

## EXPIRED - Department Of Defense (DoD) TRICARE Demonstration Project For The Philippines

Revision: C-21, March 1, 2018

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### 1.0 PURPOSE

This demonstration will allow the DoD to determine the efficacy and acceptability of an alternative approach to the delivery of health care in the Philippines. The DoD TRICARE Demonstration Project for the Philippines (hereinafter referred to as the demonstration) will enable DoD to determine whether it is possible to control costs, reduce aberrant billing activity, and eliminate balance billing issues while providing high quality, safe health care to TRICARE Standard/Select beneficiaries residing in the Philippines and receiving care in designated demonstration area(s). This will be accomplished by the establishment of a dedicated list of providers who agree to comply with certain requirements and business processes as outlined below.

**Note:** All instances of the use of the term TRICARE Standard in this Section are valid through December 31, 2017. At that point, TRICARE Standard ends except for TRICARE For Life (TFL) and is replaced by TRICARE Select effective January 1, 2018. Beneficiaries electing TRICARE Select coverage must enroll. See [Chapter 6, Section 2](#).

### 2.0 BACKGROUND

Although the number of TRICARE beneficiaries residing in the Philippines has remained relatively constant over time, there has been a significant increase in the amount billed for health care services. Administrative controls and the implementation of a government-directed foreign fee schedule have been only partially successful in containing costs. Additionally, certain billing practices in the Philippines have resulted in beneficiary dissatisfaction and excessive out-of-pocket expenses due to balance billing. Beneficiaries in the Philippines are frequently required to pay the provider or facility at the time services are rendered, and file their own claims for reimbursement. Since TRICARE reimburses these claims based on the fee schedule, a beneficiary may incur excessive out-of-pocket expenses (in addition to their normal cost-shares and deductibles) if the billed charges exceed the fee schedule amount.

### 3.0 DEFINITIONS

#### 3.1 Approved (Demonstration) Provider

A provider who agrees to accept TRICARE reimbursement at the lesser of billed charges, a negotiated reimbursement rate, or the government-directed foreign fee schedule as payment in full; agrees to submit claims to the TRICARE Overseas Program (TOP) contractor on behalf of TRICARE

beneficiaries; and agrees to collect only applicable cost-shares and deductibles from beneficiaries for all TRICARE-covered services. In addition, all approved demonstration providers must comply with the on-site verification and provider certification process described in [Chapter 24, Section 14](#) and the certification and credentialing requirements outlined in [Chapter 24, Section 4; 32 CFR 199.6](#); and the TRICARE Policy Manual (TPM), [Chapter 11](#). Approved providers will include individual professional providers of care, institutional providers, and providers of ancillary services. Pharmacy services are not covered under the demonstration at this time.

### **3.2 Approved Provider List**

A list of all approved demonstration providers maintained by the TOP contractor (see [paragraph 3.1](#) for specific requirements for approved providers). If a specialty waiver has been granted in accordance with the process outlined in [paragraph 4.9](#), the approved provider list must be annotated with this information so that beneficiaries understand their options when seeking care in demonstration area(s).

### **3.3 Certified (Philippines) Provider**

A provider who meets the on-site verification and provider certification requirements outlined in [Chapter 24, Section 14](#), but who has not agreed to the additional conditions required for approved demonstration providers. For example, a certified provider in the Philippines may require a TRICARE beneficiary to pay up-front for services and file their own claim for reimbursement.

### **3.4 Non-Approved (Demonstration) Provider**

Any provider in the Philippines who is not recognized as an approved demonstration provider and is not listed on the TOP contractor's approved provider list. This includes any certified Philippine providers (as defined in [Chapter 24, Section 14](#)) in demonstration locations who are not listed on the approved provider list.

