

## Chapter 1

## Addendum C

# Minimum Requirements For Reimbursement Of Per Capita State (Or Alternative) State Vaccine Programs (SVPs)

Revision: C-11, November 30, 2017

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The following outlines the minimum requirements for payment for SVPs that are paid using an SVP per capita assessment amount or by an alternative mechanism (e.g., the state of Massachusetts). This appendix does not include the minimum requirements for payment of SVP programs that use dosage-based assessments.

### **Child Vaccination Programs That Use An SVP Per Capita Assessment Approach For Reimbursement**

1. DHA will calculate the number of covered lives (i.e., Active Duty Family Member (ADFM) and Non-Active Duty Family Member (NADFM) reliant that are not enrolled at a Military Treatment Facility (MTF)/Enhanced Multi-Service Market (eMSM) in Prime, ages 0-18) (see [Section 38](#) for details) each quarter. Defense Health Agency (DHA) will estimate the percentage of TRICARE non-Active Duty Dependent (ADD) reliant annually, and exclude any non-ADDs who are not reliant on TRICARE as their primary form of insurance in their covered lives population estimate.
2. Each SVP may have its own time period for the population to be calculated. The DHA will work with the state programs to ensure that the population is calculated for the appropriate time frame in the state. DHA will, on a quarterly basis, provide the contractors the number of covered lives in each state. Some SVPs require quarterly payment, while others require annual payments. DHA will determine which population numbers are appropriate to use for the SVP-specific calculations.
3. DHA will also provide the contractors with a TRICARE per capita capped payment amount for the time period needed for each SVP program. This information may be provided directly to the contractor or posted on a DHA-approved website.
4. The contractors shall follow the protocol established by each state to provide them with the number of TRICARE covered lives for the dates requested by the SVP.
5. The contractors shall identify whether the SVP per capita assessment amount provided by the SVP is greater or less than the TRICARE per capita capped payment amount.
6. In some states, the SVPs shall send an invoice to the contractors for a payment, typically on a quarterly or annual basis. In other states, the contractors shall proactively provide payment to the SVPs for the liability amount.
7. The contractors shall pay the SVPs in one of two ways:
  - a. If the SVP per capita quarterly assessment amount is less than the TRICARE per capita quarterly capped payment amount: The contractors will pay the amount equal to the SVP per capita assessment amount multiplied by the TRICARE reliant population

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- b. If the SVP per capita quarterly assessment amount is greater than the TRICARE per capita quarterly capped payment amount: The contractors will calculate the total TRICARE assessment amount to be paid to the SVP as the number of TRICARE reliant (i.e., covered lives) in the state multiplied by the TRICARE per capita capped payment amount.
8. The contractors shall submit payment to the SVPs either annually or quarterly depending on the SVP.
9. The contractors shall be reimbursed using non-underwritten funds.

#### **Child Vaccination Programs That Use An Alternative Approach - The State Of Massachusetts**

1. For Massachusetts, DHA will calculate the total TRICARE paid amounts made to acute care hospitals and paid facility charges for hospital outpatient departments and freestanding Ambulatory Surgery Center (ASC) facilities for a period designated annually by the Massachusetts Vaccine Association to calculate the annual Pediatric Immunization Program Assessment (PIPA).
2. DHA will identify the PIPA surcharge percentage that is published annually by the state of Massachusetts, and multiply this percentage by the total paid amounts calculated above.
3. DHA will compare the MA assessment amount with the TRICARE payment capped amount, as calculated by DHA using the reliant covered lives under age 19 and an assessment amount.
4. DHA will provide the contractor with the total TRICARE assessment amount to be paid to the state and the contractor shall submit payment to the Massachusetts Vaccine Purchase Trust.
5. The contractor shall submit payment to the SVP by June 1st.
6. The contractor shall be reimbursed using non-underwritten funds.

#### **Adult Vaccination Programs That Use An SVP Per Capita Assessment Approach for Reimbursement**

1. DHA will calculate the number of covered lives (i.e., ADFM and NADFM reliant (that are not enrolled at an MTF/eMSM in Prime, for the ages in which adult vaccines are provided in the state) each quarter. The term "reliant" refers to a subset of TRICARE eligible beneficiaries who are dependent on TRICARE for the coverage/reimbursement of vaccines under the well-child and preventive benefits. All TRICARE ADFMs are considered to be reliant on TRICARE as their primary form of insurance. DHA will estimate the percentage of TRICARE non-ADD reliant annually, and will exclude any non-ADDs who are not reliant on TRICARE as their primary form of insurance in their covered lives population estimate.
2. Each state adult SVP may have its own time periods for the population to be calculated. DHA will work with the state programs to ensure that the population is calculated for the appropriate time frame in the state. DHA will, on a quarterly basis, provide the contractors the number of covered lives in each state.

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3. DHA will calculate a state-specific TRICARE per capita capped payment amount for each quarter using data from only the adult vaccines that are provided in the state. DHA will determine if multiple state per capita capped rates are required based on age. For example, if a state program provides vaccines to the Medicare-eligible population, DHA will exclude any Medicare-covered adult vaccines from the calculation of a capped amount used for the age 65 and older population in that state only.
4. DHA will provide the contractors with the number of covered reliant(s) in the state, and the TRICARE state-specific per capita capped payment amount(s). DHA may provide these values directly to the contractor, or via a website designed for DHA SVP programs.
5. The contractor provide the Adult SVP program with the number of adult TRICARE reliant(s) in which ever mechanism that is agreed upon by the contractor and the state (via memo, online survey, web-portal, etc.) for each time period requested by the SVP.
6. In some states, the SVPs shall send an invoice to the contractors for a payment, typically on a quarterly or annual basis. In other states, the contractors will proactively provide payment to the SVPs for the liability amount.
7. The contractor shall identify whether the SVP Adult per capita assessment amount is greater than the calculated TRICARE per capita capped payment amount.
8. The contractors shall pay the SVPs in one of two ways:
  - a. If the SVP per capita quarterly assessment amount is less than the TRICARE per capita quarterly capped payment amount: The contractors will pay the amount equal to the SVP per capita assessment amount multiplied by the TRICARE reliant population.
  - b. If the SVP per capita quarterly assessment amount is greater than the TRICARE per capita quarterly capped payment amount: The contractors will calculate the total TRICARE assessment amount to be paid to the SVP as the number of TRICARE reliant(s) (i.e., covered lives) in the state multiplied by the TRICARE per capita capped payment amount.
9. The contractor shall submit payment to the SVP.
10. The contractor shall be reimbursed using non-underwritten funds.

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