

## Explanation Of Benefits (EOB)

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### 1.0 BENEFICIARY, PARENT/GUARDIAN

The contractor shall issue and mail an appropriate and easily understood Explanation Of Benefits (EOB) to the beneficiary (parent/guardian for minors or incompetents) that appropriately describes the action taken for each claim processed to a final determination. The EOB shall be mailed in hardcopy, unless the beneficiary has provided written agreement to receive the EOB electronically. The contractor may elect to provide a monthly summary EOB in lieu of an EOB for each individual claim processed by the contractor.

### 2.0 NON-PARTICIPATING PROVIDER

The EOB shall be provided to the non-participating provider with the amount allowed so that he/she can determine what amount may be billed to the beneficiary under the balance billing provision (115% of the TRICARE allowable charge). Only the charges of the non-participating provider would normally appear on the EOB; however, the non-participating provider should only be provided with information where there is a "need to know." This means that if other information appears on the EOB that does not pertain to the non-participating provider, the TRICARE contractor is to suppress printing or remove it before sending the EOB to the non-participating provider. The non-participating provider will receive only the EOB and the beneficiary will receive the TRICARE payment.

### 3.0 NETWORK AND PARTICIPATING PROVIDERS

The contractor shall also issue an EOB to network and participating providers or issue summary vouchers covering multiple claims and beneficiaries in lieu of issuing multiple EOBs. (A summary voucher must be sent at least monthly.) Sufficient information must be included on the vouchers to identify each beneficiary and explain the payment for each line item on each claim. Use of a summary voucher does not change the requirement for a separate EOB to be sent to each beneficiary for each claim. Each contractor shall include adequate identification of the fiscal year involved applicable to the various charges listed on the EOB to help keep the deductible information clear to the beneficiary. If the provider submits the claim electronically, a Health Insurance Portability and Accountability Act (HIPAA)-compliant Remittance Advice (RA) shall be returned to the provider. **Electronic Funds Transfers (EFTs) and Electronic Remittance Advice (ERA) sent from the contractor to the provider must be in HIPAA standard format as specified in the Chapter 19, Section 2.**

### 4.0 STATE MEDICAID AGENCY

If the claim is from a state Medicaid agency, the EOB copy usually sent to a participating provider shall be sent to the state agency. The contractor shall include the same information on the copy sent to the state as it normally sends to participating providers. If the state has a need which

cannot be accommodated except at extra expense, the contractor may negotiate with the state, if it chooses, and if the state is willing to pay for the accommodation.

## 5.0 EOB ISSUANCE EXCEPTIONS

5.1 Contractors shall not issue an EOB to beneficiaries (parents/guardians of minors or incompetents) when claims involve services related to any of the following diagnoses:

- Abortion
- Acquired Immune Deficiency Syndrome (AIDS)/Human Immunodeficiency Virus (HIV)
- Alcoholism
- Pregnancy
- Substance Abuse
- Sexually Transmitted Diseases (STDs)
- Sexual Assault or Domestic Violence

5.2 An EOB must be issued to participating providers, except as noted above. The contractor shall provide an EOB to a beneficiary upon request. When a request is made for a normally suppressed EOB, the copy provided may be a facsimile or a hand-produced copy. It must, however, include the required data and be certified by the contractor.

5.3 When a service(s) is denied due to an abortion, a letter of explanation shall be sent, but only when the denial is questioned by the beneficiary. [Addendum A, Figure 8.A-4](#) provides suggested wording for abortion claims that are denied. **The explanation shall be provided only to the beneficiary and participating provider.** The special denial letter shall be sent in an envelope marked "personal". **It is EMPHASIZED that using an EOB is NOT acceptable for denial of abortion services. Only an approved letter may be used.**