## **4.0 POLICY**

**4.1** This demonstration is applicable to all TRICARE Standard/Select beneficiaries who reside in the Philippines and receive care in designated demonstration area(s). The demonstration is also applicable to beneficiaries who are receiving the TRICARE Standard benefit under TOP TRICARE For Life (TFL) and TRICARE Standard/Select benefit under TRICARE Retired Reserve (TRR), TRICARE Reserve Select (TRS), or TRICARE Young Adult (TYA) programs, who reside in the Philippines.

**4.2** For demonstration purposes, beneficiary residence will be determined by the address listed on the claim. This rule applies regardless of the residence address listed in Defense Enrollment Eligibility Reporting System (DEERS).

**4.3** Demonstration area(s) will be determined by Defense Health Agency (DHA) and will be publicized at least 60 calendar days in advance of the effective date for each location. In addition, expansion of demonstration areas may occur on an annual basis during the demonstration project and will be publicized at least 60 calendar days in advance of the effective date for the expanded locations. DHA anticipates using a phased approach to implement the demonstration in multiple locations.

**4.4** TRICARE Standard/Select beneficiaries who reside in the Philippines, in accordance with [paragraph 4.2](#), and receive care in designated demonstration area(s) must receive all care from approved demonstration providers, unless a specific waiver has been granted (see [paragraphs 4.8](#) and [4.9](#)). If these beneficiaries receive care from a non-approved demonstration provider without a waiver, TRICARE will not cost-share the claim and the beneficiary will be responsible for 100% of the charges. Normal TRICARE cost-shares and deductibles apply to care rendered to eligible beneficiaries by approved providers under the terms of the demonstration. Additionally, when a beneficiary receives C-1, March 10, 2017 care from an approved provider in a designated demonstration area, the provider will file the claim on the beneficiary's behalf, and the provider will collect only applicable cost-shares and deductibles after receipt of the TOP Explanation of Benefits (EOB). The beneficiary will be held harmless for denied charges rendered by an approved demonstration provider unless the beneficiary was notified in writing that the care provided was not a covered benefit prior to receiving the care. Beneficiary-submitted claims for services provided by an approved demonstration provider in an approved demonstration area shall be denied unless it is submitted with proof of payment showing that the beneficiary has paid for the service(s).

**4.5** Service members are not eligible for TRICARE Standard/Select and therefore are not included in this demonstration, regardless of their residence address or enrollment status. Service members not enrolled in TOP who are on Temporary Additional Duty/Temporary Duty (TAD/TDY), deployed, deployed on liberty, or in an authorized leave status in the Philippines shall follow referral/authorization guidelines for TOP Prime Remote enrollees (see [Chapter 24, Section 26](#)).

**4.6** This demonstration is not applicable to beneficiaries enrolled in TOP Prime, TOP Prime Remote, TRICARE Prime, TRICARE Prime Remote (TPR), TRICARE Prime Remote for Active Duty Family Members (TPRADFMs), or TYA (Prime option). Additionally, this demonstration is not applicable to TRICARE Standard/Select beneficiaries whose home address (as determined by the claim) indicates a residence other than the Philippines. The demonstration is also not applicable to TRICARE Standard/Select beneficiaries who reside in the Philippines (as determined by the claim) when they receive care from a provider who renders care in a location that is not included in the demonstration.

**4.7** All TOP requirements regarding utilization management, case management, quality management, and preauthorizations are applicable to demonstration participants. The TOP contractor is not required to enroll participants into the demonstration or to provide referral/authorization services to demonstration participants unless the requested service requires preauthorization (per [Chapter 7, Section 2](#) and TPM, [Chapter 1, Section 6.1](#)). The TOP contractor shall conduct a covered benefit review upon beneficiary or provider request; however, an authorization letter will not be generated except for those services which require preauthorization.

