

Demonstrations

P. TRICARE Senior Supplement Demonstration

1. Purpose

a. The Fiscal Year (FY) 1999 National Defense Authorization Act (P.L. 105-261) Title VII Subtitle C, signed by the President on October 17, 1998 establishes certain health care services for Medicare-eligible Department of Defense (DoD) beneficiaries. Specifically, section 722 establishes a “demonstration program to evaluate the feasibility and advisability of providing medical care coverage under the TRICARE program as a supplement to Medicare.” The TRICARE Senior Supplement (TSS) demonstration program will facilitate DoD payments on behalf of Military Health System (MHS) beneficiaries receiving Medicare benefits while enrolled in the TSS demonstration as a supplement to Medicare. The demonstration program is tentatively scheduled to begin on April 1, 2000 and expire on December 31, 2002.

b. Under this demonstration DoD Medicare-eligible beneficiaries age sixty-five (65) and older, with permanent residence within one of the demonstration sites, may pay an enrollment fee and enroll in the TRICARE program. TRICARE will then serve as secondary payer to Medicare for services covered under TRICARE. A covered beneficiary who enrolls in TSS shall not be eligible to receive health care at a Military Treatment Facility (MTF) during the period such enrollment is in effect.

c. The two sites selected for this demonstration are Santa Clara, California (Region 10) with 8,100 projected eligible beneficiaries and Cherokee, Texas (Region 6) with 3,100 projected eligible beneficiaries. (Reference [Figure 2-20-P-1](#) and [Figure 2-20-P-2](#).)

2. Operational Requirements

The functions of organizations and Automated Information Systems (AISs) that support the TSS demonstration are outlined in this section.

a. Defense Enrollment and Eligibility Reporting System (DEERS)

The DEERS is the official DoD system for MHS eligibility and enrollment in the TSS demonstration. The Iowa Foundation for Medical Care (IFMC) Information Processing Center (IPC) performs TSS eligibility verification utilizing the DEERS application. The IPC performs the enrollment process by accessing the DEERS. All enrollment information and eligibility flags will be stored in DEERS as the official system of record. TSS enrollees will be identified by an alternate care value (ACV) of “W” in the current system. When the DEERS redesign is implemented, the enrollees will be identified by a separate Health Care Delivery Plan (HCDP) identifier. Prior to the initiation of marketing efforts, the DEERS shall issue a list of potential eligible beneficiaries to the IPC.

b. Composite Health Care System (CHCS)

The CHCS is a fully integrated, automated healthcare system developed and maintained by the DoD MHS for use in all military treatment facilities (MTF). The CHCS will verify MHS eligibility through an interactive eligibility check with DEERS. The eligibility check in CHCS will allow the MTFs to identify TSS enrollees who are not eligible to receive care at the MTF unless on an emergency basis.

c. TRICARE Management Activity (TMA) - Aurora

TMA-Aurora is the government contracting activity for the TSS demonstration. TMA-Aurora will design, develop, and administer all managed care support contract modifications to facilitate accurate claims administration.

d. Managed Care Support Contractors (MCSCs)

The MCSCs are responsible for all aspects of claims processing, and reporting requirements as requested by TMA, for the TSS demonstration.

e. National Mail Order Pharmacy (NMOP)

The NMOP contractor provides mail order pharmacy benefits for MHS beneficiaries. Enrollees in the TSS demonstration will be eligible to receive NMOP benefits unless they have other health insurance (OHI) coverage with pharmacy benefits.

f. Iowa Foundation for Medical Care (IFMC)

Information Processing Center (IPC)

The IFMC is the contracted IPC, which will facilitate marketing distribution, enrollment/disenrollment and enrollment fees collection for the TSS demonstration. The IPC will communicate with beneficiaries, the MCSC and TMA.

g. Corporate Executive Information System (CEIS)

The CEIS is the information system responsible for storing all necessary transmitted data for the final evaluation report on the feasibility of this demonstration.

3. Marketing

a. *Prior to the initiation of marketing efforts, the Defense Enrollment and Eligibility Reporting System (DEERS) shall issue a list of potential eligible beneficiaries to the IPC.*

b. *The marketing materials (i.e., public notices, flyers, informational brochures, etc.) will be developed and printed centrally by DoD, TMA, Office of Communications and Customer Service. The IPC will distribute all documents associated with TSS. The IPC will begin marketing activities, such as, flyers, local newspaper articles, public announcements, and direct mailings to eligible beneficiaries not later than forty-five (45) days prior to the start of enrollment for the demonstration.*

c. *The IPC will create the enrollment application form for the TSS demonstration in coordination with TMA. The contractor shall not release enrollment applications until the first day of marketing.*

4. Eligibility

a. *A beneficiary must meet one of the following eligibility requirements:*

(1) *Member or former member of the Uniformed Services as described in section 1074(b) of title 10, (retiree)*

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(2) Family member of a service member described in section 1076(a)(2)(B) or 1076(b) of title 10, (family member or survivor) or

(3) Family member of a service member who died while on active duty for a period of more than thirty (30) days.

b. A beneficiary must meet all of the following eligibility requirements:

(1) is sixty-five (65) years of age or older,

(2) is entitled to Medicare Part A,

(3) is enrolled in Medicare Part B, and

(4) resides in a designated zip code area for this demonstration (See [Figure 2-20-P-1](#) and [Figure 2-20-P-2](#)). Beneficiaries shall not be disenrolled if the Postal Service changes their zip code which places them outside of the demonstration area.

