

(2) The Secretary of Defense shall prescribe regulations for the administration of this subsection. The regulations shall set forth the method to be used for the computation of the reasonable charges for inpatient, outpatient, and other health care services. The method of computation may be—

- (A) a method that is based on—
 - (i) per diem rates;
 - (ii) all-inclusive rates for each visit;
 - (iii) diagnosis-related groups; or
 - (iv) rates prescribed under the regulations implementing sections 1079 and 1086 of this title; or

(B) any other method considered appropriate.

(c) **CONSULTATION REQUIREMENT.**—The Secretary of Defense shall carry out the responsibilities under this section after consultation with the other administering Secretaries.

(Added Pub. L. 106–65, div. A, title VII, §716(a)(1), Oct. 5, 1999, 113 Stat. 690; amended Pub. L. 112–81, div. A, title VII, §715, Dec. 31, 2011, 125 Stat. 1477.)

Editorial Notes

AMENDMENTS

2011—Subsec. (a)(3). Pub. L. 112–81 added par. (3).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Pub. L. 106–65, div. A, title VII, §716(d), Oct. 5, 1999, 113 Stat. 692, provided that: “The amendments made by subsection (a) [enacting this section] shall take effect one year after the date of the enactment of this Act [Oct. 5, 1999].”

REPORT ON IMPLEMENTATION

Pub. L. 106–65, div. A, title VII, §716(b), Oct. 5, 1999, 113 Stat. 691, directed the Secretary of Defense to submit to Congress a report assessing the effects of the implementation of the requirements and authorities set forth in this section not later than 6 months after Oct. 5, 1999.

§ 1097c. TRICARE program: relationship with employer-sponsored group health plans

(a) **PROHIBITION ON FINANCIAL INCENTIVES NOT TO ENROLL IN A GROUP HEALTH PLAN.**—(1) Except as provided in this subsection, the provisions of section 1862(b)(3)(C) of the Social Security Act shall apply with respect to financial or other incentives for a TRICARE-eligible employee not to enroll (or to terminate enrollment) under a health plan which would (in the case of such enrollment) be a primary plan under sections 1079(j)(1)¹ and 1086(g) of this title in the same manner as such section 1862(b)(3)(C) applies to financial or other incentives for an individual entitled to benefits under title XVIII of the Social Security Act not to enroll (or to terminate enrollment) under a group health plan or a large group health plan which would (in the case of enrollment) be a primary plan (as defined in section 1862(b)(2)(A) of such Act).

(2)(A) The Secretary of Defense may by regulation adopt such additional exceptions to the pro-

hibition referenced and applied under paragraph (1) as the Secretary deems appropriate and such paragraph (1) shall be implemented taking into account the adoption of such exceptions.

(B) The Secretary of Defense and the Secretary of Health and Human Services are authorized to enter into agreements for carrying out this subsection. Any such agreement shall provide that any expenses incurred by the Secretary of Health and Human Services pertaining to carrying out this subsection shall be reimbursed by the Secretary of Defense.

(C) Authorities of the Inspector General of the Department of Defense shall be available for oversight and investigations of responsibilities of employers and other entities under this subsection.

(D) Information obtained under section 1095(k) of this title may be used in carrying out this subsection in the same manner as information obtained under section 1862(b)(5) of the Social Security Act may be used in carrying out section 1862(b) of such Act.

(E) Any amounts collected in carrying out paragraph (1) shall be handled in accordance with section 1079a of this title.

(b) **ELECTION OF TRICARE-ELIGIBLE EMPLOYEES TO PARTICIPATE IN GROUP HEALTH PLAN.**—A TRICARE-eligible employee shall have the opportunity to elect to participate in the group health plan offered by the employer of the employee and receive primary coverage for health care services under the plan in the same manner and to the same extent as similarly situated employees of such employer who are not TRICARE-eligible employees.

(c) **INAPPLICABILITY TO CERTAIN EMPLOYERS.**—The provisions of this section do not apply to any employer who has fewer than 20 employees.

(d) **RETENTION OF ELIGIBILITY FOR COVERAGE UNDER TRICARE.**—Nothing in this section, including an election made by a TRICARE-eligible employee under subsection (b), shall be construed to affect, modify, or terminate the eligibility of a TRICARE-eligible employee or spouse of such employee for health care or dental services under this chapter in accordance with the other provisions of this chapter.

(e) **OUTREACH.**—The Secretary of Defense shall, in coordination with the other administering Secretaries, conduct outreach to inform covered beneficiaries who are entitled to health care benefits under the TRICARE program of the rights and responsibilities of such beneficiaries and employers under this section.

(f) **DEFINITIONS.**—In this section:

(1) The term “employer” includes a State or unit of local government.

(2) The term “group health plan” means a group health plan (as that term is defined in section 5000(b)(1) of the Internal Revenue Code of 1986 without regard to section 5000(d) of the Internal Revenue Code of 1986).

(3) The term “TRICARE-eligible employee” means a covered beneficiary under section 1086 of this title entitled to health care benefits under the TRICARE program.

(g) **EFFECTIVE DATE.**—This section shall take effect on January 1, 2008.

