



DEFENSE  
HEALTH AGENCY

HPOD

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CHANGE 200  
6010.58-M  
AUGUST 2, 2022

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL FOR  
TRICARE REIMBURSEMENT MANUAL (TRM), FEBRUARY 2008**

The Defense Health Agency has authorized the following addition(s)/revision(s).

**CHANGE TITLE:** COVID-19 COVERAGE AND REIMBURSEMENT FOR CERTAIN SERVICES

**CONREQ:** 21962

**SUMMARY OF CHANGE(S):** This change finalizes without change certain provisions of TRICARE coverage and reimbursement of certain services resulting from temporary changes in response to the COVID-19 pandemic. This change terminates the waiver of copayments and cost-shares (including deductibles) for authorized telemedicine services provided by network providers in response to the COVID-19 pandemic.

**EFFECTIVE DATE:** July 1, 2022.

**IMPLEMENTATION DATE:** September 6, 2022.

This change is made in conjunction with Feb 2008 TOM, Change No. 289 and Feb 2008 TPM, Change No. 271.

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Jose L. Lozoya  
Chief, Manuals Change Section  
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## Temporary Reimbursement Changes In Response To The Coronavirus Disease 2019 (COVID-19) Pandemic

Issue Date: April 9, 2021  
Authority:

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### 1.0 DESCRIPTION

**1.1** This policy provides information on temporary reimbursement changes in response to the COVID-19 pandemic.

**1.2** The Assistant Secretary of Defense (Health Affairs) (ASD(HA)) issued an Interim Final Rule (IFR) with comment in the **Federal Register** on September 3, 2020, temporarily amending the TRICARE regulation to modify TRICARE's reimbursement systems in order to ensure appropriate reimbursement of providers for the duration of the COVID-19 pandemic. This IFR included modifications to TRICARE's reimbursement systems consistent with similar changes made to Medicare reimbursement systems under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

**1.3** The ASD(HA) issued a Final Rule in the **Federal Register** on June 1, 2022, finalizing certain temporary provisions of the IFRs published in 2020 in response to the COVID-19 pandemic. The Final Rule finalized without change: the temporary Diagnosis Related Group (DRG) adjustment for individuals diagnosed with coronavirus or COVID-19 (see paragraph 2.1), Long-Term Care Hospital (LTCH) reimbursement (see paragraph 2.2), and Skilled Nursing Facility (SNF) three-day prior hospital stay requirement (see paragraph 2.3).

### 2.0 POLICY

#### 2.1 Temporary DRG Adjustment for Individuals Diagnosed with Coronavirus or COVID-19

**2.1.1** The contractor shall apply a 20% adjustment factor to increase the DRG relative weight that would otherwise be applied when determining Inpatient Prospective Payment System (IPPS) operating payments for discharges described below, effective for claims with an admission date occurring on or after January 27, 2020, through the end of the emergency period.

**2.1.2** Section 3710 of the CARES Act directed the increase of the weighting factor of the assigned DRG by 20% for an individual diagnosed with COVID-19 discharged during the COVID-19 Public Health Emergency (PHE) period. The contractor shall identify discharges of an individual diagnosed with COVID-19 by the presence of the following International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) diagnosis codes:

- B97.29 (Other coronavirus as the cause of diseases classed elsewhere) for discharges

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occurring on or after January 27, 2020, and on or before March 31, 2020.

- U07.1 (2019-nCoV acute respiratory disease) for discharges occurring on or after April 1, 2020, through the duration of the COVID-19 PHE period.

**2.1.3** The contractor shall ensure that for admissions occurring on or after September 1, 2020, claims are only eligible for the 20% adjustment factor if a positive COVID-19 laboratory test is documented in the patient's medical record. Positive tests shall be demonstrated using results consistent with Centers for Disease Control and Prevention (CDC) guidelines. The test shall be performed either during or prior to the hospital admission.

**2.1.4** The contractor may conduct a post-payment medical review to confirm the presence of a positive COVID-19 laboratory test, and, if no such test is contained in the medical record, the contractor shall recoup the additional payment resulting from the 20% adjustment factor.

