OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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TRICARE
MANAGEMENT ACTIVITY

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PUBLICATIONS SYSTEM CHANGE TRANSMITTAL FOR TRICARE OPERATIONS MANUAL (TOM)

The TRICARE Management Activity has authorized the following addition(s)/ revision(s) to 6010.51-M, reissued August 2002.

CHANGE TITLE: **NATIONAL QUALITY MONITORING CONTRACT (NQMC) INTEGRATION**

PAGE CHANGE(S): See page 2.

SUMMARY OF CHANGE(S): This change integrates the Managed Care Support Contractors (MCSCs), the Designated Providers (DPs), and the TRICARE Dual Eligible Fiscal Intermediary Contractor (TDEFIC) with the National Quality Monitoring Contractor (NQMC), by establishing records transmittal standards, reporting requirements, and review of the Clinical Quality Management Programs (CQMPs).

EFFECTIVE AND IMPLEMENTATION DATE: Upon direction of the Contracting Officer.

for Laura Sells
Chief, Purchased Care Procurement Branch

ATTACHMENT(S): 13 PAGES
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WHEN PRESCRIBED ACTION HAS BEEN TAKEN, FILE THIS TRANSMITTAL WITH BASIC DOCUMENT

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CHAPTER 7

UTILIZATION AND QUALITY MANAGEMENT

SECTION	SUBJECT
1	**MANAGEMENT** 1.0. Utilization Management Program Plan 2.0. Notification Of Review Requirements 3.0. Reviewer qualifications and participation 4.0. Written Agreements With Institutional Providers 5.0. Benefit Policy Decisions 6.0. Concurrent Review Requirements 7.0. Retrospective Reviews Related To DRG Validation 8.0. Retrospective Review Requirements For Other Than DRG Validation 9.0. Review Results 10.0. Prepayment Review 11.0. Case Management 12.0. Confidentiality Applicable To All Utilization Management Activities, Including Recommendations And Findings 13.0. Documentation
2	**PREAUTHORIZATIONS** 1.0. General 2.0. Inpatient Mental Health 3.0. Effective And Expiration Dates
3	**CONTRACTOR RELATIONSHIP WITH THE MILITARY HEALTH SYSTEM (MHS) NATIONAL QUALITY MONITORING CONTRACTOR (NQMC)**
4	**CLINICAL QUALITY MANAGEMENT PROGRAM (CQMP)** 1.0. *Clinical Quality Management Program (CQMP)* 2.0. CQMP Plan 3.0. *CQMP Annual Report (CQMP AR)* 4.0. *Common Terms And* Definitions 5.0. CQMP Structural And Functional Requirements 6.0. Patient Safety Or Quality Issue *(QI)* Identification 7.0. *NQMC Evaluation And Annual Report* 8.0. *Agency For Healthcare Research And Quality (AHRQ) Patient Safety Indicators* FIGURE 7-4-1 *Timeline For Annual CQMP Plan And CQMP Report*
ADDENDUM A	**AN IMPORTANT MESSAGE FROM TRICARE**
ADDENDUM B	**HOSPITAL ISSUED NOTICES OF NONCOVERAGE**
ADDENDUM C	**HOSPITAL ADJUSTMENTS**

CHAPTER 7
SECTION 3

CONTRACTOR RELATIONSHIP WITH THE MILITARY HEALTH SYSTEM (MHS) NATIONAL QUALITY MONITORING CONTRACTOR (NQMC)

1.0. The *National Quality Monitoring Contractor (*NQMC*)* conducts reviews to validate the appropriateness of the contractor's quality of care and utilization review decisions. The *Managed Care Support Contractors (*MCS*Cs),* Designated Provider*s* (DP*s*)*, and the TRICARE Dual Eligible Fiscal Intermediary Contractor (TDEFIC)* shall transmit copies of the medical record and all case documentation to the NQMC for each case or category of case requested by the NQMC. The estimated number of cases (including inpatient and outpatient care) to be selected on a monthly basis will vary depending upon the health care region involved and the case selection criteria. The estimated quantities per region could range from 300 to 630 cases per month for the MCSC*s, 10 to 30 cases per month for the DPs and 100 to 200 cases per month for TDEFIC*.

