

Chapter 1

Section 2

Accommodation Of Discounts Under Provider Reimbursement Methods

Issue Date: December 7, 1990

Authority: [32 CFR 199.4\(f\)\(10\)](#) and [32 CFR 199.14\(l\)](#)

Revision: C-6, October 20, 2017

1.0 APPLICABILITY

This policy is mandatory for reimbursement of services provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by the Defense Health Agency (DHA) and specifically included in the network provider agreement.

2.0 POLICY

2.1 A provider shall be reimbursed at an amount below the amount usually paid pursuant to this chapter when the provider has agreed to the lower amount. This applies only when both the provider and the DHA have agreed to the discounted payment rates for non-network providers.

2.2 In the case of individual health care professionals and other non-institutional providers, if the discounted fee is below the provider's normal billed charge and the allowable charge level, the discounted fee shall be the provider's actual billed charge and the TRICARE allowable charge.

2.3 In the case of institutional providers normally paid on the basis of a pre-set amount (such as DRG-based amount or per diem amount), if the discount rate is lower than the pre-set rate, the discounted rate shall be the TRICARE-determined allowable cost. This is an exception to the usual rule that the pre-set rate is paid regardless of the institutional provider's billed charges or other factors.

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