Chapter 23 Section 4

# Other Contract Requirements

## 1.0 CORRESPONDENCE

### 1.1 Priority Correspondence

Priority written correspondence is correspondence received from members of Congress, the Office of the Assistant Secretary of Defense (Health Affairs) (OASD(HA)), TRICARE Management Activity (TMA), Regional Director's (RD's) Offices, and such other classes as may be designated as "priority" by the Procuring Contracting Officer (PCO). Inquiries from the Surgeons General, Flag Officers, and state officials, such as insurance commissioners, are considered priority correspondence. The contractor shall forward all Congressional inquiries involving Defense Enrollment Eligibility Reporting System (DEERS) to the DEERS Research and Analysis Section, Defense Manpower Data Center (DMDC)/DEERS, 400 Gigling Road, Seaside, CA 93955-6771, including any claim information required for them to respond to the inquiry. A notification shall be sent to the Congressional office informing them that the letter has been forwarded to the DMDC Support Office (DSO).

### 1.2 Routine Correspondence

Responses may be provided by telephone, form letter, preprinted information, e-mail, or individual letter. A copy of the response shall be filed with the inquiry. The text of written responses shall be typed. In situations of potential fraud or abuse, a referral to the contractor's Program Integrity Unit shall be completed and a copy of the referral filed with the correspondence. If correspondence is received that does not contain enough information to identify the specific concern, the contractor should develop the incomplete inquiry by using the quickest and most cost effective method for acquiring the information. After a reasonable effort has been made to acquire the missing information, notify the correspondent that a response is not possible until receipt of the requested information. The contractor may then close the correspondence for reporting purposes. Correspondence inquiries requesting the status of a claim may be closed without a response if the claim was processed within five calendar days prior to receipt of the inquiry; otherwise, a response is required.

### 1.3 Correspondence Completion

A piece of correspondence shall be considered answered when the contractor's response to the individual provides a detailed outline of all actions taken to resolve the problem(s), or answers the inquiry. This includes, as appropriate, an explanation of the requirements leading to the benefit determination, and a clear complete response to all stated or implied questions. If the response states or implies that additional action will be taken by the contractor, but that final or additional action requires an action or reply by the inquirer, the contractor shall clearly explain what is required.

**1.4** When TMA staff requests the contractor to provide claims processing information required for TMA to respond to an inquiry, the contractor need not provide detailed explanations of TRICARE policy, but rather shall provide information regarding when the claim was received, when a prescription was dispensed, the reason for any delays, when an Explanation of Benefits (EOB) was mailed (if appropriate), and any other supporting information necessary to answer the inquiry. If requested, the contractor shall supply copies of all claims, supporting documents, and previous correspondence relating to the particular inquiry, etc.

**1.5** The contractor shall ensure that correspondence is accurate, responsive, clear, timely, and that its tone conveys concern and a desire to be of service. To monitor correspondence, the contractor shall establish a quality control procedure to ensure its correspondence reflects these elements. Any findings of the quality control review shall be incorporated into training programs to upgrade the performance of all staff involved in correspondence preparation.

## 2.0 TELEPHONES

**2.1** The contractor shall provide an incoming telephone inquiry system. Telephone inquiries shall be answered according to standards contained in the contract. The contractor may respond to telephone inquiries by letter, if a written response provides better service. For example, it may be difficult to reestablish telephone contact with the calling party, a written response may provide the caller with needed documentation, or a situation may call for a complex explanation which is clearer if written. The contractor staff shall be trained to respond in the most appropriate, accurate manner. Telephone inquiries reporting a potential fraud or abuse situation shall be documented and referred to the contractor's Program Integrity Unit.

**2.2** Telephone requirements and standards apply to all telephone calls. The contractor shall make telephone service available for all TRICARE inquiries (active duty personnel, TRICARE beneficiaries, dual eligible beneficiaries, RDs, providers, TMA, Beneficiary Counseling and Assistance Coordinators (BCACs), etc.). The phone number(s) shall be published on the EOB and otherwise be publicized. Telephone service is intended to assist the public in securing answers to various TRICARE questions including, but not limited to:

- General TRICARE Pharmacy (TPharm) Benefits Program information.
- Specific information regarding claims in process and claims completed, explanations of the methods and specific facts employed in making medical necessity determinations, and information regarding types of pharmaceuticals covered.
- Any additional information to have a claim processed (including documentation that may be required for completion of a medical necessity review or prior authorization).
- Questions about DEERS or DEERS eligibility that cannot be answered by the contractor, shall be referred to the DMDC Beneficiary Telephone Center, 6:00 a.m. to 3:30 p.m. Pacific Time, toll free 1-800-538-9552, TTY/TDD 1-866-363-2883. (These numbers are only for beneficiary use.)
- Transferring out-of-jurisdiction calls requiring the assistance of another contractor in accordance with contract requirements.

**2.3** The contractor or telephone company with which the contractor does business shall have telephone equipment that is programmed to measure and record response time and ensure standards are always met. At a minimum, the equipment shall:

**2.3.1** Measure Blockage Rate. Blockage rate is defined as the percentage of time a caller receives a busy signal. The blockage rate shall be expressed as a percentage, which is to be determined as follows: divide the number of calls answered by the contractor by the number of calls reaching and attempting to reach the contractor (must be machine generated figures).

**2.3.2** Measure the number of calls received each month and the time elapsing between acknowledgement and handling by a telephone representative or Automated Response Unit (ARU). Includes all calls that are directly answered by an individual or ARU (no waiting time). The on-hold time period begins when the telephone call is acknowledged and does not include the ring time.