2.0. The MCS*Cs,* DP*s, and TDEFIC* shall transmit *95% of the requested* records to the NQMC within 45 calendar days *and 98% within 60 days* from the date the MCS*Cs,* DP*s, and TDEFIC* receive the request for records from the NQMC. Records to be transmitted shall include the complete medical record, the MCS*C*'s, DP's*, and TDEFIC's* utilization review decision, rationale for that decision, and quality of care determinations. *The MCSCs, DPs, and TDEFIC shall forward a monthly Contractors Records Accountability Report via the https://tma-ecomextranet.ha.osd.mil by the 10th day of the month following the month being reported (see Chapter 15, Section 3, paragraph 18.0. for Contractor Records Accountability Reporting requirements).*

3.0. The MCS*Cs,* DP*s, and TDEFIC* shall provide the *appropriate TRICARE Regional Office (TRO)/Designated Provider Program Office (DPPO) and TDEFIC* Contracting Officer*'s Representative (COR)* written responses to all NQMC findings within 45 calendar days of receipt of the NQMC Monthly *Findings* Report. The MCS*C*'s, DP's*, and TDEFIC's* responses shall state agreement, partial agreement, or nonconcurrence with each discrepancy found by the NQMC, and include supporting rationale, and proposed follow-up actions to address the issues.

4.0. *At the direction of the TRICARE Management Activity (TMA) Healthcare Operations Division (HCO), the MCSCs, DPs, and TDEFIC shall attend two face-to-face meetings annually, of one to two days duration, at a location chosen by HCO. Additionally, contractors shall participate in two teleconference meetings not to exceed one day per meeting.*

CHAPTER 7
SECTION 4

CLINICAL QUALITY MANAGEMENT PROGRAM (CQMP)

1.0. *CLINICAL QUALITY MANAGEMENT PROGRAM (*CQMP*)*

The *Managed Care Support Contractors (MCSCs) and Designated Providers (DPs) (from this point forward to be referred to as the contractor)* shall operate a CQMP which results in demonstrable improvement *in the quality* of health care provided *to* beneficiaries, and *in* the process and services delivered by the contractor. *The CQMP is defined as the integrated processes, both clinical and administrative, that provide the framework for the contractor to objectively define and measure the quality of care received by beneficiaries. This CQMP shall demonstrate how the contractor's goals and objectives, leadership, structure, and operational components are designed to achieve the efficient and effective provision of timely access to high quality health care. As part of the CQMP, the contractor shall develop a CQMP Plan with goals and objectives followed by a CQMP Annual Report (AR) describing the results of the quality activities performed during each program year.*

2.0. CQMP PLAN

2.1. *The contractor shall develop a written CQMP 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 contractor shall fully describe in a written* CQMP Plan *the structural and functional components of the program, to* include:

- Table of Contents
- Executive Summary
- *Organizational structure (describe the relationship of the CQMP to the organization)*
- *Description of committee(s) structure, membership, functional responsibilities, and interface with other committees and meeting frequency*
- *Staff qualifications and responsibilities:*
  - *Describe the minimum staffing qualifications by position*
  - *Describe by position the responsibilities and authorities of personnel involved in the performance of quality management activities*
- *Quality review processes:*
  - *Identification, review, evaluation, intervention, and reporting of Quality Issues (QIs) and grievances*
  - *Criteria for selection of quality improvement projects and/or studies, or other improvements initiative*
  - *Description of patient safety initiatives and quality program activities intended to:*
    - *reduce medical errors*
    - *increase patient safety*
    - *promote health and prevent disease or injury*
    - *promote provider and beneficiary educational activities*

  - *National guidelines/benchmarking used for quality reviews*
  - *Reporting processes and requirements*
- *Measurable goals and thresholds for internal monitoring and improvement of the clinical quality plan and program*
- *Response to recommendations from prior year's CQMP AR submission review*

2.2. *Forty-five calendar days prior to the beginning of each fiscal year, the contractor shall submit their annual CQMP plan to the Government using the E-Commerce Extranet (https://tma-ecomextranet.ha.osd.mil). The Government will submit the CQMP plans to NQMC for review and recommendations, if any. The NQMC shall complete their review within 15 business days and return any recommendations to HCO for distribution through the TRICARE Regional Office (TRO) and Designated Provider Program Office (DPPO) to the contractor. The contractor shall provide a revised plan addressing the recommendations within 15 business days to the TRO/DPPO. The TRO/DPPO will provide written approval of the plan within 45 calendar days of receipt of the NQMC review if there are no recommendations or upon receipt of a revised plan which addresses the recommendations. See Figure 7-4-1 for timeline.*

3.0. *CQMP ANNUAL REPORT (CQMP AR)*

See Chapter 15, Section 6, paragraph 1.0.

