

Chapter 10

Section 2

Underpayments

Revision:

1.0 CAUSES OF UNDERPAYMENTS

An underpayment adjustment may be required as a result of any one or more of a number of circumstances, such as reimbursement based on an incomplete billing, reversal of a previous coverage or eligibility based denial of benefits, or correction of an erroneous payment to an incorrect party.

2.0 PROCEDURES FOR DISPOSITION OF UNDERPAYMENT CASES

The correction of most underpayments is readily handled by determining the correction required, calculating the added amount, making appropriate changes to the Beneficiary History file, the TRICARE Encounter Data (TEDs) and issuing a check, if necessary, and a revised Explanation of Benefits (EOB). For correction of reports of non-receipt of payment, see [paragraph 3.0](#).

3.0 DISPOSITION OF NON-RECEIPT OF PAYMENT REPORTS

3.1 If the contractor is made aware that a payee has not received payment, the contractor shall determine if the check has been negotiated, voided, or stale dated. If payment was negotiated by other than the appropriate payee, and the report of non-receipt was received by the contractor within six years of the date the services or supplies were provided, and it is a contractor financially underwritten case, the contractor shall reissue payment to the appropriate payee and handle the case as a possible forgery in accordance with [Chapter 13](#).

3.2 If the check has not been negotiated the contractor shall take immediate steps to replace the check if more than 30 days have elapsed since the issue date.

3.3 If it is not a contractor issued check, refer the case to the contractor handling the case, or if there is no appropriate contractor, refer the case to Office of General Counsel (OGC) in Aurora, Colorado. Notify the sender of the action being taken, sending a copy of the notice with all available information to the contractor.

3.4 If the check is stale dated, the contractor shall reissue the check to the appropriate payee, if notice of non-receipt was received within six years following the date of service or delivery of supply.

3.5 If the check has been returned as undeliverable and voided, the contractor shall reissue payment whenever new information; e.g., corrected address, is received which has the potential for

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leading to the successful delivery. The reissue must be accomplished within six years from the date the services or supplies were provided.

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