## 6.0 PROCEDURES FOR INFORMING THE BENEFICIARY OF CLAIM ACTION

The processing of claims for the diagnoses listed above requires sensitivity to the beneficiary's right to privacy. Because of the need for contractors to apply reasonable judgment on a case-by-case basis, TRICARE Management Activity (TMA) has not prescribed specific procedures except in the case of abortion claims. For claims involving services and supplies for the other diagnoses, a phone call to the beneficiary may serve to obtain information on how the beneficiary wishes to have the EOB handled in some instances. In other cases, a request that the provider serve as an intermediary, or a personal letter to the beneficiary, using a plain envelope, may be appropriate. Whatever approach is chosen, contractors must observe the intent, as well as the letter, of the Privacy Act, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the DoD Health Information Privacy Regulation, DoD 6025.18-R. The contractor shall take into account, where applicable, the following: the special rules for alcohol and drug abuse program patient records referenced in DoD 6025.18-R, C5.4 and C8.9; the provisions on abuse, neglect and endangerment situations in DoD 6025.18-R, C8.7.5; the beneficiary's right to request restrictions on disclosure under DoD 6025.18-R, C10.1; and the beneficiary's right to request confidential communications under DoD 6025.18-R, C10.2.

## **7.0 PAYMENT TO THE PROVIDER OR BENEFICIARY IS 99 CENTS OR LESS**

Summary voucher payments or individual claims payment checks for \$.99 or less, shall be written by the contractor, but NOT mailed to the beneficiary or provider, using an appropriate EOB message. The checks shall be voided. At the end of the year when the contractor issues the provider's Form 1099, the withheld amounts shall NOT be shown on the Form 1099.

## **8.0 EOB FORMAT**

The form design of the EOB is not specifically prescribed. Contractors shall design the form to fit their individual equipment and system needs. The contractor shall provide their toll-free inquiry number on the EOB. Only the last four digits of the Social Security Number (SSN) shall appear on the EOB.

## **9.0 REQUIRED INFORMATION ON THE EOB**

**9.1** The following detailed information shall be included on the EOB:

- Provider/Pharmacy Name
- Provider/Pharmacy Address
- Provider/Pharmacy Taxpayer Identification Number (TIN)
- Check Number
- Voucher Date
- Patient Name
- Sponsor Name
- Last four digits of Sponsor SSN
- Date(s) of Service/Date(s) Prescription(s) Filled
- Pharmacy EOB - Prescription Number
- Pharmacy EOB - Prescription Name
- Billed Amount
- Reason Codes
- Allowed Covered Charges
- Deductible
- Cost-Share/Copayment Amount
- Total Paid by Other Health Insurance (OHI)
- Catastrophic Cap
- Remarks
- Description(s) of Reason Code(s)
- Interest paid
- Federal tax Withheld
- Accumulated Toward Catastrophic Cap
- Accumulated Toward Individual Deductible
- Accumulated Toward Family Deductible
- Offset (In the event payment is offset or partially offset and applied toward a debt)
- Amount Paid (If payment was not issued but money was withheld and applied towards another debt, information regarding where the funds were applied)

## TRICARE Operations Manual 6010.56-M, February 1, 2008

### Chapter 8, Section 8

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**9.2** In addition to the fields specified in [paragraph 9.1](#), offset EOBs shall also contain the following additional information:

- Total Amount Offset
- Amount Paid
- Statement: "\$\_\_\_\_ was offset from this remittance and applied towards your outstanding overpayment listed below. You may not seek reimbursement from the TRICARE beneficiary for whom you rendered services. We will send you a letter providing detailed claim information within five to seven business days. If you have any questions, please contact our customer service department for assistance."
- Information regarding where the offset will be applied:
  - Patient Name
  - Claim Number
  - Date Repayment Requested
  - Amount Requested
  - Offset Amount
  - Collected To Date
  - Amount Outstanding

#### **10.0 REVERSE OF THE EOB FORM**

The following information shall be on the reverse of the EOB:

##### **10.1 Beneficiary Notice Regarding Services**

Please review the services/supplies shown on the front of your EOB. If you find that TRICARE has paid for any services that you did not receive or that you were charged by a health care professional you did not see, please call the **(Contractor's Name)** Fraud and Abuse Hotline at **(Toll-Free Number)**.

##### **10.2 Right To Appeal**

If you disagree with the determination on your claim, you have the right to request a reconsideration. Your signed written request must state the specific matter with which you disagree and **MUST** be sent to the following address No Later Than (NLT) 90 days from the date of this notice. If the postmark on the envelope is not legible, then the date of receipt is deemed the date of filing. Include a copy of this notice. On receiving your request, all TRICARE claims for the entire course of treatment will be reviewed.

**(Contractor's Address)**

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