4.0. *COMMON TERMS AND* DEFINITIONS

4.1. ***Quality Improvement Initiative (QII).*** *The purpose of a QII is to improve processes internal to the organization and may include improvements in clinical administrative processes, program related issues or new methods in accomplishing outcomes of the program such as cycle time, effectiveness, efficiency, reporting tools, related processes between departments affecting desired outcomes, etc. Common tools for improvements in processes may include various methods that include core elements such as baseline data, interventions/actions, re-measurement, monitoring and follow-up. Process improvements shall be appropriately documented to demonstrate purpose of improvement, baseline measure(s), actions/interventions, re-measurement(s) and outcomes.*

4.2. ***Quality Improvement Project (QIP).*** *A QIP is a set of related activities designed to achieve measurable improvement in processes and outcomes of care. Improvements are achieved through interventions that target health care providers, practitioners, plans, and/or beneficiaries. QIPs may address administrative processes, beneficiary health, error reduction or safety improvement, beneficiary functional status, beneficiary or provider satisfaction, program related issues or to serve as a valid proxy for high-volume or high-risk issues. They may result after being identified from a CQS as an opportunity for improvement. QIPs should be structured with appropriate elements such as clearly defined sample sizes and inclusions/exclusion criteria. They shall be appropriately operationalized, meaning appropriate scientific methodology and rigor should be applied such as using written research questions and statistically significant analysis as applicable. Lastly, QIPs shall be appropriately documented by including the common elements of a QIP:*

- *Common Elements of a QIP:*
  - *Description and purpose of topic*
  - *Description of the population*
  - *Rationale for selection of the QIP*
  - *Description of methodology used*

- *Baseline data*
- *Description of data collection*
- *Goals and time frames*
- *Action Plan/Interventions*
- *Periodic Re-measurements and outcomes*

4.3. ***Clinical Quality Study (CQS).*** *An assessment conducted of a patient care problem for the purpose of improving patient care through peer analysis, intervention, resolution of the problem, and follow-up. A CQS should be appropriately operationalized, meaning appropriate scientific methodology and rigor should be applied such as using written research questions and statistical significant analysis as applicable. Typically these do not require evidence-based interventions, multiple measurement cycles, or sophisticated statistical analysis.*

- *Common elements of CQS:*
  - *Description of CQS and purpose of topic*
  - *Rationale for the selection of the CQS*
  - *Define the study question*
  - *Description of methodology used*
  - *Select the indicators/measures*
  - *Description of data collection*
  - *Description of the population and sampling techniques (if applicable)*
  - *Report of findings to include a definition of the study, description of data collection, statement of hypothesis, analytic methods and population employed, data analysis and interpretation*
  - *Plan for follow-up of the CQS to include interventions and measurements as applicable*

4.4. ***Potential Quality Issue (PQI).*** *A clinical or system variance warranting further review and investigation for determination of the presence of an actual QI.*

4.5. ***Quality Issue (QI).*** *A verified deviation from acceptable standards of practice or standards of care as a result of some process, individual, or institutional component of the health care system.*

5.0. CQMP STRUCTURAL AND FUNCTIONAL REQUIREMENTS

5.1. The contractor shall *allow their respective TRO and DPPO clinical staff active participation in their CQMP and non-voting membership in their* region level Quality Management Committees. The contractor shall develop and implement written policies and procedures to identify *PQIs*, steps to resolve identified problems, *suggest* interventions to resolve problems, and provide ongoing monitoring of all components of the contractor's operations and the care and treatment of TRICARE beneficiaries.

5.2. *Using the most current National Quality Forum (NQF) Serious Reportable Events (SREs) and Agency for Healthcare Research and Quality (AHRQ) Patient Safety Indicators, the contractor shall identify, track, trend, and report interventions to resolve the PQIs and QIs. Additionally, the contractor shall report potential SREs to the TRO or DPPO within two business days from when the contractor becomes aware of the event. The report shall include the beneficiary's name, last four digits of sponsor's Social Security Number (SSN), beneficiary date of birth, enrollment status, brief summary of the event, location of event, and any contractor actions taken to date. The contractor shall*

report by a secure means, closure of the reported SRE within two business days to include closure date and summary of actions taken.

