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Employee Benefits – Question of the Month

September 2018

Q: We have an employee whose adult daughter is in the military and still on our group health plan. It's my understanding that as a member of the military, she would be eligible for health insurance through TRICARE. My questions are:

1. Must we allow the daughter to stay on our plan in spite of the fact that she has other coverage available to her?
2. If yes, which coverage would be considered primary, TRICARE or ours?

I found a Q&A on the TRICARE website indicating that employer-provided group health coverage is primary to TRICARE for **employees**, but it does not specifically mention dependents. I think the rule is probably the same but don't want to make that assumption.

A: You have good instincts! The military health program known as TRICARE is generally available to active-duty service members, retirees of the uniformed services, and their family members and survivors. The law that authorized TRICARE prohibits employers from denying otherwise eligible individuals the opportunity to enroll (or stay enrolled) in a group health plan on the basis of their eligibility for TRICARE. It also prohibits employers from offering incentives to TRICARE-eligible individuals to waive coverage under the employer plan.

While these rules specifically refer to "TRICARE-eligible employees," the law defines that term to include active duty service members and retirees of the uniformed services, their family members, and their survivors. So yes, the employee's military daughter must be allowed to stay on your plan until she is no longer eligible for coverage (i.e., the employee drops coverage or leaves your employment; or the daughter turns 26).

As to your second question, employer-sponsored health plans are generally primary to TRICARE. Coverage that is intended to be supplemental to TRICARE may, however, be offered on a voluntary basis as long as you don't pay anything toward the cost of that coverage.

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