



THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

OCT 13 2016

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (MANPOWER AND
RESERVE AFFAIRS)
ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND
RESERVE AFFAIRS)
ASSISTANT SECRETARY OF THE AIR FORCE (MANPOWER
AND RESERVE AFFAIRS)
HEALTH AND SAFETY DIRECTOR OF THE COAST GUARD

SUBJECT: Establishing Calendar Year 2017 Premium Rates for the TRICARE Young Adult
Program

Please review the Calendar Year 2017 premium rates we have established for the
TRICARE Young Adult program as specified in the attachment and provide widest
dissemination. This information may also be found at www.tricare.mil/tya.

A handwritten signature in blue ink, appearing to read "Karen S. Guice".

Karen S. Guice, M.D., M.P.P.
Acting

Attachment:
As stated

Attachment: Calendar Year 2017 Monthly Premium Rates for the TRICARE Young Adult Program

TRICARE Young Adult (TYA) premium rates are established annually on a calendar year (CY) basis in accordance with Title 10, United States Code, Section 1110b and Title 32, Code of Federal Regulations, Part 199.26. TYA monthly premiums for CY 2017 shall be the rates listed in the table below:

Type of Coverage	2016 TYA Monthly Rate	2017 TYA Monthly Rate	Change
TRICARE Standard Plans	\$228	\$216	- 5.3%
TRICARE Prime Plans	\$306	\$319	+ 4.2%



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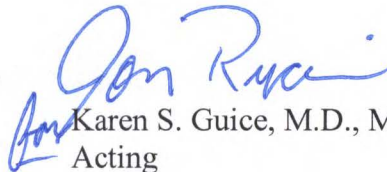
HEALTH AFFAIRS

OCT 13 2016

MEMORANDUM FOR DIRECTOR, WASHINGTON HEADQUARTERS SERVICES

SUBJECT: Establishing Calendar Year 2017 Premium Rates for the TRICARE Young Adult Program

The attached notice describes changes to the TRICARE Young Adult (TYA) program premiums for Calendar Year 2017. The notice is necessary to update the public of the annual changes to TYA premium rates. These changes are being made pursuant to statute and in accordance with a previously published final rule. Please forward this notice for publication in the Federal Register. If there are any questions, please contact Mr. Mark Ellis, Defense Health Agency, TRICARE Health Plan, at (703) 681-0039, or mark.a.ellis14.civ@mail.mil.


Karen S. Guice, M.D., M.P.P.
Acting

Attachment:
As stated

DEPARTMENT OF DEFENSE

Office of the Secretary of Defense

TRICARE; Calendar Year 2017 TRICARE Young Adult Program Premium Update

AGENCY: Office of the Secretary of Defense, Department of Defense

ACTION: Notice of Updated TRICARE Young Adult Premiums for Calendar Year 2017

SUMMARY: This notice provides the updated TRICARE Young Adult program premiums for Calendar Year (CY) 2017.

DATES: The CY 2017 rates contained in this notice are effective for services on or after January 1, 2017.

ADDRESSES: Defense Health Agency, TRICARE Health Plan, 7700 Arlington Boulevard, Suite 5101, Falls Church, Virginia 22042-5101.

FOR FURTHER INFORMATION CONTACT: Mr. Mark A. Ellis, (703) 681-0039.

SUPPLEMENTARY INFORMATION: The final rule published in the *Federal Register* (FR) on May 29, 2013, (78 FR 32116–32121) sets forth rules to implement the TRICARE Young Adult (TYA) program as required by Title 10, United States Code, Section 1110b. Included in the final rule were provisions for updating the TYA premiums for each CY. By law, qualified young adult dependents are charged TYA premiums that represent the full government cost of providing such coverage.

The Defense Health Agency has updated the monthly premiums for CY 2017 as shown below:

Monthly TYA Premiums for CY 2017

Type of Coverage	Monthly Rate
TRICARE Standard Plans	\$216
TRICARE Prime Plans	\$319

The above premiums are effective for services rendered on or after January 1, 2017.

Patricia Toppings
Office of the Secretary of Defense
Federal Register Liaison Officer
Department of Defense

UPDATE OF THE TRICARE YOUNG ADULT PROGRAM PREMIUMS

ISSUE: Beginning January 1, 2017, the Defense Health Agency plans to implement the annual update to the TRICARE Young Adult (TYA) program premiums for current and new enrollees. Current enrollees will receive rate notifications well before January 1, 2017.

DISCUSSION:

- TYA is a premium-based health care program that offers extended dependent coverage for qualified dependents who do not have TRICARE eligibility at age 21 (age 23 if enrolled in a full-time course of study at an approved institution of higher learning, and if the sponsor provides at least 50 percent of the financial support) to purchase TRICARE coverage until reaching age 26.
- This is similar to extended dependent coverage offered to non-military families by the Patient Protection and Affordable Care Act. The Department of Defense (DoD) will revise the premiums annually at the start of each Calendar Year (CY).
- The law requires the DoD to charge qualified young adult dependents TYA premiums that represent the full government cost of providing such coverage. The statute does not allow incremental premium increases below the level needed to equal the cost of coverage on an appropriate actuarial basis.
- To comply with the statute, the Department reviewed health care costs for this age group during the most recently available and sufficiently complete 24-month period (May 2014 through April 2016) and calculated the full-cost premiums for CY 2017. See below for a summary of the premium changes:

Summary of TYA Premium Changes

	CY 2016 Monthly Premium	CY 2017 Monthly Premium	Monthly Change (\$)	Monthly Change (%)
TRICARE Standard Plans	\$228.00	\$216.00	- \$12.00	- 5.3%
TRICARE Prime Plans	\$306.00	\$319.00	+ \$13.00	+ 4.2%
	CY 2016 Annual Premium	CY 2017 Annual Premium	Annual Change (\$)	Annual Change (%)
TRICARE Standard Plans	\$2,736.00	\$2,592.00	- \$144.00	- 5.3%
TRICARE Prime Plans	\$3,672.00	\$3,828.00	+ \$156.00	+ 4.2%

- The CY 2017 calculated premiums are based solely on the claims experience of actual TYA enrollees (the “experience rate”) consistent with standard actuarial practice.