6.0. PATIENT SAFETY OR QUALITY ISSUE *(QI)* IDENTIFICATION

The contractor shall apply medical judgment*, evidence based medicine, best medical practice* and follow the TRICARE criteria *as set forth in paragraphs 5.0. and 5.1.* for the identification, evaluation and reporting of all PQIs and confirmed QIs. *The contractor shall assess every medical record reviewed for any purpose and any care managed/observed/monitored on an ongoing basis for PQIs.*

6.1. Quality Intervention

The contractor shall implement appropriate quality interventions *using evidence based medicine/guidelines and best medical practices* to reduce the number of *QIs* and improve patient safety. When the contractor confirms a *QI*, the determination shall include assignment of an appropriate severity level and*/or sentinel event, and* describe the actions taken to resolve the quality problem. *For Quality Intervention Reporting, see Chapter 15, Section 3, paragraph 17.0.*

6.2. Definitions

6.2.1. PQI. *A* clinical or system variance warranting further review and investigation for determination of the presence of an Actual *QI*.

6.2.2. No QI. Following investigation there is *no QI* finding.

6.2.3. ***QI.*** *A* verified deviation from acceptable standard of practice or standard of care as a result of some process, individual, or institutional component of the health care system.

- **Severity Level 1 -** *QI* is present with minimal potential for significant adverse effects on the patient.
- **Severity Level 2 -** *QI* is present with the potential for significant adverse effects on the patient.
- **Severity Level 3 -** *QI* is present with significant adverse effects on the patient.
- **Severity Level 4 -** *QI* with the most severe adverse effect and warrants exhaustive review.
- **Sentinel Event* -** A sentinel event is an unexpected occurrence involving death or serious physical or psychological injury, or the risk thereof. Serious injury specifically includes loss of limb or function. The phrase "or the risk thereof" includes any process variation for which a recurrence would carry a significant chance of a serious adverse outcome.

* ***Joint Commission definition of Sentinel Event***

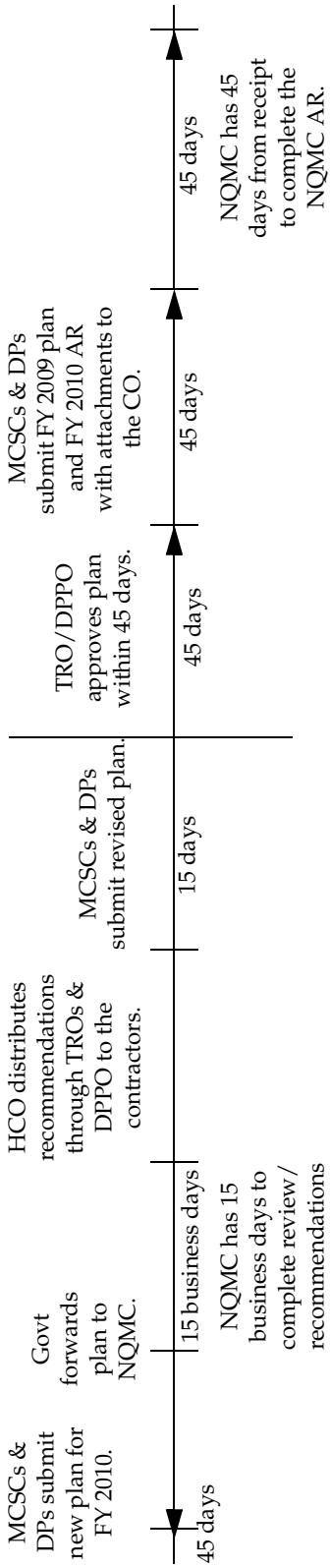
7.0. *NQMC EVALUATION AND ANNUAL REPORT*

The NQMC has 45 days from the date of receipt of the contractor's CQMP AR to evaluate each report and identify patterns and trends. The NQMC will provide their findings to the Government in the NQMC AR. The NQMC's AR will include summaries of the annual reports for the current fiscal year submitted by the MCSCs and DPs. In addition, it will include summaries of all NQMC focus studies, previously submitted semi-annual reports, clinical outcome measures, and other relevant information as applicable to assist in determining the overall quality of care delivered in the Military Health System (MHS).

