

## Department Of Defense (DoD) TRICARE Preferred Provider Network (PPN) for the Philippines

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### 1.0 GENERAL

In order to control costs, reduce aberrant billing activity, and eliminate balance billing issues for TRICARE Select beneficiaries, the Defense Health Agency (DHA) implemented an approved provider network in the Philippines. With establishment of the TRICARE Select option by the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, it has been determined economically in the best interest of the DoD to transition the approved provider network in the Philippines to a TRICARE Select PPN effective January 1, 2018. A PPN provider will be available to, and be a participating provider on claims for, all TRICARE eligible beneficiaries, whether they are TRICARE Prime, TRICARE Select, or TRICARE for Life. In addition to PPN providers, TRICARE authorized providers in the Philippines include certified providers as defined in [paragraph 2.2](#). TRICARE beneficiaries who travel to the Philippines and seek urgent/emergent care will be able to get care from any PPN provider or certified provider, but may be subject to higher cost-shares and copays for care rendered by non-PPN providers. Locations for PPN providers will be developed and maintained by the TRICARE Overseas Program (TOP) contractor; the government will work with the TOP contractor to identify other locations in the Philippines where the PPN may be expanded. Locations may be added or deleted on an annual basis, as warranted. PPN providers will abide by a set foreign fee schedule, accept payment from the TOP contractor, and not balance bill the TRICARE beneficiaries. This will be accomplished by the establishment of a dedicated list of providers who agree to comply with these requirements and business processes as outlined below.

### 2.0 DEFINITIONS

#### 2.1 PPN Philippines 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 TOP contractor on behalf of TRICARE beneficiaries, and agrees to collect only applicable cost-shares and copays from beneficiaries for all TRICARE-covered services. In addition, all PPN providers must comply with the on-site verification and provider certification process described in [this section](#) and the certification and credentialing requirements outlined in [Section 4; 32 CFR 199.6](#); and the TRICARE Policy Manual (TPM), [Chapter 11](#). PPN providers will include individual professional providers of care, institutional providers, and providers of ancillary services.

## 2.2 Certified Philippines Provider

A provider who meets the on-site verification and provider certification requirements, but who has not agreed to the additional conditions required for participation as a PPN provider. For example, a certified provider in the Philippines may require a TRICARE beneficiary to provide payment at time of service and file their own claim for reimbursement. TRICARE Select beneficiaries will also be subject to the higher cost-share and co-pay related to utilization of a non-network provider. Retired beneficiaries who are enrolled to TRICARE Prime within the United States and who travel to the Philippines may also be subject to higher cost-shares and deductibles for care received from a non-PPN provider in the Philippines.

## 2.3 Non-Approved Philippines Provider

TRICARE authorized providers in the Philippines include PPN providers and TOP contractor certified providers. Any provider in the Philippines who is not a PPN or certified provider is a non-approved TRICARE provider except for emergency care.

## 3.0 TOP CONTRACTOR RESPONSIBILITIES

**3.1** Recruit and retain a sufficient number and mix of PPN providers to ensure access to the full range of covered TRICARE benefits. PPN providers must agree to comply with the participation requirements in paragraph 2.0. Establish and maintain a list of all PPN providers, including each provider's specialty, sub-specialty, gender, work address, work fax number, and work telephone number, and whether or not they are accepting new TRICARE patients.

**3.1.1** The TOP contractor shall provide beneficiaries with easy access to both the PPN 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. Information on the WWW site and any other electronic lists shall be current within the last 30 calendar days. At a minimum, the list shall meet the provider directory requirements identified in Section C of the contract.

**3.1.2** The TOP Contractor shall provide certification oversight and monitor quality of care for provided by providers and institutional facilities as prescribed in Section 4; 32 CFR 199.6; and TPM, Chapter 12.

**3.1.3** The TOP contractor shall educate PPN 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.

**3.2** The TOP contractor shall perform on-site verification and provider certification in the Philippines. At a minimum, this one-site verification shall confirm the physical existence of a facility/provider office, verify the credentials/licensure of the facility/provider, verify the adequacy of the facility/provider office, and verify the capability of the facility/provider office for providing the expected level and type of care. This requirement may be expanded to other locations upon Contracting Officer (CO) Direction. The on-site verification shall ensure the provider's physical address matches the address identified on the invoice. However, if there is indication the provider relocated to another office within the same building, the contractor shall accept documentation from the provider which confirms a change in office location that occurred since the date of service identified on the claim.

**3.2.1** The TOP contractor shall use the following guidelines for prioritizing certification of Philippine providers as follows:

- Reviewing new providers.
- Reviewing the TOP contractor's current certified provider files.
- Reviewing non-certified providers on claims which have been denied by the TOP contractor and the beneficiary/provider has followed-up on why the claim was denied.
- Reviewing non-certified providers on claims which have been denied by the TOP contractor and the beneficiary/provider has NOT followed-up on why the claim was denied.

**3.2.2** Recertification of the Philippine providers shall be performed by the TOP contractor every three years and shall follow the above process. DHA shall, as necessary, require the contractor to add additional overseas countries for purchased care sector provider certification. Upon direction by the Government, the contractor shall follow the process above outlined for the Philippines, to include prioritization of certification of new country providers.

**3.2.3** A PPN provider may be removed from the PPN Provider list for administrative reasons or may be removed for cause by the TOP contractor. The Government may also direct the TOP contractor to remove PPN providers from the list for cause. A PPN 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 PPN provider shall be given the right to appeal to the Director, TRICARE Area Office (TAO)-Pacific. If the appeal decision is upheld by the Director, TAO-Pacific, there is no right to further appeal.

