



DEFENSE
HEALTH AGENCY

HPOD

**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
HEALTH AFFAIRS
16401 EAST CENTRETECH PARKWAY
AURORA, CO 80011-9066**

**CHANGE 28
6010.61-M
NOVEMBER 6, 2018**

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL FOR
TRICARE REIMBURSEMENT MANUAL (TRM), APRIL 2015**

The Defense Health Agency has authorized the following addition(s)/revision(s).

CHANGE TITLE: CONSOLIDATED CHANGE 18-003

CONREQ: 19563

SUMMARY OF CHANGE(S): See page 2.

EFFECTIVE DATE: See page 2.

IMPLEMENTATION DATE: December 6, 2018.

This change is made in conjunction with Apr 2015 TOM, Change No. 39.

Digitally signed by
LOZOYA.JOSE LOZOYA.JOSE.L.12314
.L.1231416397 16397
Date: 2018.10.30
13:31:40 -06'00'

**Jose L. Lozoya
Chief, Manuals Change Section
Defense Health Agency (DHA)**

SUMMARY OF CHANGES

CHAPTER 2

1. Section 1. This change clarifies language on beneficiary population provisions and clarifies that provisions only pertain to readmissions to an acute care hospital. EFFECTIVE DATE: 11/06/2018.
2. Section 2. This change clarifies language on beneficiary population provisions and clarifies that provisions only pertain to readmissions to an acute care hospital. EFFECTIVE DATE: 11/06/2018.

CHAPTER 16

3. Section 1. This change adds Direct Medical Education (DME) reimbursement instructions and implements the final TRICARE rule which establishes new reimbursement methodologies for Long-Term Care Hospitals (LTCH's) and Inpatient Rehabilitation Facilities (IRF's). EFFECTIVE DATE: 10/01/2018.

CHAPTER 17

4. Section 1. This change adds Direct Medical Education (DME) reimbursement instructions and implements the final TRICARE rule which establishes new reimbursement methodologies for Long-Term Care Hospitals (LTCH's) and Inpatient Rehabilitation Facilities (IRF's). EFFECTIVE DATE: 10/1/2018.

TRICARE Reimbursement Manual 6010.61-M, April 1, 2015

Chapter 2, Section 1

Cost-Shares And Deductibles For TRICARE Services Received Prior To January 1, 2018 And For TRICARE Services Received On Or After January 1, 2018 By TRICARE For Life (TFL) Beneficiaries

1.4.3 Preventive Services

1.4.3.1 No copayments or authorizations are required for the following preventive services as described in the TPM, [Chapter 7, Sections 2.1](#) and [2.5](#):

1.4.3.1.1 Colorectal cancer screening.

1.4.3.1.2 Breast cancer screening.

1.4.3.1.3 Cervical cancer screening.

1.4.3.1.4 Prostate cancer screening.

1.4.3.1.5 Immunizations.

1.4.3.1.6 Well-child visits for children under six years of age.

1.4.3.1.7 Visits for all other beneficiaries over age six when the purpose of the visit is for one or more of the covered benefits listed in [paragraphs 1.4.3.1.1](#) through [1.4.3.1.5](#). If one or more of the procedure codes described in the TPM, [Chapter 7, Section 2.1](#) for those preventive services listed in [paragraphs 1.4.3.1.1](#) through [1.4.3.1.5](#) are billed on a claim, then the cost-share shall be waived for the visit.

1.4.3.2 In addition to the services listed in [paragraph 1.4.3.1](#), effective January 1, 2017, cost-shares are eliminated for the services listed in the TPM, [Chapter 7, Section 2.1, paragraphs 3.1.1.1.2](#) and [3.1.5.1](#) through [3.1.5.12](#). Effective January 1, 2018, cost-shares are eliminated for the services listed in the TPM, [Chapter 7, Section 2.1, paragraph 3.1.5.13](#).

1.4.3.3 A beneficiary is not required to pay any portion of the cost of these preventive services even if the beneficiary has not satisfied the deductible for that year.

1.4.3.4 This waiver does not apply to any TRICARE beneficiary who is a Medicare-eligible beneficiary.

1.4.3.5 Appropriate cost-sharing and deductibles shall apply for all other preventive services described in the TPM, [Chapter 7, Section 2.1, paragraph 3.2](#) and [Section 2.5](#).