8.0. *AGENCY FOR HEALTHCARE RESEARCH AND QUALITY (AHRQ) PATIENT SAFETY INDICATORS*

Annually, the contractor shall utilize the current patient safety indicator software, provider level, available from the AHRQ, to evaluate the safety of care delivered in the network. The software is designed for use with administrative data sets and will not require manual chart abstraction. The contractor shall run the appropriate data for all of the patient safety indicators and use the analysis of the results to identify PQIs and patient safety issues for individual providers, groups or facilities. Analysis will also be used to provide focus for specific patient safety interventions and/or study activity that will be implemented at the direction of the contractor.

FIGURE 7-4-1 TIMELINE FOR ANNUAL CQMP PLAN AND CQMP REPORT



CHAPTER 15

AUDITS, INSPECTIONS, AND REPORTS

SECTION	SUBJECT
1	**AUDITS AND INSPECTIONS** 1.0. General 2.0. Contract Performance Reviews 3.0. Renegotiation Audits
2	**WEEKLY REPORTS TO TMA** 1.0. Incoming Contractor Weekly Status Report 2.0. Outgoing Contractor Weekly Status Reporting 3.0. Enrollment And Claims Processing Statistics Report 4.0. TRICARE Dual Eligible FI Contract Claims Processing Statistics Report 5.0. Claims Aging Report By Status/Location
3	**MONTHLY REPORTS** 1.0. Network Adequacy Report 2.0. Network Inadequacy Report 3.0. Network Status Report 4.0. Implementation Of Enrollment plan Report 5.0. Monthly Referral Report 6.0. Resource Sharing Reporting and Certification 7.0. Medical Management Report 8.0. Quality Management Activity Report 9.0. Beneficiary Services And Access Reports 10.0. Education Presentation Report 11.0. Toll-Free Telephone Report 12.0. Customer Satisfaction Report 13.0. Productivity Report 14.0. Debt Collection Assistance Officer Program Collection Report 15.0. Financial Reports 16.0. Clinical Support Agreement Report 17.0. *Quality Intervention Report* 18.0. *Contractor Records Accountability Report*
4	**MONTHLY WORKLOAD AND CYCLETIME REPORTS** 1.0. Instructions 2.0. TRICARE Contractor Monthly Cycle Time/Aging Report Instructions
5	**QUARTERLY REPORTS** 1.0. Fraud And Abuse Reports 2.0. Congressional/HBA Visit Report 3.0. Utilization Management Reporting 4.0. Providers and Beneficiaries on Prepayment Review Report 5.0. Health Care Finder Report

SECTION	SUBJECT
6	**ANNUAL REPORTS** 1.0. Clinical Quality Management *Program* Annual Report *(CQMP AR)* 2.0. Fraud Prevention Savings Report
7	**SPECIAL REPORTS** 1.0. General 2.0. Reports To MTF Commanders
ADDENDUM A	**FIGURES** FIGURE 15-A-1 TRICARE Contractor Monthly Workload Report - Network/ Non-Network/Medicare BRAC, TMA Form 742 FIGURE 15-A-2 TRICARE Contractor Monthly Cycle Time/Aging Report - Network/Non-Network/Medicare BRAC, TMA Form 743

16.2. For all active Task Orders issued by the Contracting Officer, the contractor shall also provide the following:

- The number of Clinical Support Agreement personnel by task order and by specialty or personnel type working in each MTF;
- The number of hours worked by Clinical Support Agreement personnel, by Task Order, and by specialty or personnel type for each MTF;
- The types and numbers of services provided for each Task Order, i.e., the number of visits, treatments, procedures, tests, etc.;
- The total salaries, compensation, and expenses paid by the contractor in support of the services provided for each Task Order.
- Total reimbursement expected from the Government for services rendered through each task order during the reporting period.

