INTRODUCTION

GENERAL

This TRICARE Reimbursement Manual, in conjunction with the TRICARE Policy Manual, contains operational policy necessary to efficiently implement the Code of Federal Regulations at 32 CFR 199. This manual augments the 32 CFR 199 and must be used in conjunction for complete policy information.

This Manual is subordinate to the 32 CFR 199, equal to the TRICARE Policy Manual (6010.47-M), and superior to all other TRICARE Management Activity (TMA) administration manuals (6010.49-M and 6010.50-M), and to all TRICARE related verbal and written policy interpretation issued by a TRICARE contractor or Uniformed Service.

Any reimbursement issue for which reimbursement policy guidance is required should be described, in writing, to: Director, Medical Benefits and Reimbursement Systems, TMA, 16401 E. Centretech Parkway, Aurora, CO 80011-9066.

TRICARE is the Department of Defense's managed health care program for active duty service members, service families, retirees and their families and survivors. TRICARE is a blend of the military's direct care system of hospitals and clinics and the Civilian Health and Medical Program of the Uniformed Services. It represents the best features from the variety of health care delivery alternatives demonstrated by the Department of Defense in the late '80's and early 90's.

A key feature of the Department's managed care implementation is the creation within the United States of 12 Health Services Regions. Within each region, a Military Treatment Facility (MTF) is designated Lead Agent for the health care services in the region. The Lead Agent, working with all the MTFs within the region, is responsible for organizing and managing health care delivery for all Military Health System beneficiaries in the region. Supporting the Lead Agent is a Managed Care Support contractor (MCS), with responsibility for establishing a network of health care providers to supplement the care available at the MTFs and for performing a variety of health care administrative services on behalf of the Lead Agent.

NOTE: In Region 1, which includes the National Capital Area, the Lead Agent role is carried out by a Tri-Service Board with annual rotation of the Chairperson. Activities relating to the Managed Care Support contract are assigned to staff located at Walter Reed Army Medical Center.

TRICARE MANAGMENT RESPONSIBILITIES

Lead Agents. Are responsible for planning for and delivering services to meet the health needs of the beneficiaries in the region, whether through the MTFs or the contractor. The Lead Agent is expected to provide an Administrative Contracting Officer (ACO) and an Alternate Contracting Officer's Representative(s) (ACOR) to monitor and assist in administering the MCS contract. The Lead Agent is primarily responsible for oversight and

administration of those tasks in the MCS contract that relate to the delivery and management of care.

MTF Commanders. Are responsible for managing health care delivery for the active duty personnel and TRICARE eligibles who are enrolled in Prime with MTF primary care managers, as well as for providing care to other Military Health System beneficiaries who are eligible for care in MTFs. If the MTF cannot provide the care to enrollees directly, the MTF Commander and the contractor may enter into a Resource Sharing or Resource Support Agreement or the patient may be referred to a civilian provider who is a member of the contractor's network. The MTF Commander sets priorities for assignment of MTF Primary Care Managers and works directly with the contractor in network development, resource sharing arrangements and similar local initiatives.

Managed Care Support Contractor. The Managed Care Support contractor is responsible for establishing provider networks in those catchment areas and BRAC sites designated by the Lead Agent. The provider networks must include both primary care providers and specialists. The contractor shall ensure that first priority for referral of Prime enrollees for specialty care or inpatient care is the MTF. The contractor processes all Prime, Extra and Standard claims for all beneficiaries who reside in the Region and performs other tasks specified in the contracts and the manuals. The contractor has a number of responsibilities for support of the Lead Agent as well as the MTF.

Administrative Personnel. The Procurement Contracting Officer (PCO) and the Contracting Officer's Representative (COR) are TRICARE Management Activity (TMA) personnel who oversee the functions of the MCS contract, with special emphasis in areas such as claims processing, and who coordinate contract oversight and administration among the variety of Lead Agent ACORS. The procurement contracting officer is the sole authority for directing the contractor or modifying provisions of the contract (some of this authority is delegated to the ACO at the Lead Agent).

ASD(HA). Overall policy for TRICARE is established by the Assistant Secretary of Defense for Health Affairs.

