

Chapter 2

Section 9

Critical Processes (CPs) - Medical Management

Revision: C-26, May 30, 2018

1.0 MEDICAL MANAGEMENT/UTILIZATION MANAGEMENT (MM/UM)

1.1 The contractor shall submit a written MM/UM Plan that fully describes all processes, procedures, criteria, staff and staff qualifications, and information and data collection activities and requirements the contractor shall use in conducting MM/UM activities. Details for submission of this plan are **identified** in DD Form 1423, Contract Data Requirements List (CDRL), **located in Section J of the applicable contract.**

1.2 The **Defense Health Agency (DHA) Clinical Operations Division (COD)/TRICARE Overseas Program Office (TOPO)** will review the plan and make recommendations for revision if necessary within 45 calendar days or provide written approval through the Contracting Officer (CO). In the absence of **MM/UM** staff in the **Uniformed Services Family Health Plan Program Office (USFHP PO)**, the **DHA Clinical Support Division (CSD)** will review the plans submitted and provide recommendations for revision or written acceptance within 45 days. The contractor shall provide a revised plan addressing the recommendations within 15 business days to the appropriate reviewing office which will provide written approval of the plan through the appropriate CO within 45 calendar days if there are no recommendations or upon receipt of a revised plan which addresses the recommendations.

2.0 PHASE-IN REQUIREMENTS RELATED TO TRANSITIONAL CASES

The outgoing contractors shall provide the incoming contractor with information for beneficiaries and providers on how the beneficiary may obtain assistance with transitional care.

2.1 Non-Network Inpatient Transitional Cases

These are beneficiaries who are inpatients (occupying an inpatient bed) at 0001 hours on the first day of any health care contract period in which the incoming contractor begins health care delivery. In the case of Diagnosis Related Group (DRG) reimbursement, the outgoing contractor shall pay through the first month of health care delivery or the date of discharge, whichever occurs first. If the facility is reimbursed on a per diem basis, the outgoing contractor is responsible for payment of all the institutional charges accrued prior to 0001 hours on the first day of health care delivery, under the incoming contractor. The incoming contractor thereafter is responsible for payment.

2.2 Non-Network Outpatient/Professional Transitional Cases

These are cases, such as obstetric care, that are billed and payable under "Global" billing provisions of Current Procedural Terminology, 4th edition (CPT-4), HCFA Common Procedure Coding System (HCPCS), or local coding in use at the time of contract transition, and where an Episode Of Care

(EOC) shall have commenced during the period of health care delivery of the outgoing contractor and continues, uninterrupted, after the start of health care delivery (SHCD) by the incoming contractor. Outpatient/professional services related to transitional cases are the responsibility of the outgoing contractor for services delivered prior to 0001 hours on the first day of health care delivery and of the incoming contractor thereafter.

2.3 Network Inpatient Care During Contract Transition

The status of network provider changes (provider's network agreement with the outgoing contractor is terminated resulting in the provider's loss of network status) with the SHCD of the new contract. As a result, claims for inpatient care shall be reimbursed in accordance with [paragraph 2.1](#) for non-network transitional cases. Beneficiary copay is based on the date of admission; therefore, Prime beneficiaries who are inpatients as described in [paragraph 2.1](#), shall continue to be subject to Prime network copayments and shall not be subject to Point Of Service (POS) copayments.

2.4 Home Health Care (HHC) During Contract Transition

HHC, for a 60-day episode of care, initiated during the outgoing contractor's health care delivery period and extending, uninterrupted, into the health care delivery period of the incoming contractor are considered to be transitional cases. Reimbursement for both the Request for Anticipated Payment (RAP) and the final claim shall be the responsibility of the outgoing contractor for the entire 60-day episodes covering the transition period from the outgoing to the incoming contractor.

3.0 PRIOR AUTHORIZATIONS AND REFERRALS

The incoming contractor shall honor outstanding prior authorizations and referrals issued by the outgoing contractor, covering care through 60 days after the SHCD under the incoming contract, in accordance with the outgoing contractors existing practices and protocols, within the scope of the TRICARE program and applicable regulations or statutes. In the case of Residential Treatment Care (RTC) care, both the incoming and outgoing contractors are responsible for authorizing that part of the stay falling within their areas of responsibility; however, the incoming contractor may utilize the authorization issued by the outgoing contractor as the basis for continued stay.

