

## Transition

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### 1.0 CONTRACT TRANSITION-IN

#### 1.1 Start-Up 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 (NLT) 10 calendar days following contract 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 contractor shall submit to the TRICARE Management Activity (TMA) a revised start-up plan for approval which incorporates the results of the Transition Specifications and Interface meetings. The final start-up plan will be incorporated into the contract at no cost to the Government.

#### 1.2 Transitions Specifications Meetings

The incoming and outgoing contractors shall attend a two to four day meeting with TMA at the TMA office 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. TMA 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 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 Eligibility Enrollment System (DEERS), the Medicare Coordination of Benefits Contractor (COBC), Military Health System (MHS) Information Assurance (IA) Certification and Accreditation Team, and TMA **Beneficiary Education and Support Division (BE&SD)**. TMA representatives shall be included in these meetings and all plans developed shall be submitted to the TMA 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 this contract, the non-claims processing systems and the telecommunications interconnections between these systems shall be reviewed by the TMA or its designees, to include a demonstration by the

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 TMA and DEERS. All systems and telecommunications necessary to perform benchmarking testing must be operational at the start of benchmark testing, as outlined in [paragraph 3.0](#). The review will also confirm that the hardware, software, and communications links required for operating the automated TRICARE Duplicate Claims System (DCS) have been installed and are ready for TMA installation of the DCS application software (see [Chapter 9](#)). This review is in addition to Benchmark testing. The contractor shall effect any modifications required by TMA prior to the initiation of services delivery under this contract.

## **2.2 Medicare Crossover Claims**

NLT 60 calendar days prior to the start of the service delivery in any region, the contractor shall have an established contract with the COBC for receipt of TRICARE crossover claims for all dual eligible beneficiaries for implementation when the outgoing contractor terminates claims processing. NLT 60 days prior to the start of services delivery, the contractor shall demonstrate to TMA successful receipt and testing of electronic claims batches from the COBC for accurate processing of 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 in any region, the contractor shall have executed a Memorandum of Understanding (MOU) with all TRICARE MCSCs. The MOU shall include, but not limited to provider file update coordination, beneficiary history transfers, customer service coordination and marketing/education coordination. The contractor shall provide two copies of each executed MOU to the PCO and the COR within 10 calendar days following the execution of the MOU.

**2.2.2** MOU With Communications and Customer Service Directorate. Within 60 calendar days of contract award, the contractor shall meet with and establish a MOU with the TMA Communications and Customer Service Directorate. The MOU shall include, but not limited to, the review and approval process for education materials, the identification of desired education materials required by either TMA or the contractor, 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 between TMA/BE&SD and the contractor. The content of the MOU will be coordinated with the Contracting Officer (CO) and the COR.

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

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

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

**2.3.1.1** The 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 (NLT) 30 calendar days following receipt of the files from the outgoing MCSC and incoming MCSC(s). All ADP file conversions shall be fully tested and operational for the Benchmark (see [paragraph 3.0](#)). Integration testing will be conducted to validate the contractor's internal

interfaces to each of the TRICARE MHS Systems. This testing will verify the contractor's system integration, functionality, and implementation process. The incoming contractor shall be responsible for the preparation and completion of Integration Testing prior to the start of Benchmark Testing.

**2.3.1.2** TMA Test Managers will work with the contractor to plan, execute and evaluate the Integration Testing efforts. The contractor shall identify a primary and a back-up Testing Coordinator to work with the TMA Test Managers. The 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 contractor Test Coordinators to report and track issues and problems identified during integration testing.

### **2.3.2 Receipt Of Outgoing MCSC'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 contractor have been processed, the contractor shall convert the weekly shipments of the beneficiary history and deductible file updates from the outgoing contractor(s) within two work days following receipt. These files shall be validated by the incoming 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 contractor shall be resolved with the outgoing contractor and the TMA 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 contractor and the outgoing 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.

### **2.3.3 Installation And Operation Of The DCS**

The contractor shall have purchased, installed, configured, and connected the personal computers and printers required to operate the DCS NLT 60 days prior to the start of the services delivery. See [Chapter 9](#), for hardware, software, printer, configuration and communications requirements and contractor installation responsibilities. Approximately 30-45 days prior to services delivery, TMA will provide and install the DCS application software on the contractor designated personal computers and provide on-site training for users of the DCS in accordance with [Chapter 9](#). 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 [Chapter 9](#) and the transition plan requirements.

