000.13 with the benefit and entitlement set updated to reflect this guidance.