TRIPLE OPTION BENEFIT PACKAGE

TRICARE offers patients three health care options:

1. TRICARE Prime Plan. Beneficiaries who enroll in TRICARE Prime are assigned or select a Primary Care Manager (PCM). A PCM is a provider of primary care, who furnishes or arranges for all health care services required by the Prime enrollee. MTF Commanders have the authority and responsibility to set priorities for enrollment to MTF Primary Care Managers. When MTF's primary care capacity is full, civilian PCMs, who are all part of the contractor's network, are available to provide care to patients.

   a. Expanded benefits. As enrollees of Prime, patients receive clinical preventive services that are provided without cost share for the patient.

   b. Reduced cost. Prime enrollees' cost share for civilian services is substantially reduced from that which is applicable under TRICARE Extra and TRICARE Standard. In addition, when a TRICARE Prime enrollee is referred to a non-participating provider, the

enrollee is only responsible for the copayment amount, but not for any balance billing amount by the non-participating provider.

2. TRICARE Extra plan. Beneficiaries who do not enroll in Prime may still benefit from using the providers in the contractor's network where possible. On a case by case basis, beneficiaries may participate in TRICARE Extra by receiving care from a network provider. The beneficiary will take advantage of the reduced charges under Extra and a reduction in cost shares. Covered services are the same as under TRICARE Standard.

3. TRICARE Standard plan. The TRICARE Standard plan is identical to the CHAMPUS fee for service program. Its benefits and costs are unchanged from the CHAMPUS program.

GEOGRAPHIC AVAILABILITY

TRICARE is effective throughout the continental United States and Hawaii. TRICARE Alaska and TRICARE Overseas Program Regions are established but operate under different procedures than TRICARE in the continental United States (CONUS).

Within a region, the contractor is required to create a provider network and establish TRICARE Prime, Extra and Standard in those MTF catchment areas and each Base Realignment and Closure (BRAC) site designated by the Lead Agent. Additionally, the contractor is encouraged to establish a provider network and offer either Prime or Extra or both in as many non-catchment areas as patient population (including enrollees in the TRICARE Prime Remote Program) and provider availability make cost-effective. In some parts of some regions, beneficiaries may only have access to TRICARE Standard. If a beneficiary resides in an area not served by a TRICARE provider network, the beneficiary may still choose to travel to a location within the same contract area where there is a network and enroll in Prime at that location. For those beneficiaries, the contractor is not held to the access standards that apply within a catchment area.

NOTE: In regions 1, 2, 5, and 11, the contractors shall follow requirements specified in the contracts and in OPM, Chapters 20, for establishing provider networks and for enrolling individuals in the TRICARE Prime Remote (TPR) and the TRICARE Prime Programs.

ELIGIBILITY FOR TRICARE

Active Duty Eligibility. All active duty members are considered "automatically enrolled" in TRICARE Prime. They must, however, take action to be enrolled in Prime, and be assigned to a PCM (see OPM, Chapters 20, for PCM provisions under the TRICARE Prime Remote Program).

Non-active Duty Eligibility. All individuals entitled to civilian health care under Sections 1079 or 1086 or Title 10, Chapter 55, United States Code, are eligible for TRICARE. These non-active duty individuals, commonly referred to as "TRICARE eligibles", include the spouse and children of active duty personnel, retirees and their spouses and children, and survivors. This group also includes former spouses as defined in Section 1072 (2), of Title 10, Chapter 55, U.S.C. Not included are those individuals who are entitled to care in the direct care system but ordinarily are not entitled to civilian care, such as family member parents and parents-in-law, and those eligible for Medicare by reason of reaching age 65. These beneficiaries remain

eligible for care at MTFs on a space-available basis. They may also qualify for care under a TRICARE demonstration project described in OPM, Chapter 23, and for care under the Supplemental Health Care Program (SHCP) described in OPM, Chapter 21.

Non-DoD TRICARE Eligibles. TRICARE eligibles sponsored by non-DoD uniformed services (the Public Health Service, the United States Coast Guard, and the National Oceanic and Atmospheric Administration) are eligible for TRICARE and may enroll in TRICARE Prime.