## **2.4 Contractor Weekly Status Reporting**

The contractor shall submit a weekly status report of phase-in and operational activities and inventories to TMA beginning the 20th calendar day following "Notice of Award" by TMA 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 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 the TMA BE&SD for approval NLT 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 INSTRUCTIONS FOR BENCHMARK TESTING**

### **3.1 General**

**3.1.1** Prior to the start of services delivery, the contractor shall demonstrate the ability of its staff and its automated eligibility checking, and claims processing systems to accurately process TRICARE claims in accordance with current requirements, including receipt and processing of Medicare cross-over claims. This will be accomplished through a comprehensive Benchmark Test. The Benchmark Test is administered by the contractor under the oversight of TMA and must be completed NLT 60 days prior to the start of services delivery under this contract.

**3.1.2** A benchmark shall consist of up to 1,000 claims, testing a multitude of claim conditions, including TRICARE covered and non-covered services, certified and non-certified providers, eligible and non-eligible beneficiaries. This benchmark may require up to 17 consecutive calendar days at the contractor's site.

**3.1.3** A benchmark test is comprised of one or more cycles or batches of claims. When more than one cycle is used, each cycle may be submitted on consecutive days. Each cycle after the initial one will include new test claims, as well as claims not completed during preceding cycles. All aspects of claims processing may be tested, e.g., receiving and sending electronic transactions, provider file development and maintenance including interface with the National Provider System when implemented, screening, coding, data entry, editing, pricing, data management, data linking, record building, access control, etc.

**3.1.4** The contractor shall demonstrate its ability to conduct eligibility checking, and claims processing functions to include: claims control and development, accessing and updating DEERS for eligibility status, calculating cost-shares and deductibles, querying and updating internal and external family and patient deductible and cost-share files on the Catastrophic Cap and Deductible Database (CCDD), submitting and modifying provider and pricing records, applying allowable charge parameters, performing duplicate checking, applying prepayment utilization review criteria, adjusting previously processed claims, demonstrating recoupment and offset procedures

and producing the required output for paper and electronic transactions [Explanations of Benefits (EOBs), summary vouchers, payment records, checks, and management reports]. Clerical functions will be evaluated including correctly coding diagnoses, medical and surgical procedures and accurately resolving edit exceptions. The benchmark test may include testing of any and all systems (internal and external) used by the contractor to process claims. In addition to testing claims processing records, the benchmark will test generation and acceptance of TRICARE Encounter Data (TED) records for every test claim. Contractor compliance with applicable **Health Insurance Portability and Accountability Act (HIPAA)** of 1996 requirements and all applicable security requirements will be included in benchmark tests as appropriate.

**3.1.5** The contractor shall be required to create test claims, including referrals and authorizations from test scenarios provided to the incoming contractor by TMA. The contractor shall supplement these test scenarios with any internal conditions they feel appropriate for testing to ensure a minimum of 1,000 claims are tested. Under certain circumstances, however, this number may be reduced at the discretion of the PCO.

**3.1.6** A benchmark test of a current contractor's system may be administered at any time by TMA upon instructions by the PCO. All contractor costs incurred to comply with the performance of the Benchmark test are the responsibility of the contractor.

### **3.2 Conducting The Benchmark**

**3.2.1** At the time of the scheduled benchmark test a TMA Benchmark Team comprised of up to 12 people will arrive at the contractor's work site to monitor the testing and assist the contractor in the evaluation of the benchmark test results.

**3.2.2** The amount of time a contractor shall have to process the benchmark test claims and provide all of the output (excluding TED) to the benchmark team for evaluation will vary depending on the scope of the benchmark and volume of claims being tested. As a guide, the following table is provided for contractor planning purposes.

| NUMBER OF BENCHMARK CLAIMS/SCENARIOS | NUMBER OF DAYS TO COMPLETE PROCESSING |
|--------------------------------------|---------------------------------------|
| UP TO 100                            | 1-2                                   |
| UP TO 500                            | 2-4                                   |
| UP TO 1000                           | 4-7                                   |

**3.2.3** The contractor will be informed at the pre-benchmark meeting (see [paragraph 3.3.1](#)) of the exact number of days to be allotted for processing the benchmark claims and test scenarios and providing all of the output (excluding TED) to the Benchmark Team for evaluation.

**3.2.4** The benchmark team will provide answers to all contractors written and telephonic development questions related to the test scenarios provided by TMA and will evaluate the contractor's output against the benchmark test conditions.