4.0 CASE MANAGEMENT (CM) AND CHRONIC CARE/DISEASE MANAGEMENT (DM)

The incoming contractor shall receive case files and documentation regarding all beneficiaries under CM or chronic care/DM programs. The incoming contractor shall ensure seamless continuity of services to those beneficiaries.

5.0 UTILIZATION MANAGEMENT (UM)

5.1 The incoming contractor shall ensure health care services are provided in accordance with the contractor's UM Plan (see [Chapter 7](#)).

5.2 The contractor shall establish written agreements with each institutional provider over which the contractor has review authority. These agreements shall be in place before the start of services. Agreements must specify that:

- Institutional providers will cooperate with the contractor in the assumption and conduct of

review activities.

- Institutional providers will allocate adequate space for the conduct of on-site review.
- Institutional providers will photocopy and deliver to the contractor all required information within 30 calendar days of a request for off-site review.
- Institutional providers will provide all beneficiaries, in writing, their rights and responsibilities (e.g., "An Important Message from TRICARE" ([Chapter 7, Addendum A](#)), "Hospital Issued Notice of Noncoverage" ([Chapter 7, Addendum B](#)).
- Institutional providers will inform the contractor within three working days if they issue a notice that the beneficiary no longer requires inpatient care.
- Institutional providers will assure that each case subject to preadmission/preprocedure review has been reviewed and approved by the contractor.
- Institutional providers will agree, when they fail to obtain certification as required, that they will accept full financial liability for any admission subject to preadmission review that was not reviewed and is subsequently found to be medically unnecessary or provided at an inappropriate level ([32 CFR 199.15\(g\)](#)).
- The contractor shall reimburse the provider for the costs of photocopying and postage using the same reimbursement as Medicare.
- The contractor shall provide detailed information on the review process and criteria used, including financial liability incurred by failing to obtain preauthorization.

6.0 MM/UM PLAN

The Managed Care Support Contractors (MCSCs), DPs, and TOP contractor shall develop a written **MM/UM** Plan which is defined as a detailed description of the purpose, methods, proposed goals and objectives designed to meet the intent of the program. The MCSCs, DPs, and TOP contractors shall fully describe in a written **MM/UM** Plan the structural and functional components of the program. Details for submission of this plan are **identified by the DD Form 1423, CDRL, located in Section J of the applicable contract**.

7.0 PERFORMANCE READINESS VALIDATION (PRV)/PERFORMANCE READINESS ASSESSMENT AND VERIFICATION (PRAV)

During transition, the incoming contractor's performance readiness status regarding medical management will be subject to PRV/PRAV reviews as described below.

7.1 Medical Management PRV

7.1.1 Within 90 days after contract award, the contractor shall begin the Medical Management validation process by demonstrating its planned web-based application which provides access, reporting and information to the Government on MM/UM, Referral Management, and pharmacy

applications. The contractor will report development/integration progress on an on-going basis at Government/contractor transition meetings.

7.1.2 Sixty days prior to SHCD, the contractor shall thoroughly validate its MM/UM program electronic data system's capability to provide access, reporting and information to the Government through a user friendly web-based interface. The results will be forwarded to the Government no later than 60 days prior to SHCD.

7.1.3 Sixty days prior SHCD, the contractor shall validate its ability to connect its web-based Medical Management system with the DHA Pharmacy Operations Center and exchange the necessary information to allow civilian providers to access and print patient medication lists. Validation of connectivity and ability to make medication lists available to civilian providers shall be forwarded to the Government for review no later than 60 prior to SHCD.

7.1.4 Sixty days prior to SHCD, the contractor shall validate that 100% of CM and chronic care/DM files have been received in a legible format and forward the validation results to the Government.

7.1.5 Sixty days prior to SHCD, the contractor will validate that systems for tracking/trending quality issues are in place and processes for peer review are in place.

7.2 Medical Management PRAV

7.2.1 The contractor shall comply with the Government's approach for assessment and verification of the contractor's performance readiness regarding medical management as described above. If, after review, the Government finds the contractor's performance readiness for medical management to be deficient, the contractor must submit a detailed mitigation plan no later than 10 days business days following the Government's findings.

7.2.2 Specific PRAV activities, assessment techniques, and performance readiness thresholds will be identified by the Government during the Transition Specification Meeting.

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