**3.2.4** The appeal process does not apply to certified providers who are not selected by the TOP contractor to participate as PPN providers. Recruiting and retaining a sufficient number and mix of PPN providers is the responsibility of the TOP contractor.

**3.2.5** Claims for a PPN provider removed from the **approved** list will be processed in accordance with [Chapter 13, Section 5](#). The **approved** list will be updated on the contractor's web site on the first of the month following the provider being removed from the list.

**3.3** All TOP requirements regarding utilization management, case management, quality management, and preauthorizations are applicable to TRICARE beneficiaries. The TOP contractor will enroll beneficiaries to TRICARE Select according to procedures outlined in [Section 19](#). The TOP contractor will not provide referral/authorization services to beneficiaries unless the requested service requires preauthorization (per [Chapter 7, Section 2](#) and [TPM, Chapter 1, Section 7.1](#)). 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.

**3.4** If TRICARE beneficiaries receive care from a non-PPN provider who is not currently certified and a claim is received for the care rendered, the contractor needs to certify the provider as outlined in [paragraph 3.2](#) and then process the claim according to the rules for non-network care as outlined [Section 9](#). Normal TRICARE cost-shares/co-pays and deductibles applicable to the specific category of eligible beneficiary shall apply to care rendered to eligible beneficiaries by PPN providers. Additionally, when a beneficiary receives care from a PPN provider, the provider will file the claim on the

beneficiary's behalf, and the provider will collect only applicable cost-shares and co-pays after receipt of the TOP Explanation of Benefits (EOB). The beneficiary will be held harmless for denied charges rendered by a PPN provider unless the beneficiary was informed in writing that the specific services were not a covered TRICARE benefit and the beneficiary agreed in writing, in advance of the services being provided, to pay for the services. If a beneficiary submits a claim for services provided by a PPN provider, the TOP contractor shall deny the claim if the beneficiary does not submit proof of payment showing that the beneficiary has paid for the service(s).

**3.5** If a claim is received for care rendered by a non-certified provider in the Philippines, the TOP contractor shall pend the claim and initiate on-site verification/provider certification action. Claims pended for this reason are excluded from normal claims processing cycle time standards. If the on-site verification/certification action is not completed within 90 calendar days, the TOP contractor shall deny claims based on lack of provider certification.

**3.6** The TOP contractor shall deny claims submitted from non-certified purchased care sector providers from the Philippines, advising the provider to contact the contractor for procedures on becoming certified.

**3.7** For the Philippines, prescription drug may be cost-shared when dispensed by a certified retail pharmacy or hospital based pharmacy. The TOP contractor shall deny claims for prescription drugs obtained from a physician's office.

#### **4.0 DHA AND TOP CONTRACTOR RESPONSIBILITIES**

Ensure that beneficiaries and PPN providers are informed regarding which area(s) of the Philippines have PPN providers. The DHA and TOP contractor shall also ensure there are process(es) for educating beneficiaries and providers regarding the PPN provider network rules and business processes.

#### **5.0 CLAIMS PROCESSING AND REIMBURSEMENTS**

TRICARE beneficiaries who receive care from PPN providers in the Philippines will only be liable for normal cost-shares and copays applicable to the specific category of beneficiary under their TRICARE option. TRICARE beneficiaries who receive care from non-network (certified) providers in the Philippines will be subject to higher cost-shares and copays as outlined in [Section 9](#). They may also have to provide payment at time of services and file a claim for reimbursement and TRICARE will only reimburse charges up to the foreign fee schedule. Beneficiaries who are enrolled to TFL will be subject to the rules and regulations as outlined in [Section 20](#) and TPM, [Chapter 10, Section 6.1](#).

**6.0 FIGURES**

**FIGURE 24.29-1 OVERSEAS PHARMACY PROVIDER NOTICE LETTER (SAMPLE)**

(Provider Name)  
(Provider Street Address)  
(Provider City, State and Zip Code)

Dear **(Provider Name)**:

The Department of Defense (DoD), through Defense Health Agency (DHA), is responsible for appropriate cost containment for services provided to TRICARE beneficiaries. One particular area of concern has been the costs billed for prescription drugs. In an effort to establish a Uniformed Military Services drug benefit and claim processing requirement for all TRICARE eligibles, the Deputy Director, DHA, has determined that pharmacy claims submitted for services outside the United States (U.S.) must be reimbursed in accordance with the reimbursement formulas for TRICARE U.S. claims as established under the Code of Federal Regulations (CFR).

This letter notifies you that effective 60 days from date on this letter, **(Date)**, overseas pharmacy claims submitted will be processed in accordance with the reimbursement formulas for TRICARE claims in the U.S. which are from a schedule of allowable charges based on the Average Wholesale Price (AWP) rates plus \$3.00 administration fee. Should you have any questions regarding this requirement, please write me at **(Contractor Mailing Address)**.

Sincerely,

(Contractor Name)

(Contractor Title)

**FIGURE 24.29-2 TRICARE OVERSEAS PROGRAM (TOP) CONTRACTOR PROVIDER CERTIFICATION REQUEST LETTER**

(Sample Philippine Contractor Provider Certification Request Letter)

Dear Provider:

(TOP Contractor Name), your TRICARE claims processor has received a claim for services provided by you.

You are not currently listed with us as a TRICARE authorized/credentialed provider. To complete processing of your claim, you must request to be an authorized/credentialed TRICARE provider. So that we may complete the processing of your claim, please complete the attached TRICARE Provider Application including copies of your current license(s). Unless we receive the requested license(s)/ credentials the claim will be denied.

Please return the completed application with copies of your license(s)/credentials to:

(Contractor's Name and Address)

Sincerely,

(Contractor's Name)

- END -