SEC. 705. EXTENSION OF TRICARE STANDARD COVERAGE AND TRICARE DENTAL PROGRAM FOR MEMBERS OF THE SELECTED RESERVE WHO ARE INVOLUNTARILY SEPARATED.

(a) EXTENSION OF TRICARE STANDARD COVERAGE.—Section 1076d(b) of title 10, United States Code, is amended—

(1) by striking "Eligibility" and inserting "(1) Except as provided in paragraph (2), eligibility"; and

(2) by adding at the end the following new paragraph:

"(2) Eligibility for a member under this section who is involuntarily separated from the Selected Reserve under other than adverse conditions, as characterized by the Secretary concerned, shall terminate 180 days after the date on which the member is separated.".

(b) EXTENSION OF TRICARE DENTAL PROGRAM COVERAGE.—Section 1076a(a)(1) of such title is amended by adding at the end the following new sentence: "Such plan shall provide that coverage for a member of the Selected Reserve who is involuntarily separated from the Selected Reserve under other than adverse conditions, as characterized by the Secretary concerned, shall not terminate earlier than 180 days after the date on which the member is separated.".

Section-by-Section Analysis

This proposal would preserve the eligibility of members of the Selected Reserve for TRICARE Reserve Select and TRICARE dental insurance for 180 days at the discounted rate available to members of the Selected Reserve in the case of members who are involuntarily separated without cause due to end strength reductions or force management actions.

The reserve components have steadily moved away from a strategic reserve into an operational force in the post-9/11 environment. As the service performed by the active and reserve components become analogous, the Department of Defense (DoD) has endeavored to keep pace with the benefits available to reservists. In 2004, Public Law 108-375 implemented 10 USC 1076d granting TRICARE Standard coverage to members of the Selected Reserve.

Many Selected Reserve members have taken advantage of this program by purchasing TRICARE Reserve Select. This increased accessibility to health care has served to increase the medical readiness of members of the Selected Reserve.

The statute on transitional health care, 10 USC 1145, was implemented prior to Selected Reserve eligibility being established. Expanding 10 USC 1076d to include transitional health care benefits for Selected Reserve members is a natural next step in providing transitional health care equity between the regular and reserve components and fulfilling the intent of the DoD transitional health care statute, 10 USC 1145. This benefit mirrors the transitional health care insurance benefit available to active component members, but does so at the less generous rate of TRICARE Reserve Select which requires the member to pay a premium. It would ease the transition of reserve component members separated from the service as it does for the regular component. As a cost control measure, this proposal does not offer a benefit to every separating reserve component member – only those involuntary separated for forced to retire as part of the current force drawdown.

In addition, this provision has the additional benefit of better preserving medial readiness of the recently separated service member for 180 days in the event of a military contingency that dictates a recall to service. During this 180-day window the military skill set retained by the recently separated member will be of greatest value to the military if recalled to service.

Budget Implications: Cost estimates are based on these assumptions:

- Every reserve component member involuntary separated or forced to retire without cause (defined as separated from membership in the selected reserve or directed to retire, where eligible, including those offered early reserve retirement) is eligible.
- Approximately 30% that group will be eligible for TRICARE TAMP or FEHBP instead of this program by virtue of their employment at a federal technician, AGR or activation for greater than 30 days.
- The “take rate” of TRS among those eligible is 20%
- From among the members expected to use the 180 extension of TRS over 6 years, 36% are single. 64% are families.
- The Government pays 72% of the premiums for TRICARE reserve select. TRS premiums cost the DoD $139.75 per single member and $496.00 per family per month.
- DoD pays 60% of the total premium for TRICARE Dental. Single members cost the DoD $15.55 / month. Families cost the DoD $46.33 / month.
- The budget table below assumes 5,100 involuntary separations in FY 13 and 2,500 involuntary separations every year thereafter through FY 17 for a total of 15,100.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
	1.6	0.8	0.8	0.8	0.8	0130 DHP	01	14-2 Health
	0.1	0.05	0.05	0.05	0.05	0130 DHP	01	14-2 Dental
Total	1.7	0.85	0.85	0.85	0.85			

Changes to Existing Law: This proposal would make the following changes to title 10, United States Code:

§ 1076d. TRICARE program: TRICARE Standard coverage for members of the Selected Reserve

(a) ELIGIBILITY.--(1) Except as provided in paragraph (2), a member of the Selected Reserve of the Ready Reserve of a reserve component of the armed forces is eligible for health benefits under TRICARE Standard as provided in this section.

(2) Paragraph (1) does not apply to a member who is enrolled, or is eligible to enroll, in a health benefits plan under chapter 89 of title 5.

(b) TERMINATION OF ELIGIBILITY UPON TERMINATION OF SERVICE.—(1) Except as provided in paragraph (2), e~~E~~ligibility for TRICARE Standard coverage of a member under this section shall terminate upon the termination of the member's service in the Selected Reserve.