**3.2.5** The benchmark team will require a conference room that can be locked with table(s) large enough to accommodate up to 12 people. The conference room must also be equipped with two telephones with access to internal and outside telephone lines.

**3.2.6** The contractor shall provide up-to-date copies of the TRICARE Operations Manual (TOM), TRICARE Systems Manual (TSM), TRICARE Policy Manual (TPM), and TRICARE Reimbursement Manual (TRM), a complete set of current International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM) diagnostic coding manuals for dates of service prior to International Classification of Diseases, 10th Revision (ICD-10) implementation, or a complete set of the current International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) diagnostic coding manual and International Classification of Diseases, 10th Revision, Procedure Classification System (ICD-10-PCS) procedure coding manual for dates of service on or after the date specified by the Centers for Medicare and Medicaid Services (CMS) in the Final Rule as published in the **Federal Register**, the currently approved Healthcare Common Procedure Coding System (HCPCS) and Current Procedural Terminology, 4th Edition (CPT-4) procedural coding manual, in either hard copy or electronic versions. The contractor shall also provide Transaction Guides for all HIPAA transactions used by the contractor for claims adjudication, as well as any applicable supporting references to the Transaction Guides (e.g., HIPAA Health Care Provider Taxonomy, Claims Adjustment Reason Codes, etc.) explanations of the contractor's EOB message codes, edits, and denial reason codes, and any overlays required to evaluate EOBs, checks, or summary vouchers.

**3.2.7** The contractor shall provide an appropriate printer and a minimum of three computer terminals in the conference room with on-line access to all internal and external systems used to process the benchmark test claims to include, but not limited to: TRICARE Encounter Provider (TEPRVs) files, contractor pricing files; DEERS; CCDD files; and any other files used in processing claims. The contractor's requirements for issuing system passwords for members of the Benchmark Team will be discussed at the pre-benchmark meeting.

**3.2.8** The contractor shall provide an organizational chart and personnel directory including telephone numbers. A listing of the contractor's staff involved in performing the benchmark by function (e.g., data entry, development, medical review, etc.) is also required. Claims flow/decision diagrams will be provided to the COR prior to the benchmark test.

### 3.3 Procedures

**3.3.1** Approximately 60 calendar days following award to the contractor, representatives from TMA will meet with the contractor's staff to provide an overview of the benchmark test process, receive an overview of the claims processing system, collect data for use in the benchmark, and discuss the dates of the test and information regarding the administration of the benchmark test. At this time, TMA shall provide the test scenarios to the contractor that are to be used in the development of their test claims.

**Note:** At TMA's discretion, the test must be completed NLT 120 calendar days prior to the start of services delivery to allow time to make any needed corrections. The pre-benchmark meeting will be conducted at the contractor's claims processing site. Data requirements will be coordinated at the pre-benchmark meeting to ensure that the contractor adequately prepares all files prior to the benchmark. Electronic transaction requirements shall be discussed to include timing and logistics.

**3.3.2** On the first day of the benchmark test, a brief entrance conference will be held with contractor personnel to discuss the schedule of events, expectations and administrative instructions.

**3.3.3** During the Benchmark Test the contractor shall process the claims and provide TMA with all input documentation, including hardcopy printouts of electronic crossover files and all output, including EOBs, summary vouchers, suspense reports, checks, claims histories, etc. Paper checks and EOBs may be printed on plain paper, with EOB and check overlays. Electronic output is required for electronic transactions.

**3.3.4** The contractor shall provide output for evaluation by TMA and contractor personnel as the claims are processed to completion. The specific schedule for claims processing and the procedures for providing the output to the benchmark team will be discussed with the contractor at the pre-benchmark meeting.

**3.3.5** TMA and contractor personnel will jointly compare the benchmark test claim output against the benchmark test conditions for each claim processed during the test and provide the findings to contractor personnel. All appropriate contractor and benchmark team personnel shall be present to answer any questions raised.

**3.3.6** At the conclusion of the benchmark test, an exit conference may be held with the contractor staff to brief the contractor on all findings identified during the benchmark. The contractor shall correct all findings identified in the benchmark NLT 45 days from the date of the initial report. A draft report of the initial test results will be left with the contractor for review. The initial Benchmark Test Report will be forwarded to the contractor by TMA within 45 calendar days of the last day of the test. For any claims processing errors assessed with which the contractor disagrees; a written description of the disagreement along with any specific references must be included with the claims.