NOTE:

TSS eligibility begins when TRICARE eligibility ends at 12:01 a.m. on the last day of the month preceding the month of attainment of age sixty-five (65).

5. Enrollment Process

a. The open enrollment period shall be thirty (30) days prior to the start of health care delivery. The IPC will provide a written enrollment plan to TMA for approval no later than seventy-five (75) days prior to the start of enrollment. Feedback will be provided no later than twenty-five (25) days following submission of the plan. The IPC will establish an enrollment process that provides a fair and equitable opportunity for beneficiaries to obtain information about the TSS option and provides an opportunity for them to submit applications. This process shall include the following activities at a minimum:

(1) The IPC will staff a Call Center with toll-free phone numbers to answer beneficiary questions on eligibility, enrollment, benefits, payment options and the demonstration program. The IPC will meet all established contract requirements and performance standards for the telephone service.

(2) Upon being contacted by TSS applicants, the IPC will conduct initial eligibility screening.

(3) The IPC will provide the applicant a TSS enrollment form, marketing brochures and payment option information as requested. The IPC will provide in the enrollment application package a preaddressed return envelope with the IPC's address.

(4) The *IPC* shall produce the enrollee identification cards similar in style and size to those provided to TRICARE Prime enrollees. The card must have *the TRICARE emblem and* the program name TRICARE Senior Supplement on the card. Other informational elements on the card are at the discretion of the *IPC*.

b. The IPC will begin processing enrollment applications thirty (30) days prior to the enrollment date of the TSS demonstration. The IPC will coordinate with the MCSC concerning the frequency and manner of providing enrollment information to the MCSC.

(1) Enrollment applications shall be accepted by mail only. The beneficiary will return the completed enrollment application along with a photocopy of their Medicare Part B enrollment card, and payment for the enrollment fee.

(2) Enrollment periods shall begin on the first (1st) day of the month following the month in which the enrollment application and enrollment fee are received by the IPC. If an application and fee are received after the twentieth (20th) day of the month, the enrollment date will be on the first (1st) day of the second (2nd) month after the month in which the IPC received the application and enrollment fee.

(3) The IPC will date stamp all applications with the date of receipt. The IPC will accept the enrollment fee of \$576 per person/per year from each beneficiary. The enrollment fee shall be collected and paid in accordance with [OPM Part Three, Chapter 4, Section II.D.9](#). The enrollee shall select the method for paying the enrollment fee with the initial enrollment application. The IPC may use at their discretion electronic fund transfer as a method of receiving payment.

(4) In order of receipt, the IPC will verify all information through DEERS. Once the beneficiary is validated as being eligible, the IPC will process the enrollment through an enrollment information application activating a unique TSS enrollment flag in DEERS, and shall confirm enrollment information in DEERS. The unique TSS enrollment flag will generate an alternate care value of "W" in DEERS for the MCSC.

(5) *The IPC will send an enrollment confirmation letter to the beneficiary on the date of application approval. The letter shall state the enrollment effective date, payment method, and enrollment expiration date. The IPC will also provide the enrollee with an enrollment card, a TSS Network Directory that identifies all civilian network providers and retail network pharmacies in the demonstration area, and NMOP benefit information. The MCSC shall coordinate with the IPC on providing the IPC the TSS Network Directories to include all updates to these materials. The NMOP contractor shall coordinate with the IPC on providing the IPC the NMOP benefit information to include all updates to these materials.*

c. If the beneficiary is not eligible through DEERS, the IPC will notify the applicant in writing, including the reason for denial and any reconsideration rights along with the applicant's original payment.

d. For incremental and annual payments, the IPC will send the beneficiary a bill for the enrollment fee no later than sixty (60) days prior to the payment due date. If the enrollment fee payment is not received within thirty (30) days from the date of the first notification, the IPC will send the beneficiary a reminder notice stating the enrollment fee is due and the deadline for payment. Payment of the prescribed enrollment fee must be received prior to the payment due date.

e. Upon receipt of payment of the enrollment fee, the IPC will re-validate the enrollee's eligibility through DEERS. If the beneficiary is not eligible in DEERS, the IPC will process the disenrollment in accordance with [Section II.P.7](#).