(2) Eligibility for a member under this section who is involuntarily separated from the Selected Reserve under other than adverse conditions, as characterized by the Secretary concerned, shall terminate 180 days after the date on which the member is separated.

(c) FAMILY MEMBERS.--While a member of a reserve component is covered by TRICARE Standard under the section, the members of the immediate family of such member are eligible for TRICARE Standard coverage as dependents of the member. If a member of a reserve component dies while in a period of coverage under this section, the eligibility of the members of the immediate family of such member for TRICARE Standard coverage shall continue for six months beyond the date of death of the member.

(d) PREMIUMS.--(1) A member of a reserve component covered by TRICARE Standard under this section shall pay a premium for that coverage.

(2) The Secretary of Defense shall prescribe for the purposes of this section one premium for TRICARE Standard coverage of members without dependents and one premium for TRICARE Standard coverage of members with dependents referred to in subsection (f)(1). The premium prescribed for a coverage shall apply uniformly to all covered members of the reserve components.

(3)(A) The monthly amount of the premium in effect for a month for TRICARE Standard coverage under this section shall be the amount equal to 28 percent of the total monthly amount determined on an appropriate actuarial basis as being reasonable for that coverage.

(B) The appropriate actuarial basis for purposes of subparagraph (A) shall be determined, for each calendar year after calendar year 2009, by utilizing the actual cost of providing benefits under this section to members and their dependents during the calendar years preceding such calendar year.

(4) The premiums payable by a member of a reserve component under this subsection may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums.

(5) Amounts collected as premiums under this subsection shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subsection (b) of such section for such fiscal year.

(e) REGULATIONS.--The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.

(f) DEFINITIONS.--In this section:

(1) The term "immediate family", with respect to a member of a reserve component, means all of the member's dependents described in subparagraphs (A), (D), and (I) of section 1072(2) of this title.

(2) The term "TRICARE Standard" means--

(A) medical care to which a dependent described in section 1076(a)(2) of this title is entitled; and

(B) health benefits contracted for under the authority of section 1079(a) of this title and subject to the same rates and conditions as apply to persons covered under that section.

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§ 1076a. TRICARE dental program

(a) ESTABLISHMENT OF DENTAL PLANS.--The Secretary of Defense may establish, and in the case of the dental plan described in paragraph (1) shall establish, the following voluntary enrollment dental plans:

(1) PLAN FOR SELECTED RESERVE AND INDIVIDUAL READY RESERVE.--A dental insurance plan for members of the Selected Reserve of the Ready Reserve and for members of the Individual Ready Reserve described in subsection 10144(b) of this title. Such plan shall provide that coverage for a member of the Selected Reserve who is involuntarily separated from the Selected Reserve under other than adverse conditions, as characterized by the Secretary concerned, shall not terminate earlier than 180 days after the date on which the member is separated.

(2) PLAN FOR OTHER RESERVES.--A dental insurance plan for members of the Individual Ready Reserve not eligible to enroll in the plan established under paragraph (1).

(3) PLAN FOR ACTIVE DUTY DEPENDENTS.--Dental benefits plans for eligible dependents of members of the uniformed services who are on active duty for a period of more than 30 days.

(4) PLAN FOR READY RESERVE DEPENDENTS.--A dental benefits plan for eligible dependents of members of the Ready Reserve of the reserve components who are not on active duty for more than 30 days.

(b) ADMINISTRATION OF PLANS.--The plans established under this section shall be administered under regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries.

(c) CARE AVAILABLE UNDER PLANS.--Dental plans established under subsection (a) may provide for the following dental care:

(1) Diagnostic, oral examination, and preventive services and palliative emergency care.

(2) Basic restorative services of amalgam and composite restorations, stainless steel crowns for primary teeth, and dental appliance repairs.

(3) Orthodontic services, crowns, gold fillings, bridges, complete or partial dentures, and such other services as the Secretary of Defense considers to be appropriate.

(d) PREMIUMS--

(1) PREMIUM SHARING PLANS.--(A) The dental insurance plan established under subsection (a)(1) and the dental benefits plans established under subsection (a)(3) are premium sharing plans.

(B) Members enrolled in a premium sharing plan for themselves or for their dependents shall be required to pay a share of the premium charged for the benefits provided under the plan. The member's share of the premium charge may not exceed $20 per month for the enrollment.

(C) Effective as of January 1 of each year, the amount of the premium required under subparagraph (A) shall be increased by the percent equal to the lesser of--

(i) the percent by which the rates of basic pay of members of the uniformed services are increased on such date; or

(ii) the sum of one-half percent and the percent computed under section 5303(a) of title 5 for the increase in rates of basic pay for statutory pay systems for pay periods beginning on or after such date.

