



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

SEP 29 2021

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Establishment of a Fully Insured Group Medicare Advantage with Prescription Drug Plan for Eligible DoD Nonappropriated Fund Retired Employees

I am establishing a fully insured group Medicare Advantage with Prescription Drug (MAPD) Plan as an option within the current Nonappropriated Fund (NAF) Health Benefits Program (HBP). Enrollment in MAPD will be required for NAF HBP retired employees residing in the United States and their eligible dependents, who are enrolled in Medicare Parts A and B and elect to continue group medical coverage beyond age 65.

Retired NAF HBP employees who do not reside in the United States and their covered dependents, as well as active (i.e., non-retired) NAF employees and their covered dependents, are not eligible for the MAPD plan. NAF Organizations will comply with any labor relations obligations related to this additional plan.

Effective immediately, paragraphs 7.4.a.(3) and 7.5 of DoD Instruction (DoDI) 1400.25, Volume 1408, "DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund Employees," are revised as reflected in the attachment. The remainder of Volume 1408 remains in effect.

The Under Secretary of Defense for Personnel and Readiness, in coordination with the DoD Directives Division, shall initiate, as soon as practicable, an administrative change to DoDI 1400.25, Volume 1408, to reflect my decision to establish the MAPD within the NAF HBP and the resulting changes to DoDI 1400.25, Volume 1408.

My point of contact is Mr. Michael Krukar, NAF Health Benefits Administrator, Benefits, Wage and NAF Policy, Defense Civilian Personnel Advisory Service, at (571) 372-2083 or michael.j.krukar.civ@mail.mil.

Attachment:
As stated



OSD008858-21/CMD011486-21

Attachment

REVISION TO DODI 1400.25, VOLUME 1408

Replace Paragraphs 7.4.a.(3) and 7.5 of DoDI 1400.25, Volume 1408 as follows:

7.4. TPA ROLES AND RELATIONSHIPS.

7.4 a(3) The TPA will not provide an insured medical product for active employees. The DoD Component NAF employers self-fund the DoD NAF HBP as discussed in Paragraph 7.10. An insured stand-alone dental plan option and an insured group Medicare Advantage Prescription Drug (MAPD) plan may be offered as discussed in Paragraph 7.5.

7.5. HEALTH PLANS AND BENEFITS.

The DoD NAF HBP consists of preferred provider organization (PPO), indemnity, qualified high deductible health plan (HDHP) with health savings account (HSA) or health reimbursement account (HRA), MAPD, dental, and HMO plans. A PPO, high deductible with HSA, or other indemnity plan will be available in each area where eligible employees and retirees live. To benefit from the cost advantages of a managed care plan, the PPO plan will be offered, rather than the indemnity plan, wherever practical. The indemnity plan will be offered only in geographic areas where the PPO plan is not offered. Where NAF employers offer HMOs, eligible employees and retirees who are not eligible for Medicare may choose either the HMO or the non-HMO plan. Special rules pertaining to coverage of retirees eligible for Medicare are in Paragraphs 7.5.b.(2) and 7.8.c. of this volume.