1.5 Cost-Shares: Ambulance Services

1.5.1 For the basis of payment of ambulance services, see [Chapter 1, Section 14](#).

1.5.2 Outpatient. The following are beneficiary copayment/cost-sharing requirements for medically necessary ambulance services when paid on an outpatient basis:

TRICARE Reimbursement Manual 6010.61-M, April 1, 2015

Chapter 2, Section 1

Cost-Shares And Deductibles For TRICARE Services Received Prior To January 1, 2018 And For TRICARE Services Received On Or After January 1, 2018 By TRICARE For Life (TFL) Beneficiaries

1.5.2.1 TRICARE Prime

1.5.2.1.1 For care provided for pay grades E-1 through E-4, \$0. See [Addendum A](#) for further information.

1.5.2.1.2 For care provided for pay grades E-5 and above, \$0. See [Addendum A](#) for further information.

1.5.2.1.3 For retirees and their family members, \$20.

1.5.2.2 TRICARE Extra

1.5.2.2.1 A cost-share of 15% of the fee negotiated by the contractor for ADFMs.

1.5.2.2.2 A cost-share of 20% of the fee negotiated by the contractor for retirees, their family members, and survivors.

1.5.2.3 TRICARE Standard

1.5.2.3.1 A cost-share of 20% of the allowable charge for ADFMs.

1.5.2.3.2 A cost-share of 25% of the allowable charge for retirees, their family members, and survivors.

1.5.2.4 Inpatient: Non-Network Providers

1.5.2.4.1 ADFMs. No cost-share is taken for ambulance services (transfers) rendered in conjunction with an inpatient stay.

1.5.2.4.2 Other Beneficiary. The cost-share applicable to inpatient care for beneficiaries other than ADFMs is 25% of the allowable amount.

1.6 Exceptions

1.6.1 Inpatient Cost-Share Applicable To Each Separate Admission

■ **Prior to January 1, 2018, for TRICARE ADFMs only, a** separate cost-share amount is applicable to each separate beneficiary for each inpatient admission EXCEPT:

■ 1.6.1.1 Any **readmission to an acute care hospital** which is not more than 60 days from the date of the last inpatient discharge shall be treated as one inpatient confinement with the last admission for cost-share amount determination.

1.6.1.2 Certain heart and lung hospitals are excepted from cost-share requirements. See [Chapter 1, Section 27](#), entitled "Legal Obligation To Pay".

2.10 Exceptions

2.10.1 Inpatient Cost-Share: Applicable To Each Separate Admission

On or after January 1, 2018, for TRICARE Select Group A ADFMs only, a separate cost-share amount is applicable to each separate beneficiary for each inpatient admission EXCEPT:

2.10.1.1 Any readmission to an acute care hospital which is not more than 60 days from the date of the last inpatient discharge shall be treated as one inpatient confinement with the last admission for cost-share amount determination.

2.10.1.2 Certain heart and lung hospitals are excepted from cost-share requirements. See [Chapter 1, Section 27](#), entitled "Legal Obligation To Pay".

2.10.2 Inpatient Cost-Share: Maternity Care

All admissions related to a single maternity episode shall be considered one confinement regardless of the number of days between admissions. For ADFMs, the cost-share shall be applied to the first institutional claim received.

2.10.3 See [Section 6](#) for waivers of cost-shares and deductibles.

2.11 Exclusions

TFL. See [Section 1](#).

3.0 CATASTROPHIC LOSS PROTECTION

See [Section 4](#).

- END -

TRICARE Reimbursement Manual 6010.61-M, April 1, 2015

Chapter 16, Section 1

Long-Term Care Hospitals (LTCHs)

CASE 4: PATIENT WITH NO ICU OR PROLONGED MECHANICAL VENTILATION

Cost Report Period: LTCH with Cost Reporting Period in FY18 beginning **September 1, 2019**, following implementation of the TRICARE LTCH Rule.

Patient:	TRICARE Pays:
Admitted on November 2, 2018	Billed Charges*
Admitted on January 2, 2019	Billed Charges*
Admitted on July 2, 2019	Billed Charges*
Admitted on September 2, 2019	135% of the Site-Neutral Payment Rate
Admitted on October 2, 2019	115% of the Site-Neutral Payment Rate

* The LTCH receives billed charges for this admission because the LTCH's cost reporting period during FY18 begins September 1, 2019.

CASE 5: PATIENT WITH ACUTE ICU STAY OF OVER THREE DAYS

Cost Reporting Period: LTCH with Cost Reporting Period in FY18 beginning **October 1, 2018**.

Patient:	TRICARE Pays:
Admitted on November 2, 2018	135% of the Full LTCH Payment Rate
Admitted on January 2, 2019	135% of the Full LTCH Payment Rate
Admitted on July 2, 2019	135% of the Full LTCH Payment Rate
Admitted on September 2, 2019	135% of the Full LTCH Payment Rate
Admitted on October 2, 2019	115% of the Full LTCH Payment Rate

CASE 6: PATIENT WITH NO ICU OR PROLONGED MECHANICAL VENTILATION

Cost Reporting Period: LTCH with Cost Reporting Period in FY18 beginning **October 1, 2018**.