**2.1.5** The contractor shall multiply the current MS-DRG relative weight for the discharge by a factor of 1.20 when calculating a hospital's operating IPPS payment. Section 3710 of the CARES Act amended Section 1886(d)(4)(C) of the Social Security Act which generally governs IPPS operating payments. A hospital's capital IPPS payment shall not be adjusted.

**2.1.6** The contractor shall determine high cost outlier payments for IPPS discharges, during the emergency period with a COVID-19 diagnosis code, after applying the increased payment under section 3710 of the CARES Act.

**2.1.7** All hospitals that are exempt from the IPPS DRG system, including hospitals in Maryland, are excluded from this policy.

## 2.2 LTCH Reimbursement

**2.2.1** The contractor shall pay all LTCH cases admitted during the COVID-19 PHE period the LTCH PPS standard Federal rate, effective for claims with an admission date occurring on or after January 27, 2020, through the end of the emergency period. Section 3711(b)(2) of the CARES Act provides a waiver of the application of the site neutral payment rate under Section 1886(m)(6)(A)(i) of the Act for those LTCH admissions that are in response to the PHE and occur during the COVID-19 PHE period. For details on LTCH reimbursement, see [Chapter 16, Section 1](#).

**2.2.2** All LTCHs that are exempt from the LTC-PPS MS-LTC-DRG system are excluded from this policy.

## 2.3 SNF Three-Day Prior Hospital Stay Requirement

The requirement for a qualifying hospital stay of three consecutive days or more, not including hospital discharge day, prior to SNF admission (see [Chapter 8, Section 2](#)) is waived for the duration of the President's national emergency for the COVID-19 outbreak.

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**3.0 EFFECTIVE DATES**

**3.1** January 27, 2020, for the adjustment to DRG rates for individuals diagnosed with Coronavirus or COVID-19.

**3.2** January 27, 2020, for the adjustment to the reimbursement for LTCHs.

**3.3** March 1, 2020, for the waiver of the SNF three-day prior hospital stay requirement.

**4.0 EXPIRATION**

**4.1** Under section 319 of the Public Health Service (PHS) Act, a PHE declaration lasts until the Secretary of Health and Human Services (HHS) declares the PHE no longer exists, or upon the expiration of the 90-day period beginning on the date the Secretary declared a PHE exists, whichever occurs first. The Secretary may extend the PHE declaration for subsequent 90-day periods for as long as the PHE continues to exist, and may terminate the declaration whenever he determines the PHE has ceased to exist. The manual provisions related to adjustments to DRG reimbursement and LTCH reimbursement terminate upon expiration of the COVID-19 PHE declared by the Secretary of HHS.

**4.2** For the waiver of the SNF three-day prior hospital stay requirement, these manual provisions terminate upon expiration of the President's national emergency for the COVID-19 outbreak.

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## TRICARE Reimbursement Manual 6010.58-M, February 1, 2008

### Chapter 2, Section 7

#### Temporary Waivers of Copayments and Cost-Shares (Including Deductibles) in Response to Coronavirus 2019 (COVID-19) Pandemic

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#### 5.0 EXPIRATION

**5.1** For the waiver of copayments and cost-shares for telemedicine services in the United States, these manual provisions terminate **on July 1, 2022, or** upon expiration of the President's national emergency for the COVID-19 outbreak, **whichever occurs earlier. This termination applies in the United States and at all overseas locations.**

**5.2** Under section 319 of the Public Health Service (PHS) Act, a Public Health Emergency (PHE) declaration lasts until the Secretary of HHS declares the PHE no longer exists, or upon the expiration of the 90-day period beginning on the date the Secretary declared a PHE exists, whichever occurs first. The Secretary may extend the PHE declaration for subsequent 90-day periods for as long as the PHE continues to exist, and may terminate the declaration whenever he determines the PHE has ceased to exist. The manual provisions related to the waiver of copayments and cost-shares for in vitro diagnostic tests for the detection of SARS-CoV-2 or the diagnosis of COVID-19 in the United States terminate upon expiration of the COVID-19 PHE declared by the Secretary of HHS.

**5.3** **Unless otherwise specified in this section, for services provided outside the 50 United States, District of Columbia, and U.S. territories including the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands,** these provisions expire upon conclusion of the COVID-19 pandemic, as determined by the ASD(HA).

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