**4.8** TRICARE Standard/Select beneficiaries who reside in the Philippines may request a waiver if they elect to receive care from non-approved providers or facilities in a demonstration area. Beneficiary waiver requests should be submitted in writing to the TOP contractor and will be considered on a case-by-case basis. Except for emergency care (which never requires prior approval), beneficiaries are encouraged to submit waiver requests prior to receiving care. However, the TOP contractor will also consider waiver requests that are submitted after care has been rendered. The Director, TRICARE Area Office (TAO)-Pacific will make the final determination if the beneficiary disagrees with the TOP contractor's decision. In such cases, the TOP contractor shall forward all supporting documentation and rationale regarding the waiver denial determination to the Director, TAO-Pacific to assist in the final

determination. Some examples of potential beneficiary waiver situations include (this list is not all-inclusive):

- Beneficiaries who were engaged in an ongoing episode of care with a non-approved provider when the demonstration began, and who wish to continue care with their established provider.
- Beneficiaries who are unable to obtain an appointment with an approved provider within the appropriate time frame (based on TRICARE access standards for urgent, routine, and specialty care).

**Note:** Waivers for emergency care rendered by non-approved providers or facilities shall be approved on a retrospective basis based on TRICARE policy. Emergency care never requires preauthorization.

**4.9** Since provider participation in this demonstration is voluntary, there may be situations where the TOP contractor is unable to recruit a sufficient number and mix of approved providers in all specialties in designated demonstration areas. In these situations, the TOP contractor may request a specialty waiver so that beneficiaries can receive care from non-approved (certified) providers in accordance with normal TRICARE Standard/Select reimbursement policy. The TOP contractor is responsible for identifying any anticipated or actual gaps in coverage by approved providers in demonstration area(s), and submitting a specialty waiver request in writing to the Director, TAO-Pacific. The waiver request shall include a description of the contractor's efforts to recruit approved providers in that particular specialty, as well as any perceived or known barriers to participation in the demonstration. If the Government approves the specialty waiver, the contractor shall implement processes to ensure that claims for that specialty (in the designated demonstration area) are processed under normal TRICARE Standard/Select rules. This specialty waiver process will ensure that TRICARE Standard/Select beneficiaries will not be liable for 100% of the charges (as described in [paragraph 4.4](#)) if the TOP contractor is unable to recruit approved providers in a particular specialty.

**4.10** A provider may be removed from the list for administrative reasons or may be removed for cause by the TOP contractor. The Government may also direct the TOP contractor to remove providers from the list for cause. A provider removed from the approved list may submit a written request to the TOP contractor for reconsideration. If the TOP contractor upholds the removal, the provider shall be given the right to appeal to the Director, TAO-Pacific. If the appeal decision is upheld by the Director, TAO-Pacific, there is no right to further appeal.

**Note:** The appeal process does not apply to certified providers who are not selected by the TOP contractor to participate in the demonstration as approved providers. Recruiting and retaining a sufficient number and mix of approved providers in demonstration area(s) is the responsibility of the TOP contractor. The TOP contractor is not required to offer approved provider status to every current certified provider in demonstration area(s).

**4.11** Claims for a provider removed from the list will be processed in accordance with [Chapter 13, Section 4](#). The list will be updated on the contractor's web site on the first of the month following the provider being removed from the list.

## **5.0 DHA AND TOP CONTRACTOR RESPONSIBILITIES**

**5.1** The DHA Director (or designee) will:

**5.1.1** Determine the geographical area(s) for the demonstration and the phased implementation approach and timeline (if applicable) and communicate this information in writing to the TOP contractor no later than 240 calendar days prior to the start of health care delivery under the demonstration.

**5.1.2** Identify areas that will expand the demonstration areas and communicate those changes in writing to the TOP contractor at least 60 calendar days before the effective date.

**5.1.3** Establish a process to allow a provider to appeal his/her removal from the approved list (see [paragraph 4.10](#)).

**5.1.4** Issue final determinations regarding waiver requests from beneficiaries who elect to receive care from non-approved demonstration providers (see [paragraph 4.8](#)).