Patient:	TRICARE Pays:
Admitted on November 2, 2018	135% of the Site-Neutral Payment Rate
Admitted on January 2, 2019	135% of the Site-Neutral Payment Rate
Admitted on July 2, 2019	135% of the Site-Neutral Payment Rate
Admitted on September 2, 2019	135% of the Site-Neutral Payment Rate
Admitted on October 2, 2019	115% of the Site-Neutral Payment Rate

4.5 Preadmission Services

LTCHs paid under the LTCH PPS are subject to a one-day payment window, where any outpatient services or non-physician services provided one calendar day prior to the LTCH admission are included in the LTCH-DRG payment. This is known as the one-day payment rule. The one-day payment rule only applies to services that are diagnostic and furnished in connection with the principle diagnosis. Any other services not meeting the diagnostic criteria, or services provided outside of the one-day window will be paid separately according to current TRICARE policy.

4.6 LTCH Data

4.6.1 The MS-LTC-DRG rates and weights and the IPPS rates and weights are posted to the CMS website in August of each year. The contractor shall use the most current version of the files (to include any corrections made) for each fiscal year (October 1) update.

4.6.2 The MS-LTC-DRG relative weights, wage index files and other related files are available at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/LongTermCareHospitalPPS/index.html>.

4.6.3 The IPPS relative weight, wage index files and other related files for processing Site-Neutral LTCH claims are available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/index.html>.

4.6.4 The International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM)/Procedure Coding System (PCS) MS-DRG Definitions Manual for the PPS Grouper is available at https://www.cms.gov/ICD10Manual/version35-fullcode-cms/fullcode_cms/P0001.html.

4.6.5 The LTCH Pricer is available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PCPricer/LTCH.html>.

4.6.6 The LTCH Medicare Provider ID numbers are available at: <https://data.medicare.gov>.

4.6.7 The LTCH cost reporting periods are available at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ProspMedicareFeeSvcPmtGen/psf_text.html.

4.7 Billing and Coding Requirements

4.7.1 The contractors shall use type of institution 73 for LTCHs.

4.7.2 The contractors shall use Pricing Rate Code (PRC) **LT** for Standard LTCH claims priced using the MS-LTC-DRG payment rates and PRC **SN** for LTCH claims priced using the site-neutral LTCH PPS payment rates.

4.8 Direct Medical Education

DHA will reimburse LTCHs who file a request for their direct medical education costs in a timely manner, as outlined in Chapter 6, Section 8. Although the procedures listed in Chapter 6, Section 8 pertain to DRGs, those same procedures are to be used to reimburse LTCHs for direct medical education costs.

4.9 Dual Eligible

When the Medicare hospital day limit is exhausted for a TRICARE beneficiary, who is also eligible for Medicare (i.e., TRICARE for Life (TFL) beneficiaries), TRICARE is the primary payer.

5.0 EXCLUSIONS

5.1 The TRICARE LTCH PPS methodology does not apply to hospitals in states that are reimbursed by Medicare and TRICARE under a cost containment waiver that exempts them from Medicare's IPPS or the TRICARE DRG-based payment system.

5.2 Children's hospitals are excluded from the TRICARE LTCH PPS methodology.

5.3 VA hospitals are excluded from the TRICARE LTCH PPS methodology.

TRICARE Reimbursement Manual 6010.61-M, April 1, 2015

Chapter 16, Section 1

Long-Term Care Hospitals (LTCHs)

5.4 The TRICARE LTCH PPS methodology does not apply to any costs of physician services or other professional services provided to LTCH patients.

5.5 Custodial or domiciliary care is not coverable under the TRICARE program, even if rendered in an otherwise authorized LTCH.

6.0 EFFECTIVE DATE

Implementation of the TRICARE LTCH PPS methodology is effective for admissions on or after October 1, 2018.

- END -

4.9.4 The contractors shall use Pricing Rate Code (PRC) **CI** for CAH IRF reimbursement and **RF** for all other IRF reimbursement.

4.10 Direct Medical Education

DHA will reimburse IRFs who file a request for their direct medical education costs in a timely manner, as outlined in Chapter 6, Section 8. Although the procedures listed in Chapter 6, Section 8 pertain to DRGs, those same procedures are to be used to reimburse IRFs for direct medical education costs.

5.0 EXCLUSIONS

5.1 The TRICARE IRF PPS methodology does not apply to hospitals in States that are reimbursed by Medicare and TRICARE under a waiver that exempts them from Medicare's Inpatient Prospective Payment System (IPPS) or the TRICARE DRG-based payment system.

5.2 Children's hospitals are excluded from the TRICARE IRF PPS methodology.

5.3 Department of Veterans Affairs (VA) hospitals are excluded from the TRICARE IRF PPS methodology.

5.4 The IRF PPS reimbursement method does not apply to any costs of physician services or other professional services provided to IRF patients.

6.0 EFFECTIVE DATE

Implementation of the IRF PPS reimbursement method for inpatient services is effective for admissions on or after October 1, 2018.

- END -