**3.3.7** The contractor shall prepare and submit the initial TED submission to the TMA for evaluation. The TED for each benchmark claim shall be prepared and submitted within two calendar days from the processed date. The contractor shall be notified of any TED failing the TMA edits. The contractor shall make the necessary corrections and resubmit the TED until 100% of the original benchmark test TED have passed the edits and are accepted by TMA.

**3.3.8** The contractor has 45 calendar days from the date of the initial benchmark test report to submit the final corrected TED to TMA. New TED need not be generated to reflect changes created from claims processing corrections, however, all TED originally submitted for the benchmark test claims which did not pass the TMA edits must continue to be corrected and resubmitted until all edit errors have been resolved and 100% of the TED have been accepted by TMA.

### **3.4 Operational Aspects**

**3.4.1** The benchmark test may be conducted on the contractor's production system or an identical copy of the production system (test system). Whichever system is used for the benchmark, it must meet all TRICARE requirements and contain all the system interconnections and features proposed for the production system in the contractor's proposal. When the benchmark test is conducted on the contractor's production system, the contractor shall prevent checks and EOBs from being mailed to the beneficiaries and providers, and prevent production TED from being generated and sent to TMA.

**3.4.2** Certain external test systems and files (e.g., DEERS) are an integral component of the benchmark test and the contractor is expected to perform all necessary verifications, queries, etc., according to TRICARE procedures and policy. The contractor shall coordinate through the TMA, Contract Operations Division, and the TMA ADP contractor to ensure that direct interface with any required external test systems (i.e., DEERS) is established and operational prior to the benchmark test.

## **4.0 CONTRACT TRANSITION-OUT**

### **4.1 Transitions Specifications Meeting**

The outgoing contractor shall attend a meeting with representatives of the incoming contractor and TMA at the TMA office in Aurora, Colorado, within 15 calendar days following contract award. This meeting is for the purpose of developing a schedule of phase-out/phase-in activities. TMA 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.

### **4.2 Data**

The outgoing contractor shall provide to TMA (or, at the option of TMA, to a successor contractor) such information as TMA shall require to facilitate transitions from the 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 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 contractor.

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

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

#### **4.3.1 Provide Information**

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

#### **4.3.2 Transfer Of Electronic File Specifications**

- The outgoing contractor shall transfer to the incoming contractor by express mail or similar overnight delivery service, NLT 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 TEPRV Files
- The Beneficiary History and Deductible Files (including eligibility files, if applicable)
- Mental Health Provider Files - The outgoing contractor must assure that the incoming 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.

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

The outgoing contractor shall prepare in electronic format and transfer to the incoming contractor or TMA, by the 15th calendar day following the Transition Specifications meeting unless, otherwise negotiated by the incoming and outgoing 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 will continue to participate in preparation and testing of these files until they are fully readable by the incoming contractor or TMA.

#### **4.3.4 Outgoing Contractor Weekly Shipment Of History Updates**

The outgoing contractor shall transfer to the incoming 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 contractor) in accordance with the specifications in the official transition schedule. See dual operations in [paragraph 2.3.2](#).

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

The outgoing contractor shall transfer to the incoming contractor all non-ADP files (e.g., Congressional and TMA 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 2](#). The contractor shall provide samples, formats and descriptions of these files to the incoming contractor at the Transition Specification Meeting.

#### **4.3.6 EOB Record Data Retention And Transmittal**

If the contractor elects to retain the EOB data on a computer record, it must, in the event of a transition to another 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 TMA. TMA shall be the final authority in determining the form and/or acceptability of the data and/or microcopies.

#### **4.3.7 Outgoing Contractor Weekly Status Reporting**

Until all inventories have been processed, the outgoing contractor shall submit a weekly status report of inventories and phase-out activities to TMA 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.

#### **4.4 Final Processing Of Outgoing Contractor**

The outgoing 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/grievance 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.

##### **4.4.1 Correction Of Edit Rejects**

The outgoing contractor shall retain sufficient resources to ensure correction (and reprocessing through TMA) of all TED record edit errors NLT 210 calendar days following the start of the incoming contractor's services delivery.

##### **4.4.2 Cost Accounting**

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

**4.4.3 Records Disposition**

The outgoing contractor shall comply with the provisions of [Chapter 2](#), in final disposition of all files and documentation. The contractor shall include a records disposition plan as part of the phase-out plan submitted to TMA at the Transition Specifications Meeting.

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