(Added Pub. L. 109–364, div. A, title VII, §707(a), Oct. 17, 2006, 120 Stat. 2283.)

¹ See References in Text note below.

Editorial Notes**REFERENCES IN TEXT**

Section 1079(j) of this title, referred to in subsec. (a)(1), was redesignated section 1079(i) of this title by Pub. L. 113–291, div. A, title VII, §703(a)(3), Dec. 19, 2014, 128 Stat. 3411.

The Social Security Act, referred to in subsec. (a)(1), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Title XVIII of the Act is classified generally to subchapter XVIII (§1395 et seq.) of chapter 7 of Title 42, The Public Health and Welfare. Section 1862 of the Act is classified to section 1395y of Title 42. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

Section 5000 of the Internal Revenue Code of 1986, referred to in subsec. (f)(2), is classified to section 5000 of Title 26, Internal Revenue Code.

§ 1097d. TRICARE program: notice of change to benefits

(a) **PROVISION OF NOTICE.**—(1) If the Secretary makes a significant change to any benefits provided by the TRICARE program to covered beneficiaries, the Secretary shall provide individuals described in paragraph (2) with notice explaining such changes.

(2) The individuals described by this paragraph are covered beneficiaries participating in the TRICARE program who may be affected by a significant change covered by a notification under paragraph (1).

(3) The Secretary shall provide notice under paragraph (1) through electronic means.

(b) **TIMING OF NOTICE.**—The Secretary shall provide notice under paragraph (1) of subsection (a) by the earlier of the following dates:

(1) The date that the Secretary determines would afford individuals described in paragraph (2) of such subsection adequate time to understand the change covered by the notification.

(2) The date that is 90 days before the date on which the change covered by the notification becomes effective.

(3) The effective date of a significant change that is required by law.

(c) **SIGNIFICANT CHANGE DEFINED.**—In this section, the term “significant change” means a systemwide change—

(1) in the structure of the TRICARE program or the benefits provided under the TRICARE program (not including the addition of new services or benefits); or

(2) in beneficiary cost-share rates of more than 20 percent.

(Added Pub. L. 113–291, div. A, title VII, §711(a), Dec. 19, 2014, 128 Stat. 3413.)

§ 1098. Incentives for participation in cost-effective health care plans

(a) **WAIVER OF LIMITATIONS AND COPAYMENTS.**—Subject to subsection (b), the Secretary of Defense, with respect to any plan contracted for under the authority of section 1079 or 1086 of this title, may waive, in whole or in part—

(1) any limitation set out in the second sentence of section 1079(a) of this title; or

(2) any requirement for payment by the patient under section 1079(b) or 1086(b) of this title.

(b) **DETERMINATION AND REPORT.**—(1) Subject to paragraph (3), the Secretary may waive a limitation or requirement as authorized by subsection (a) if the Secretary determines that during the period of the waiver such a plan will—

(A) be less costly to the Government than a plan subject to such limitations or payment requirements; or

(B) provide better services than those provided by a plan subject to such limitations or payment requirements at no additional cost to the Government.

(2) The Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report with respect to a waiver under paragraph (1), including a comparison of costs of and benefits available under—

(A) a plan with respect to which the limitations and payment requirements are waived; and

(B) a plan with respect to which there is no such waiver.

(3) A waiver under paragraph (1) may not take effect until the end of the 180-day period beginning on the date on which the Secretary submits the report required by paragraph (2) with respect to such waiver.

(Added Pub. L. 99–661, div. A, title VII, §701(a)(1), Nov. 14, 1986, 100 Stat. 3895; amended Pub. L. 101–510, div. A, title XIV, §1484(h)(1), Nov. 5, 1990, 104 Stat. 1717; Pub. L. 104–106, div. A, title XV, §1502(a)(1), Feb. 10, 1996, 110 Stat. 502; Pub. L. 106–65, div. A, title X, §1067(1), Oct. 5, 1999, 113 Stat. 774.)

Editorial Notes**AMENDMENTS**

1999—Subsec. (b)(2). Pub. L. 106–65 substituted “and the Committee on Armed Services” for “and the Committee on National Security”.

1996—Subsec. (b)(2). Pub. L. 104–106 substituted “Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives” for “Committees on Armed Services of the Senate and House of Representatives”.

1990—Subsec. (a). Pub. L. 101–510 substituted “subsection (b)” for “subsections (b) and (c)” in introductory provisions.

§ 1099. Health care enrollment system and payment options

(a) **ESTABLISHMENT OF SYSTEM.**—The Secretary of Defense, after consultation with the other administering Secretaries, shall establish a system of health care enrollment for covered beneficiaries who reside in the United States.

(b) **DESCRIPTION OF SYSTEM.**—Such system shall—

(1) allow covered beneficiaries to elect to enroll in a health care plan, or modify a previous election, from eligible health care plans designated by the Secretary of Defense during—

(A) an annual open enrollment period; and

(B) any period based on a qualifying event experienced by the beneficiary, as determined appropriate by the Secretary; or

(2) if necessary in order to ensure full use of facilities of the uniformed services in a geo-