

## Chapter 20

## Section 5

# TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC) Contractor Transition

Revision:

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### **1.0 TDEFIC CONTRACTOR TRANSITION-IN**

#### **1.1 Transition-In (Phase-In) Plan**

This comprehensive plan shall be submitted electronically, in Microsoft® (MS) Project files, to the Procuring Contracting Officer (PCO) and the Contracting Officer's Representative (COR) no later than 10 calendar days following TDEFIC contractor award. The plans shall address all events and milestones that need to occur for each functional area described in the contract to enable the start of service performance under this contract. Within 15 calendar days following the interface meetings, the incoming TDEFIC contractor shall submit to the Defense Health Agency (DHA) a revised transition-in plan for approval which incorporates the results of the Transition Specifications and Interface meetings. The final transition-in plan shall be incorporated into the TDEFIC at no cost to the Government.

#### **1.2 Transitions Specifications Meetings**

The incoming and outgoing TDEFIC contractors shall attend a two to four day meeting with DHA at the offices in Aurora, Colorado, within 15 calendar days following contract award. This meeting is for the purpose of developing a schedule for phase-in and phase-out activities. DHA will notify the contractor as to the exact date of the meeting. Contractor representatives attending this meeting shall have the experience, expertise, and authority to provide approvals and establish project commitments on behalf of their organization.

#### **1.3 Interface Meetings**

Within 30 calendar days from contract award, the TDEFIC contractor shall arrange meetings with Government and external agencies to establish all systems interfaces necessary to meet the requirements of this contract, including, but not limited to the Defense Enrollment Eligibility Reporting System (DEERS), the Medicare Coordination of Benefits Contractor (COBC), Military Health System (MHS) Information Assurance (IA) Certification and Accreditation Team, and DHA Communications. DHA representatives shall be included in these meetings and all plans developed shall be submitted to the DHA PCO and the COR within 10 calendar days after the meeting.

## **2.0 START-UP REQUIREMENTS**

### **2.1 Systems Development**

Approximately 60 calendar days prior to the initiation of services delivery under the TDEFIC, the non-claims processing systems and the telecommunications interconnections between these systems shall be reviewed by the DHA or its designees, to include a demonstration by the TDEFIC contractor of the system(s) capabilities, to determine whether the systems satisfy the requirements of TRICARE as otherwise provided in the contract. This includes the telecommunications links with DHA and DEERS. The review will also confirm access for operating the automated TRICARE Duplicate Claims System (DCS). The TDEFIC contractor shall effect any modifications required by DHA prior to the initiation of services delivery under the TDEFIC.

### **2.2 Medicare Crossover Claims**

No later than 60 calendar days prior to the start of the service delivery, the TDEFIC contractor shall have an established contract with the Medicare COBC for receipt of TRICARE crossover claims for all TRICARE dual eligible beneficiaries for implementation when the outgoing contractor terminates claims processing. No later than 60 days prior to the start of services delivery, the contractor shall demonstrate to DHA successful receipt and testing of electronic claims batches from the Medicare COBC for accurate processing of TRICARE dual eligible claims, including claims for services covered by TRICARE but not covered by Medicare.

**2.2.1** Sixty (60) calendar days prior to the start of services delivery, the TDEFIC contractor shall have executed a Memorandum of Understanding (MOU) with all TRICARE contractors. The MOU shall include, but not be limited to, provider file update coordination, beneficiary history transfers, customer service coordination and marketing/education coordination.

**2.2.2** Within 60 calendar days of contract award, the TDEFIC contractor shall meet with and establish an MOU with DHA Communications. The MOU shall include, but not be limited to, the review and approval process for educational materials, the identification of desired educational materials required by either DHA or other DHA contractors, the process for requesting additional educational materials, and the ordering and bulk shipment of materials. The MOU shall be effective within 30 days of the meeting. The content of the MOU shall be coordinated with the Contracting Officer (CO) and the COR.

### **2.3 TDEFIC Claims Processing System And Operations**

During the period between the date of award and the start of services delivery, the TDEFIC contractor shall, pursuant to an implementation schedule approved by DHA, meet the following requirements:

#### **2.3.1 Contractor File Conversions And Testing**

**2.3.1.1** The TDEFIC contractor shall perform initial conversion and testing of all Automated Data Processing (ADP) files (e.g., provider files, pricing files, and beneficiary history and deductible files) no later than 45 calendar days following receipt of the files from the outgoing contractor(s). Integration testing will be conducted to validate the contractor's internal interfaces to each of the TRICARE MHS

Systems. This testing will verify the TDEFIC contractor's system integration, functionality, and implementation process.

**2.3.1.2** DHA Test Managers will work with the TDEFIC contractor to plan, execute and evaluate the Integration Testing efforts. The TDEFIC contractor shall identify a primary and a back-up Testing Coordinator to work with the DHA Test Managers. The TDEFIC Testing Coordinator is responsible for contractor testing preparations, coordination of tests, identification of issues and their resolution, and verification of test results. A web application will be available for use by TDEFIC contractor Test Coordinators to report and track issues and problems identified during integration testing.