NATO Beneficiaries. Family members of active duty members of the armed forces of foreign NATO nations who are eligible for outpatient care under TRICARE may access care under TRICARE Extra and TRICARE Standard only. They are not eligible to enroll in TRICARE Prime.

TRICARE Prime Remote Enrollees. Contractors shall enroll active duty members of the Army, Navy, Marine Corps, Air Force, Coast Guard, National Guard, and--in Regions 1, 2, 5, and 11, active duty members of the United States Public Health Service (USPHS) and the National Oceanic and Atmospheric Administration (NOAA)--identified by the Services as assigned to remote locations in the TRICARE Prime Remote Program. In Regions 1, 2, 5, and 11, contractors shall enroll family members of these remotely assigned service members according to specific contract requirements.

Prime Enrollment. Eligible beneficiaries must enroll in Prime to receive the expanded benefits and special cost sharing. Even though active duty members are considered to be enrolled automatically, all active duty and non-active duty individuals who wish to take advantage of the full benefits of the Prime program and have their claims adjudicated correctly must take specific action to enroll.

OTHER TRICARE BENEFITS

Included in the TRICARE benefit package is a retail pharmacy network and a mail service pharmacy program.

ADMINISTRATIVE AND EFFECTIVE DATES

Issuance date. The date located on the 1st page of each separate policy issuance. This is the date that the issuance was initially issued by TMA.

Revision date. The revision date is at the bottom of each page that has been revised along with the change number. This is the date that TMA changed the issuance in any way. Each time an issuance is changed, the revised page and/or issuance is given a change number. The revision date and the change number together identify a unique version of the issuance on a specific subject.

Effective date. A date within the body of the text of an issuance which establishes the specific date that a policy is to be applied to benefit adjudication or in program administration. An effective date may be earlier than the issuance or revision date. This date is explicit (e.g., Effective Date: January 1, 1998). The policy effective date takes precedence over the issuance date and the revision date. In the absence of an effective date the policy or instruction is considered to have always been applicable because the newly published policy

or instruction confirms the application of existing published program requirements.

Implementation date. The implementation date of a policy or instruction is not noted in the issuance as this date is determined by the terms of the contract modification between TMA and the contractor. Unless otherwise directed by TMA, contractors are not to identify finalized claims for readjudication under revised or new policy. However, the contractor shall readjudicate any denied claim affected by the policy that is brought to the contractor's attention by any source. Pending claims and denied claims in reconsideration shall be adjudicated using the current applicable policy.

BENEFIT POLICY (CHAPTERS 1 - 8 OF THE POLICY MANUAL)

Benefit policy applies to the scope of services and items which may be considered for cost-sharing by the TRICARE/CHAMPUS within the intent of the CFR Chapter 199.4 and Chapter 199.5.

The current edition of the American Medical Association's Physicians' Current Procedural Terminology (CPT) is incorporated by reference into the Policy Manual to describe the scope of services potentially allowable as a benefit, subject to explicit requirements, limitations, and exclusions, in this Manual or in the 32 CFR 199.

A CPT listed procedure may be cost-shared only when the contractor determines the procedure is "appropriate medical care" and is "medically or psychologically necessary" and is not "unproven" as defined in the 32 CFR 199.2, and the Policy Manual does not explicitly exclude or limit cost-sharing of the CPT procedure.

PROGRAM POLICY (CHAPTERS 9 - 12 OF THE POLICY MANUAL)

Program policy applies to beneficiary eligibility, provider eligibility, claims adjudication, and quality assurance. Program policy implementation instructions are found in 6010.24-M, 6010.49-M, and 6010.50-M.

Reimbursement Policy (TRICARE Reimbursement Manual)

Reimbursement policy sets forth the payment procedures used for reimbursing TRICARE claims. The related implementation instructions for these payment procedures are found in 6010.24-M, 6010.49-M, and 6010.50-M.

This manual provides the methodology for pricing allowable services and items and for payment to specific categories and types of authorized providers. These methods allow the contractor to price and render payment for specific examples of services or items which are not explicitly addressed in the Manual but which belong to a general category or type which is addressed in the Manual.

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