**5.1.5** Conduct periodic review and evaluation of the demonstration.

**5.2** The TOP contractor shall:

**5.2.1** Be able to provide upon request by the Government, the following information:

- Number of claims submitted under the demonstration and the cost of those claims.
- Number of specialty waivers issued and the reason for the waiver.

**5.2.2** At the request of the Government, the contractor shall assist in the evaluation and analysis of the demonstration.

**5.2.3** Recruit and retain a sufficient number and mix of approved providers in demonstration area(s) to ensure access to the full range of covered TRICARE benefits, unless a specialty waiver has been requested. Approved providers must agree to comply with the demonstration participation requirements in [paragraph 3.1](#).

**5.2.4** Establish and maintain a list of all approved demonstration providers, including each provider's specialty, sub-specialty, gender, work address, work fax number, and work telephone number for each demonstration location, and whether or not they are accepting new TRICARE patients. The approved list of providers must be submitted to DHA no later than 120 calendar days prior to the start of health care delivery under the demonstration. The TOP contractor shall provide beneficiaries with easy access to both the approved provider listing and the certified provider listing via a user-friendly searchable World Wide Web (WWW) site and any other means established at the contractor's discretion no later than 60 calendar days prior to the start of health care delivery in each demonstration area. Information on the WWW site and any other electronic lists shall be current within the last 30 calendar days. At a minimum, the data base shall be searchable by provider location, provider name, and provider specialty (if available).

**5.2.5** Provide certification oversight and monitor quality of care for providers and institutional facilities as prescribed in [Chapter 24, Section 4](#); [32 CFR 199.6](#); and TPM, [Chapter 12](#).

**5.2.6** Establish a waiver process for beneficiaries who reside in the Philippines and who request or receive care from non-approved providers or facilities in a demonstration area (see [paragraph 4.8](#)).

**5.2.7** Develop and publish materials to educate beneficiaries and providers on all aspects of the Philippines Demonstration Project. In addition to providing specific information regarding the demonstration, the TOP contractor shall educate approved providers on aspects of the TRICARE program, including (but not limited to) TRICARE eligibility requirements, TRICARE benefits, claims submission requirements, and the requirements in [32 CFR 199.9](#) and [Chapters 13](#) and [24](#) as they relate to anti-fraud activities.

**5.3** DHA and the TOP contractor shall:

**5.3.1** Develop and implement a communication plan to ensure that beneficiaries and providers are informed regarding the area(s) that are participating and not participating in this demonstration. The communication plan shall also include the process(es) for educating beneficiaries and providers regarding the demonstration rules and business processes, to include the processes for requesting waivers.

**5.3.2** Establish timelines and processes to facilitate prompt processing of waiver requests and provider appeals in accordance with demonstration policy (see [paragraphs 4.8, 4.9, and 4.10](#)).

## **6.0 CLAIMS PROCESSING AND REIMBURSEMENTS**

**6.1** All TRICARE Encounter Data (TED) records for this demonstration must include Special Processing Code **PH** (Philippines Demonstration Project).

**6.2** TRICARE Standard/Select beneficiaries residing in the Philippines who receive care from approved providers in demonstration area(s) will only be liable for normal cost-shares and deductibles applicable under the TRICARE Standard/Select option. TRICARE Standard/Select beneficiaries residing in the Philippines who receive care from non-approved providers in demonstration area(s) will be liable for 100% of the cost unless a beneficiary waiver or a specialty waiver has been granted (see [paragraphs 4.8 and 4.9](#)).

## **7.0 EVALUATIONS**

DHA will evaluate the demonstration using a combination of administrative and survey measures to determine whether access to care is adequate under the terms of the demonstration. In addition, a cost analysis will be conducted to determine the cost impact to beneficiaries and the Government. Finally, the demonstration will be evaluated to determine the impact (if any) on the occurrence of aberrant claims activity.

## **8.0 EFFECTIVE DATE**

The Philippines Demonstration Project's effective expiration date is December 31, 2017.

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