### **2.3.2 Receipt Of Outgoing TDEFIC Contractor's Weekly Shipment Of History Updates And Dual Operations**

**2.3.2.1** Beginning with the 120th calendar day prior to the start of services delivery and continuing after the start of services delivery until all pertinent claims received by the outgoing TDEFIC contractor have been processed, the incoming TDEFIC contractor shall convert the weekly shipments of the beneficiary history and deductible file updates from the outgoing TDEFIC contractor files within two work days following receipt. These files shall be validated by the incoming TDEFIC contractor before use. Tests for claims, update of catastrophic cap, and duplicate claims shall be performed within two workdays following conversion. Any issues identified by the incoming TDEFIC contractor shall be resolved with the outgoing TDEFIC contractor and the DHA COR shall be kept informed of all issues identified within two work days and the problem resolution. Following the start of services delivery, these files shall be loaded to history and used for claims processing on the first processing cycle following the check for duplicate claims.

**2.3.2.2** During the period after the start of services delivery when the incoming TDEFIC contractor and the outgoing TDEFIC contractor are processing claims, both contractors shall maintain close interface on history update exchanges and provider file maintenance. During the first 60 calendar days of dual operations, the contractors shall exchange beneficiary history updates with each contractor's claims processing cycle run. Thereafter, the exchange shall not be less than twice per week until the end of dual processing period.

### **2.3.3 DCS**

Approximately 30-45 days prior to service delivery, DHA will provide training for users of the DCS in accordance with the TRICARE Systems Manual (TSM), [Chapter 4](#). Following the start of services delivery, the DCS will begin displaying identified potential duplicate claim sets for which the contractor has responsibility. The contractor shall begin using the DCS to resolve potential duplicate claim sets in accordance with the TSM, [Chapter 4](#) and the transition plan requirements.

## **2.4 Transition-In (Phase-In) Status Report**

The contractor shall submit a weekly status report of phase-in and operational activities and inventories to DHA beginning the 20th calendar day following "Notice of Award" by DHA through the 180th calendar day after the start of services delivery (or as directed by the PCO based on the status of the transition and other operational factors). The status report will address only those items identified as being key to the success of the transition as identified in the Transition Specifications Meeting or in the contractor's start-up plan.

## **2.5 Public Notification Program - Provider And Congressional Mailing**

The incoming TDEFIC contractor shall prepare a mailing to all Congressional offices within the region being transitioned by the 45th calendar day prior to the start of services delivery according to the specifications of the official transition schedule. The proposed mailing shall be submitted to the PCO and the COR for review, and DHA Communications for approval no later than 90 calendar days prior to the start of services. The mailing shall discuss any unique processing requirements of the contractor and any other needed information dictated by the official transition schedule.

## **3.0 CONTRACT TRANSITION-OUT**

### **3.1 Transitions Specifications Meeting**

The outgoing TDEFIC contractor shall attend a meeting with representatives of the incoming TDEFIC contractor and DHA within 15 calendar days following contract award. This meeting is for the purpose of developing a schedule of phase-out/phase-in activities. DHA will notify both incoming and outgoing TDEFIC contractor's as to the exact date of the meeting. Contractor representatives attending this meeting shall have the experience, expertise, and authority to provide approvals and establish project commitments on behalf of their organization. The outgoing contractor shall provide a proposed transition-out plan at the Transition Specification Meeting.

### **3.2 Data**

The outgoing TDEFIC contractor shall provide to DHA (or, at the option of DHA, to a successor contractor) such information as DHA shall require to facilitate transitions from the outgoing contractor's operations to operations under any successor contract. Such information may include, but is not limited to, the following:

- The data contained in the outgoing contractor's claims processing systems.
- Information about the management of the contract that is not considered, under applicable Federal law, to be proprietary to the outgoing contractor.

### **3.3 Phase-Out Of The Contractor's Claims Processing Operations**

Upon notice of award to a new TDEFIC contractor, and during the procurement process leading to a contract award, the current TDEFIC contractor shall undertake the following phase-out activities regarding services as an outgoing contractor.

#### **3.3.1 Provide Information**

The contractor shall, upon receipt of written request from DHA, provide to potential offerors such items and data as required by DHA. This shall include non-proprietary information, such as record formats and specifications, field descriptions and data elements, claims and correspondence volumes, etc.