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f. The IPC will send a continuous enrollment notification to the enrollee sixty (60) days prior to the enrollment anniversary date. If the enrollee does not return the requested copy of their Medicare Part B card within thirty (30) days from the date of the notification, the IPC will send the enrollee a reminder notice stating that to continue enrollment a copy of their Medicare Part B card is due prior to the enrollment anniversary date.

g. Upon receipt of the copy of the beneficiary's Medicare Part B card, the IPC will re-validate the enrollee's eligibility through DEERS and update as appropriate. If the beneficiary is not eligible in DEERS, the IPC will process the disenrollment in accordance with Section II.P.7..

6. Aging-In Process

a. A beneficiary may request pre-enrollment two (2) months prior to reaching sixty-five (65) years of age, as long as the beneficiary is enrolled in Medicare Part B, and has a permanent address within the selected area. The IPC will accept the enrollment application, photocopy of the Medicare Part B enrollment card, and enrollment fee payment for a beneficiary requesting pre-enrollment. The IPC will hold the approved applications in a suspense file until the appropriate enrollment period. TRICARE eligibility ends at 12:01 a.m. on the last day of the month preceding the month of attainment of age sixty-five (65). Therefore, the enrollment period of a pre-enrolled beneficiary will begin the first day of the month following the month that TRICARE eligibility ends. The IPC will process the enrollment to DEERS via the existing interface and use of an alternate care value of "W".

b. All other enrollment requirements shall apply.

7. Disenrollment Process

a. An enrollee may disenroll at any time by submitting a written request to the IPC; however, with the exception stated in Section II.P.7.c., the enrollment fee will not be refunded. The IPC will process the disenrollment to DEERS effective the first (1st) day of the month following the month in which the disenrollment request is received. If a disenrollment request is received after the twentieth (20th) day of the month the disenrollment date will be on the first (1st) day of the second (2nd) month after the month in which it is received. The IPC will send the beneficiary a disenrollment notification indicating the new expiration date. The IPC will coordinate with the MCSC concerning the frequency and manner of providing disenrollment information to the MCSC.

b. An enrollee shall be involuntarily disenrolled for:

- (1) Not submitting the enrollment fee payment prior to the enrollment period expiration,
- (2) Not maintaining Medicare Part B enrollment,
- (3) Permanent change of address outside an implementation area, or
- (4) Verification of the beneficiary's death.

c. When an enrollee has a permanent change of address outside the demonstration area, the enrollee shall notify the IPC. The IPC will disenroll the beneficiary

through DEERS in accordance with Section II.P.7.a. The IPC will issue a pro-rated refund based on the remaining number of full months of enrollment to the enrollee.

d. An enrollee who disenrolls or is disenrolled involuntarily may request reenrollment at any time. The enrollment shall be processed in accordance with Section II.P.5.

8. Benefit Portability

Enrollees retain coverage when they temporarily move (less than twelve (12) consecutive months) or travel outside the demonstration area. The MCSC for the demonstration area in which the beneficiary is enrolled is responsible for providing continuing coverage and maintaining the deductible and catastrophic cap accumulations for the enrollee while the enrollee is temporarily relocated or traveling.

9. Pharmacy Benefits

Enrollees are entitled to all pharmacy services available under TRICARE Extra, TRICARE Standard and National Mail Order Pharmacy (NMOP). However, if the enrollee has pharmacy coverage through other health insurance they are not entitled to utilize NMOP.

NOTE:

The Defense Supply Center Philadelphia (DSCP) is the government contracting activity for the NMOP program. DSCP will design, develop and administer all NMOP contract modifications to facilitate prescriptions being filled for this demonstration.

10. Claims

a. General

(1) The MCSC shall adjudicate claims as a secondary payer for all health care services provided to TRICARE Senior Supplement enrollees by both network and non-network providers. The contractor shall not be financially at-risk for payment of these claims, but shall be reimbursed by the TRICARE Management Activity.

(2) All requirements applicable to processing claims for TRICARE Extra and TRICARE Standard as secondary payer shall apply, including coordination with other health insurance (OHI), third party liability (TPL), TRICARE ClaimCheck, TRICARE payment/check release requirements, etc. (See OPM Part Two, Chapter 3, Section IV. for double coverage and OPM Part Two, Chapter 1, Section VI.N. for out-of-jurisdiction.)

(3) TMA shall reimburse for emergency care given at an MTF. For emergency care that is referred out under the Supplemental Health Care Program (SHCP) the claims shall be paid under the guidelines of OPM Part Three, Chapter 9.

(4) Non-Availability Statements (NAS) are not applicable to this demonstration.

(5) The point of service option is not applicable to this demonstration.

