(A) In the case of the closure of a military hospital, the area adversely affected is the established 40-mile catchment area of the military hospital that closed.

(B) In the case of the closure of a military clinic (a military treatment facility that provided no inpatient care services), the area adversely affected is an area approximately 40 miles in radius from the clinic, established in a manner comparable to the manner in which catchment areas of military hospitals are established. However, this area will not be considered adversely affected by the closure of the clinic if the Director, OCHAMPUS determines that the clinic was not, when it had been in regular operation, providing a substantial amount of pharmacy services to retirees and their dependents.

(C) An area that is within the 40-mile catchment area of a military treatment facility that closed will not be considered adversely affected by the closure if that area is also within a 40-mile catchment area of another military medical treatment facility (inpatient or outpatient) that the Director, OCHAMPUS determines can provide a substantial amount of pharmacy services to retirees and their dependents.

(iii) Other Medicare-eligible beneficiaries adversely affected. In addition to beneficiaries identified in paragraph (k)(4)(ii) of this section, eligibility for the retail pharmacy network program and mail service pharmacy program is also established for Medicare-eligible beneficiaries who can demonstrate to the satisfaction of the Director, OCHAMPUS that he or she relied upon a military medical treatment facility that closed for his or her pharmaceuticals. The Director, OCHAMPUS shall establish guidelines for making such a demonstration.

(iv) Effective date of eligibility for Medicare-eligible beneficiaries. In any case in which, prior to the complete closure of a military treatment facility in the process of closure, the Director, OCHAMPUS determines that the area has been adversely affected by severe reductions in access to services, the Director, OCHAMPUS may establish an effective date for eligibility for the retail pharmacy network program or mail service pharmacy program for Medicare-eligible beneficiaries prior to the complete closure of the facility.

(5) Effect of other health insurance. The double coverage rules of § 199.8 are applicable to services provided to all beneficiaries under the retail pharmacy network program or mail service pharmacy program. For this purpose, to

the extent they provide a prescription drug benefit, Medicare supplemental insurance plans are double coverage plans and will be the primary payor.

(6) Procedures. The Director,
OCHAMPUS shall establish procedures
for the effective operation of the retail
pharmacy network program and mail
service pharmacy program. Such
procedures may include the use of
appropriate drug formularies,
restrictions of the quantity of
pharmaceuticals to be dispensed,
encouragement of the use of generic
drugs, implementation of quality
assurance and utilization management
activities, and other appropriate matters.

(l) PRIMUS and NAVCARE Clinics. (1) Authority. The Assistant Secretary of Defense for Health Affairs may authorize the establishment of PRIMUS and NAVCARE Clinics. These clinics are contractor owned, staffed, and operated clinics that exclusively serve uniformed services beneficiaries.

(2) Eligible beneficiaries. All TRICARE beneficiary enrollment categories are eligible for care in PRIMUS and NAVCARE Clinics. This includes active duty members, Medicare eligible beneficiaries and other persons not eligible for CHAMPUS.

(3) Services and charges. (i) For care provided PRIMUS and NAVCARE Clinics established prior to October 1, 1994, CHAMPUS rules regarding program benefits, deductibles and cost sharing requirements do not apply. Services offered and charges will be based on those applicable to care provided in military medical treatment facilities

(ii) For care provided in PRIMUS and NAVCARE Clinics established after September 30, 1994, the provisions of § 199.18(d)(3) regarding outpatient cost sharing requirements under the Uniform HMO Benefit shall apply.

(4) Procedures. The Director,
OCHAMPUS will establish procedures
for PRIMUS and NAVCARE Clinics.
Such procedures may waive normal
requirements of this part that are not
required by law. Except to the extent
required by law, the procedures
established by the Director for PRIMUS
and NAVCARE Clinics may be based on
rules and procedures applicable to
military medical treatment facilities.

(m) Consolidated schedule of beneficiary charges. The following consolidated schedule of beneficiary charges is applicable to health care services provided under TRICARE for Prime enrollees, Standard enrollees and Medicare-eligible beneficiaries. (There are no charges to active duty members. Charges for participants in other managed health care programs affiliated

with TRICARE will be specified in the applicable affiliation agreements.)

(1) Cost sharing for services from TRICARE network providers. (i) For Prime enrollees, cost sharing is as specified in the Uniform HMO Benefit in § 199.18, except that for care not authorized by the primary care manager or Health Care Finder, rules applicable to the TRICARE point of service option (see paragraph (n)(3) of this section) are applicable. The deductible is \$300 per person and \$600 per family. The beneficiary copayment per service is 50 percent.

(ii) For Standard enrollees, TRICARE Extra cost sharing applies. The deductible is the same as standard CHAMPUS. Copayments are:

(A) For outpatient professional services, cost sharing will be reduced from 20 percent to 15 percent for dependents of active duty members.

(B) For most services for retired members, dependents of retired members, and survivors, cost sharing is reduced from 25 percent to 20 percent.

(C) In fiscal year 1995, the per diem inpatient hospital copayment for retirees, dependents of retirees, and survivors when they use a preferred provider network hospital is \$250 per day, or 25 percent of total charges, whichever is less. There is a nominal copayment for active duty dependents, which is the same as under the CHAMPUS program (see § 199.4). The per diem amount may be updated for subsequent years based on changes in the standard CHAMPUS per diem.

(D) For prescription drugs obtained from network pharmacies, the CHAMPUS deductible will not apply.

(iii) For Medicare-eligible beneficiaries, cost sharing will generally be as applicable to Medicare participating providers.

(2) Cost sharing for non-network providers. (i) For TRICARE Prime enrollees, rules applicable to the TRICARE point of service option (see paragraph (n)(3) of this section) are applicable. The deductible is \$300 per person and \$600 per family. The beneficiary copayment per service is 50 percent.

(ii) For Standard enrollees, cost sharing is as specified for the basic CHAMPUS program.

(iii) For Medicare eligible beneficiaries, cost sharing is as provided under the Medicare program.

(3) Cost sharing under internal resource sharing agreements. (i) For Prime enrollees, cost sharing is as provided in military treatment facilities.

(ii) For Standard enrollees, cost sharing is as provided in military treatment facilities.