(D) The Secretary of Defense may reduce the monthly premium required to be paid under paragraph (1) in the case of enlisted members in pay grade E-1, E-2, E-3, or E-4 if the Secretary determines that such a reduction is appropriate to assist such members to participate in a dental plan referred to in subparagraph (A).

(2) FULL PREMIUM PLANS.--(A) The dental insurance plan established under subsection (a)(2) and the dental benefits plan established under subsection (a)(4) are full premium plans.

(B) Members enrolled in a full premium plan for themselves or for their dependents shall be required to pay the entire premium charged for the benefits provided under the plan.

(3) PAYMENT PROCEDURES.--A member's share of the premium for a plan established under subsection (a) may be paid by deductions from the basic pay of the member and from compensation paid under section 206 of title 37, as the case may be. The regulations prescribed under subsection (b) shall specify the procedures for payment of the premiums by enrollees who do not receive such pay.

(e) COPAYMENTS UNDER PREMIUM SHARING PLANS.--(1) Except as provided pursuant to paragraph (2), a member or dependent who receives dental care under a premium sharing plan referred to in subsection (d)(1) shall--

(A) in the case of care described in subsection (c)(1), pay no charge for the care;

(B) in the case of care described in subsection (c)(2), pay 20 percent of the charges for the care; and

(C) in the case of care described in subsection (c)(3), pay a percentage of the charges for the care that is determined appropriate by the Secretary of Defense, after consultation with the other administering Secretaries.

(2)(A) During a national emergency declared by the President or Congress and subject to regulations prescribed by the Secretary of Defense, the Secretary may waive, in whole or in part, the charges otherwise payable by a member of the Selected Reserve of the Ready Reserve or a member of the Individual Ready Reserve under paragraph (1) for the coverage of the member alone under the dental insurance plan established under subsection (a)(1) if the Secretary determines that such waiver of the charges would facilitate or ensure the readiness of a unit or individual for deployment.

(B) The waiver under subparagraph (A) may apply only with respect to charges for coverage of dental care required for readiness.

(f) TRANSFER OF MEMBERS.--If a member whose dependents are enrolled in the plan established under subsection (a)(3) is transferred to a duty station where dental care is provided to the member's eligible dependents under a program other than that plan, the member may discontinue participation under the plan. If the member is later transferred to a duty station where dental care is not provided to such member's eligible dependents except under the plan established under subsection (a)(3), the member may re-enroll the dependents in that plan.

(g) CARE OUTSIDE THE UNITED STATES.--The Secretary of Defense may exercise the authority provided under subsection (a) to establish dental insurance plans and dental benefits plans for dental benefits provided outside the United States for the eligible members and dependents of members of the uniformed services. In the case of such an overseas dental plan, the Secretary may waive or reduce any copayments required by subsection (e) to the extent the Secretary determines appropriate for the effective and efficient operation of the plan.

(h) WAIVER OF REQUIREMENTS FOR SURVIVING DEPENDENTS.--The Secretary of Defense may waive (in whole or in part) any requirements of a dental plan established under this section as the Secretary determines necessary for the effective administration of the plan for a dependent who is an eligible dependent described in subsection (k)(2).

(i) AUTHORITY SUBJECT TO APPROPRIATIONS.--The authority of the Secretary of Defense to enter into a contract under this section for any fiscal year is subject to the availability of appropriations for that purpose.

(j) LIMITATION ON REDUCTION OF BENEFITS.--The Secretary of Defense may not reduce benefits provided under a plan established under this section until--

(1) the Secretary provides notice of the Secretary's intent to reduce such benefits to the Committees on Armed Services of the Senate and the House of Representatives; and

(2) one year has elapsed following the date of such notice.

(k) ELIGIBLE DEPENDENT DEFINED.--(1) In this section, the term “eligible dependent” means a dependent described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

(2) Such term includes any such dependent of a member who dies--

(A) while on active duty for a period of more than 30 days; or

(B) while such member is a member of the Ready Reserve.

(3) Such term does not include a dependent by reason of paragraph (2) after the end of the three-year period beginning on the date of the member's death, except that, in the case of a dependent of the deceased who is described by subparagraph (D) or (I) of section 1072(2) of this title, the period of continued eligibility shall be the longer of the following periods beginning on such date:

(A) Three years.

(B) The period ending on the date on which such dependent attains 21 years of age.

(C) In the case of such dependent who, at 21 years of age, is enrolled in a full-time course of study in a secondary school or in a full-time course of study in an institution of higher education approved by the administering Secretary and was, at the time of the member's death, in fact dependent on the member for over one-half of such dependent's support, the period ending on the earlier of the following dates:

(i) The date on which such dependent ceases to pursue such a course of study, as determined by the administering Secretary.

(ii) The date on which such dependent attains 23 years of age.