17.0. *QUALITY INTERVENTION REPORT*

Monthly, the contractor shall submit via the E-commerce Extranet (https://tma-ecomextranet.ha.osd.mil) a Quality Intervention Report to the TRICARE Regional Office (TRO) or Designated Provider Program Office (DPPO) documenting all potential and confirmed Quality Issues (QIs). Severity Levels/Sentinel Events will be assigned as identified in Chapter 7, Section 4, paragraph 6.2.3. All Potential Quality Issue (PQI) outcomes shall be reported including the determination of "No QI" (see Chapter 7, Section 4, paragraph 6.1.). The report shall include the following data fields:

CASE NUMBER	PQI/ GRIEVANCE	SOURCE	PRIME SERVICE AREA	EVENT(S)/ INDICATOR(S)	SEVERITY LEVEL/SE/ NO QI	CORRECTIVE ACTION ACTIVITY	FOLLOW-UP ACTION	REPORT TO CQM COMMITTEE

18.0. *CONTRACTOR RECORDS ACCOUNTABILITY REPORT*

By the 10th of the month following the month being reports the Managed Care Support Contractors (MCSCs), Designated Providers (DPs), and the TRICARE Dual Eligible Fiscal Intermediary Contractor (TDEFIC) shall submit a monthly Contractor Records Accountability Report via the https://tma-ecomextranet.ha.osd.mil. The report shall account for 100% of the requested individual records including follow-up actions and interventions for those records not submitted (see Chapter 7, Section 3, paragraph 2.0.).

ANNUAL REPORTS

The contractor shall submit the following management reports in magnetic medium or a disc. These reports shall contain information about contractor performance, plans, and problems in administering the contract. These reports shall require separate breakouts of data for network and non-network providers; TRICARE Prime, TRICARE Extra, and TRICARE Standard; and Prime Service *Areas (PSAs)* and non-*PSAs*. The format for these reports shall be agreed upon by the Contracting Officer *(CO)*, Regional Director *(RD)*, and the contractor. Copies of the reports are either furnished to or through the *RD*.

1.0. CLINICAL QUALITY MANAGEMENT *PROGRAM* ANNUAL REPORT *(CQMP AR)*

1.1. *Annually, within 45 calendar days following the beginning of the fiscal year, the contractor shall provide the CQMP AR to the CO. Attached to the report shall be a copy of the Annual Plan and include the status of active Quality Improvement Initiatives (QIIs), Quality Improvement Projects (QIPs), and Clinical Quality Studies (CQSs), and the contractor's most recent National Accreditations letter(s) indicating accreditation status (if accreditation is required). The Government will provide these documents to NQMC for evaluation. See Chapter 7, Section 4, Figure 7-4-1, for timeline.*

1.2. *The format and content of the CQMP AR shall address:*

- *Table of Contents*
- *Executive Summary*
- *Clinical Quality Program Report*
  - *Outcomes of Quality Improvement Initiatives (QIIs), Quality Improvement Projects (QIPs), and Clinical Quality Studies (CQSs)*
    - *Contractors will report on QIIs/QIPs/CQSs selected from the following areas:*
      - *Beneficiary Health, Error Reduction or Safety*
      - *Beneficiary Functional Status*
      - *Beneficiary Satisfaction*
      - *Provider Satisfaction (if applicable)*
      - *Clinical Administrative Processes or Program Related Issues*
    - *CQS and/or QIP will be submitted as an attachment in the contractor's national accreditation format*
    - *Outcomes of Patient Safety/Quality Programs such as, but not limited to:*
      - *Effect on reduction of medical errors*
      - *Effect on increasing patient safety*
      - *Effect on health promotion and disease and/or injury prevention*
      - *Provider and beneficiary educational activities initiated as a result of findings*

- *Annual analysis of all potential QIs and all confirmed QIs stratified by event/ indicator and severity levels/sentinel events including actions taken and improvements as a result of the findings*
- *Annual analysis of all grievances (beneficiary, provider, etc.) stratified by category including actions taken and improvements as a result of the findings*
- *Annual analysis of the Agency for Healthcare Research and Quality (AHRQ) Patient Safety Indicator screening, interventions and outcomes*
- *Annual analysis report of mortality in low-risk Diagnosis Related Groups (DRGs), interventions and outcomes*
- *Assessment of the measurable goals and thresholds for the Internal Monitoring and Improvement of the CQMP Plan and the CQMP*

- *Measurable goals and recommendations for revisions to the CQMP Plan based on the year end outcomes.*

2.0. FRAUD PREVENTION SAVINGS REPORT

At least annually, the contractor shall report to the TMA Program Integrity Office the potential dollar amounts saved as a result of the activities/intervention of the anti-fraud/ investigative units (e.g., disallowed services that otherwise would have been paid if the provider suspected of billing the program inappropriately had not been placed on prepayment review).