### **3.3.2 Transfer Of Electronic File Specifications**

The outgoing TDEFIC contractor shall transfer to the incoming TDEFIC contractor by express mail or similar overnight delivery service, no later than three calendar days following award announcement, electronic copies of the record layouts with specifications, formats, and definitions of fields, and data elements, access keys and sort orders, for the following:

- The TRICARE Encounter Provider Record (TEPRV) Files.
- The Beneficiary History and Deductible Files (including eligibility files, if applicable).
- Mental Health Provider Files. The outgoing TDEFIC contractor must assure that the incoming TDEFIC contractor has been given accurate provider payment information on all mental health providers paid under the TRICARE inpatient mental health per diem payment system. This should include provider name; Tax Identification Number (TIN); address including zip code; high or low volume status; if high volume, provide the date the provider became high volume; and the current per diem rate along with the two prior year's per diem amounts. The providers under the per diem payment system must be designated by Medicare, or meet exemption criteria, as exempt from the inpatient mental health unit, the unit would be identified as the provider under the TRICARE inpatient mental health per diem payment system.

### **3.3.3 Transfer Of ADP Files (Electronic)**

The outgoing TDEFIC contractor shall prepare in non-proprietary electronic format and transfer to the incoming TDEFIC contractor or DHA, by the 15th calendar day following the Transition Specifications meeting unless, otherwise negotiated by the incoming and outgoing TDEFIC contractors, all specified ADP files (e.g., provider and any pricing files, check copies, release of information documents, TPL files, etc.), in accordance with specifications in the official transition schedule and shall continue to participate in preparation and testing of these files until they are fully readable by the incoming TDEFIC contractor or DHA.

### **3.3.4 Outgoing TDEFIC Contractor Weekly Shipment Of History Updates**

The outgoing contractor shall transfer to the incoming TDEFIC contractor, in electronic format, all beneficiary history and deductible transactions (occurring from the date of preparation for shipment of the initial transfer of such history files and every week thereafter) beginning the 120th calendar day prior to the start of services delivery (until such a time that all processing is completed by the outgoing TDEFIC contractor) in accordance with the specifications in the official transition schedule. See dual operations in [paragraph 2.3.2](#).

### **3.3.5 Transfer Of Non-ADP Files**

The outgoing TDEFIC contractor shall transfer to the incoming TDEFIC contractor all non-ADP files (e.g., Congressional and DHA completed correspondence files, appeals files, TRICARE medical utilization, and administration files) in accordance with the specifications in the official transition schedule and [Chapter 2](#). The hard copies files are to be transferred to the incoming contractor or Federal Records Center (FRC) as required by [Chapter 9](#). The contractor shall provide samples, formats and descriptions of these files to the incoming contractor at the Transition Specification Meeting.

### **3.3.6 Explanation Of Benefits (EOB) Record Data Retention And Transmittal**

If the outgoing TDEFIC contractor elects to retain the EOB data on a computer record, it must, in the event of a transition to another TDEFIC contractor, provide either a full set of electronic records covering the current and two prior years, or, at the CO's discretion, provide the data and necessary programs to reproduce the EOB in acceptable form and transfer such data and programs to the successor contractor or to DHA. DHA shall be the final authority in determining the form and/or acceptability of the data and/or microcopies. See [Chapters 2](#) (Transitions) and [9](#) (Records Management) for additional information on transitioning electronic EOBs.

### **3.3.7 Transition-Out (Phase Out) Status Report**

Until all inventories have been processed, the outgoing contractor shall submit a weekly status report of inventories and phase-out activities to DHA beginning the 20th calendar day following the Transitions Specifications Meeting until otherwise notified by the PCO to discontinue. This shall be done in accordance with specifications of the official transition schedule.

## **3.4 Final Processing Of Outgoing TDEFIC Contractor**

The outgoing TDEFIC contractor shall:

- Process to completion all claims, to include adjustments, received during its period of services delivery. Processing of these claims shall be completed within 180 calendar days following the start of the incoming contractor's services delivery. All claims shall meet the same standards as outlined in the current contract.
- Be liable, after the termination of services under this contract, for any payments to subcontractors of the contractor arising from events that took place during the period of this contract.
- Process all correspondence, allowable charge complaints, and incoming telephonic inquiries which pertain to claims or services processed or delivered under this contract within the time frames established for response by the standards of the contract.
- Complete all appeal cases that pertain to claims or services processed or delivered under this contract within the time frames established for response by the standards of the contract.

### **3.4.1 Correction Of Edit Rejects**

The outgoing TDEFIC contractor shall retain sufficient resources to ensure correction (and reprocessing through DHA) of all TED record edit errors no later than 210 calendar days following the start of the incoming contractor's services delivery.

### **3.4.2 Cost Accounting**

If the outgoing TDEFIC contractor succeeds itself, costs related to each contract shall be kept separate for purposes of contract accountability.

**3.4.3 Records Disposition**

The outgoing TDEFIC contractor shall comply with the provisions of [Chapter 9](#), in final disposition of all files and documentation. The outgoing TDEFIC contractor shall include a records disposition plan as part of the phase-out plan submitted to DHA at the Transition Specifications Meeting.

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