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(6) TRICARE Extra and TRICARE Standard cost shares, co-pays, deductibles and catastrophic cap accumulations are applicable to this demonstration.

(7) The MCSC shall provide the beneficiary and provider with an explanation of benefits (EOB) according to TRICARE program requirements. On each EOB processed, the MCSC shall include the following message: "This is a claim for benefits under TRICARE Senior Supplement."

11. Records Retention

The IPC and MCSC shall follow the records management requirements in OPM Part One, Chapter 2.

12. Reporting

a. The MCSC shall create a HCSR for each network and non-network claim processed to completion and submit to the TRICARE Management Activity (TMA) in accordance with current contract requirements for not-at-risk funds. There are specific reporting data elements for this demonstration to include special processing codes for network and non-network claims, enrollment status code, voucher reporting by branch of service specific to the demonstration.

b. The MCSC shall transmit all TSS claims processing files to the IPC and also provide a copy to the Lead Agent. The IPC will then transmit all TSS claims processing files to the CEIS.

c. The IPC will receive the monthly EBC enrollment reconciliation file from DEERS which will include all TSS beneficiaries.

d. The IPC will send a monthly reconciliation report file to the MCSC that will contain, but not limited to: enrollee name, SSAN, and sponsor SSAN/DDS.

13. Audits

Upon request from the government, the CEIS, IPC and MCSC shall be required to produce enrollment, claims and cost reports to assist in the evaluation of the TSS demonstration.

14. Appeals

Appeals shall be processed in accordance with OPM Part Three, Chapter 7.

15. Payment for Contractor Services Rendered

a. The MCSC shall report the TRICARE Senior Supplement claims on separate vouchers according to OPM Part One, Chapter 4. The HCSR data for each claim must reflect the appropriate data element values. To distinguish a TRICARE Senior Supplement voucher from a voucher for other TRICARE programs, the MCSC shall utilize the specific Voucher Branch of Service Codes mandated in the ADP Manual for use in reporting such claims. The MCSC shall process payments via Letter of Credit on a not-at-risk basis for the healthcare costs incurred for each TRICARE Senior Supplement claim processed to completion according to the provisions of OPM Part One, Chapter 4.

b. *The IPC will provide the capability to provide pro-rated refunds to enrollees who disenroll because of a permanent change of address outside the demonstration area.*

c. *The IPC will send the monthly collected enrollment fees and a matching electronic report to TMA-Aurora. The report shall include premium payment amounts by enrollee/SSAN/period of time and pro-rated refund debit amounts by enrollee/SSAN/period of time. The IPC will transfer funds as directed by TMA-Aurora.*

16. Transitions

a. Change in Contractor

All transition requirements as defined in OPM Part One, Chapter 1, Section VIII. apply.

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Figure 2-20-P-1 TRICARE Senior Supplement Demonstration Site Zip Codes for Santa Clara, California

94022	94023	94024	94035	94039	94040	94041
94042	94043	94086	94087	94088	94089	94090
94301	94302	94303	94304	94305	94306	94307
94308	94309	94310	94550	94551	95002	95008
95009	95011	95013	95014	95015	95019	95020
95021	95023	95024	95026	95030	95031	95032
95033	95035	95036	95037	95038	95042	95044
95046	95050	95051	95052	95053	95054	95055
95056	95070	95071	95075	95076	95077	95101
95102	95103	95106	95108	95109	95110	95111
95112	95113	95114	95115	95116	95117	95118
95119	95120	95121	95122	95123	95124	95125
95126	95127	95128	95129	95130	95131	95132
95133	95134	95135	95136	95137	95138	95139
95140	95141	95142	95148	95150	95151	95152
95153	95154	95155	95156	95157	95158	95159
95160	95161	95164	95170	95172	95173	95190
95191	95192	95193	95194	95196		

Figure 2-20-P-2 TRICARE Senior Supplement Demonstration Site Zip Codes for Cherokee, Texas

75410	75444	75451	75480	75494	75497	75551
75555	75556	75560	75562	75563	75564	75565
75566	75568	75571	75572	75601	75602	75603
75604	75605	75606	75607	75608	75615	75630
75631	75633	75636	75637	75638	75640	75641
75643	75644	75647	75650	75651	75652	75653
75654	75656	75657	75658	75660	75662	75663
75666	75667	75668	75669	75670	75671	75680
75681	75682	75683	75684	75686	75687	75689
75691	75693	75694	75755	75757	75759	75760
75763	75764	75765	75766	75772	75773	75779
75780	75782	75783	75784	75785	75788	75789
75801	75802	75832	75835	75839	75844	75847
75849	75851	75853	75858	75861	75880	75882
75884	75886	75925	75929	75930	75935	75937
75943	75944	75946	75954	75958	75961	75962
75963	75964	75972	75973	75974	75975	75976
75978						