**2.3.3** The contractor shall have telephone equipment that provides outgoing lines sufficient to allow call-backs. Additionally, the contractor shall have automatic call distributors, and ARUs with after hours message recorders (if needed), an automated, interactive 24 hour call-handling system designed to ensure maximum access to the toll-free lines. The system shall provide automated responses to requests for general pharmacy benefits program information.

**2.3.4** The contractor shall establish a monitoring system to ensure quality of performance. This shall include monitoring calls for accuracy, responsiveness, clarity, and tone. The contractor shall submit telephone reports in accordance with contract requirements.

## 3.0 AUDITS AND INSPECTIONS

**3.1** Federal Acquisition Regulation (FAR) 52.215-2, included in all TRICARE contracts, provides that TMA, its related audit agencies, and the Comptroller General of the United States have the right to examine all supporting documentation to permit evaluation of cost or pricing data submitted by a contractor. This examination is to verify that cost or pricing data submitted during negotiations, including changes and the preparation of any fiscal report of settlement, are accurate, complete, and current. This right continues for three years after final payment to the contractor. The contractor's facilities and applicable records also shall be subject to inspection and audit by TMA.

**3.2** All inspections shall be conducted either at TMA or at the contractor's facility. Inspection, acceptance, and receipt of services provided by the contractor shall be accomplished by the PCO or designee(s). Inspections include, but are not limited to, TMA payment audits, performance audits, Program Integrity audits coordinated with TMA, and contractor/TMA quality assurance audits.

**3.3** The contractor is required to provide TMA with free access to all financial records, cost information, systems documentation, program logic, operating manuals, procedures, and other information and documentation gathered, used, and stored as a part of the contractor's TRICARE operations, including the performance of its subcontractor(s). Subcontractors must provide the same free access to TMA.

**3.4** Proprietary information, if so designated in the contract (including the technical proposal) will not be released by TMA to unauthorized recipients. However, TMA will not recognize, as

proprietary, information records and files which constitute essential data resources in the processing of TPharm claims and the generation of TED records.

**3.5** TMA reserves the right to specify the format, media, and timing of the delivery to, and access by TMA, of information and documentation. Access to information and documentation also includes the right of TMA inspection. This is to assure that the Government has full and free use of TRICARE data, as well as supporting information and documentation for program purposes. TMA will assure that restricted rights are properly maintained.

**3.6** Contract performance evaluations by Government staff, including audit personnel under contract, will be conducted periodically at the location(s) of the contractor's operations and/or subcontractor's operations. These reviews will include financial and operational analyses of all aspects of the contractor's performance under the terms of the contract. The contractor shall make available all appropriate personnel, facilities, and documentation required in the conduct of such reviews or investigations by TMA or other authorized Government agency. Upon request of the PCO, the contractor shall provide adequate office space (at a contractor operated facility determined by the Government) for any long-term on-site auditors. Evaluations may include desk audits and surveys of contractor performance. The contractor will be furnished written findings.

**3.7** Claim reviews shall be performed by TMA (or a TMA-designated entity) for claims processed under the TPharm Program contract. Samples will be drawn on a semi-annual basis from TED records which pass TMA edits. The contractor shall provide the required supporting documentation for the sample claims in order for a complete review of a claim record to be conducted.

## 4.0 EOB

**4.1** The purpose of the pharmacy EOB is to provide a consolidated listing of prescriptions filled for the month. An EOB shall be provide to each beneficiary obtaining pharmacy services through a retail pharmacy or the Mail Order Pharmacy (MOP). If the beneficiary did not fill any prescriptions during the month, no EOB is necessary. The EOB shall list all prescriptions filled during the month and shall be generated on the 11th calendar day of the following month.

**4.2** The EOB shall be in hardcopy, unless the contractor has documented the beneficiary's agreement to receive the EOB electronically. In the event the beneficiary opts out of receiving a hard copy, the contractor shall send an e-mail alert to the beneficiary when an updated EOB is available for viewing.

**4.3** The contractor shall provide the toll free number to its Beneficiary Service Center on the EOB for beneficiaries to call for benefit questions or report any questionable transactions that appear on their EOB.

**4.4** The EOB shall provide space for the Government to include a short informational statement. A pharmacy EOB shall not be issued to pharmacies or health care providers.

**4.5** When applicable, the contractor must follow guidelines in Chapter 8, Section 8 except Chapter 8, Section 8, paragraphs 9.0 to 9.1.

**4.6** The contractor may use its standard EOB design, but shall ensure that it includes the following items:

- Name of the Pharmacy where each prescription was filled
- Location of Pharmacy (City and State)
- Drug Name, quantity, days supply, and dosage form of each prescription filled
- Product classification (i.e., brand, generic, non-formulary)
- Date prescription dispensed by pharmacy
- Billed or Submitted Amount
- TRICARE Allowed Amount
- Total Paid by Other Health Insurance
- Cost-Share/Copayment
- TRICARE Amount Paid
- Amount Applied Towards Catastrophic Cap
- Amount Applied Towards Individual & Family Deductible
- Potential cost saving opportunities (e.g., generic vs brand, MOP vs retail)

## 5.0 EXPLANATION OF PAYMENT (EOP)

The purpose of the EOP is to describe the action taken for each claim processed to a final determination (paid or denied).

**5.1** Beneficiaries receive EOPs for Direct Member Reimbursements (DMRs). Beneficiaries do not receive EOPs for retail point of sale claims or mail order claims.

**5.2** Pharmacies receive EOPs with their scheduled payments for all claims processed to final determination during the pay cycle. Any applicable offsets will be documented.

**5.3** EOPs will follow standard commercial statement designs with appropriate payment or denial reasons but when applicable must apply same guidelines as EOBs in Chapter 8, Section 8 except Chapter 8, Section 8, paragraphs 9.0 to 9.1.

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