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TRICARE  
MANAGEMENT ACTIVITY

OD

CHANGE 92  
6010.56-M  
JANUARY 14, 2013

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL  
FOR  
TRICARE OPERATIONS MANUAL (TOM), FEBRUARY 2008**

The TRICARE Management Activity has authorized the following addition(s)/revision(s).

**CHANGE TITLE:** DEPARTMENT OF DEFENSE (DoD) TRICARE DEMONSTRATION PROJECT FOR PHILIPPINES

**CONREQ:** 16319

**PAGE CHANGE(S):** See page 2.

**SUMMARY OF CHANGE(S):** This change allows more flexibility for the TRICARE Overseas Program (TOP) contractor, International SOS, when recruiting providers to participate in the Philippine Demonstration by removing the following language from Chapter 18, Section 12, Paragraph 3.1 "after receipt of TOP Explanation of Benefits."

**EFFECTIVE DATE:** January 1, 2013.

**IMPLEMENTATION DATE:** Upon direction of the Contracting Officer.

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**John L. Arendale**  
**Director, Operations Division**

**ATTACHMENT(S):** 2 PAGES  
**DISTRIBUTION:** 6010.56-M

**CHANGE 92**  
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**JANUARY 14, 2013**

**REMOVE PAGE(S)**

**CHAPTER 18**

Section 12, pages 1 and 2

**INSERT PAGE(S)**

Section 12, pages 1 and 2

## Department Of Defense (DoD) TRICARE Demonstration Project for the Philippines

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### 1.0 PURPOSE

This demonstration will allow the DoD to determine the efficacy and acceptability of an alternative approach to the delivery of health care in the Philippines. The DoD TRICARE Demonstration Project for the Philippines (hereinafter referred to as the demonstration) will enable DoD to determine whether it is possible to control costs, reduce aberrant billing activity, and eliminate balance billing issues while providing high quality, safe health care to TRICARE Standard beneficiaries residing in the Philippines and receiving care in designated demonstration area(s). This will be accomplished by the establishment of a dedicated list of providers who agree to comply with certain requirements and business processes as outlined below.

### 2.0 BACKGROUND

Although the number of TRICARE beneficiaries residing in the Philippines has remained relatively constant over time, there has been a significant increase in the amount billed for health care services. Administrative controls and the implementation of a government-directed foreign fee schedule have been only partially successful in containing costs. Additionally, certain billing practices in the Philippines have resulted in beneficiary dissatisfaction and excessive out-of-pocket expenses due to balance billing. Beneficiaries in the Philippines are frequently required to pay the provider or facility at the time services are rendered, and file their own claims for reimbursement. Since TRICARE reimburses these claims based on the fee schedule, a beneficiary may incur excessive out-of-pocket expenses (in addition to their normal cost shares and deductibles) if the billed charges exceed the fee schedule amount.

### 3.0 DEFINITIONS

#### 3.1 Approved (Demonstration) Provider

A provider who agrees to accept TRICARE reimbursement at the lesser of billed charges, a negotiated reimbursement rate, or the government-directed foreign fee schedule as payment in full; agrees to submit claims to the TRICARE Overseas Program (TOP) contractor on behalf of TRICARE beneficiaries; and agrees to collect only applicable cost-shares and deductibles **from beneficiaries for all TRICARE-covered services**. In addition, all approved demonstration providers must comply with the on-site verification and provider certification process described in [Chapter 24, Section 14](#) and the certification and credentialing requirements outlined in [Chapter 24, Section 4; 32 CFR 199.6](#); and the TRICARE Policy Manual (TPM), [Chapter 11](#).

### **3.2 Approved Provider List**

A list of all approved demonstration providers maintained by the TOP contractor (see [paragraph 3.1](#) for specific requirements for approved providers). If a specialty waiver has been granted in accordance with the process outlined in [paragraph 4.9](#), the approved provider list must be annotated with this information so that beneficiaries understand their options when seeking care in demonstration area(s).

### **3.3 Certified (Philippines) Provider**

A provider who meets the on-site verification and provider certification requirements outlined in [Chapter 24, Section 14](#), but who has not agreed to the additional conditions required for approved demonstration providers. For example, a certified provider in the Philippines may require a TRICARE beneficiary to pay up-front for services and file their own claim for reimbursement.

### **3.4 Non-Approved (Demonstration) Provider**

Any provider in the Philippines who is not recognized as an approved demonstration provider and is not listed on the TOP contractor's approved provider list. This includes any certified Philippine providers (as defined in [Chapter 24, Section 14](#)) in demonstration locations who are not listed on the approved provider list.

## **4.0 POLICY**

**4.1** This demonstration is applicable to all TRICARE Standard beneficiaries who reside in the Philippines and receive care in designated demonstration area(s). The demonstration is also applicable to beneficiaries who are receiving the TRICARE Standard benefit under TOP TRICARE For Life (TFL), TRICARE Retired Reserve (TRR), TRICARE Reserve Select (TRS), or TRICARE Young Adult (TYA) (Standard option) programs, who reside in the Philippines.

**4.2** For demonstration purposes, beneficiary residence will be determined by the address listed on the claim. This rule applies regardless of the residence address listed in Defense Enrollment Eligibility Reporting System (DEERS).

**4.3** Demonstration area(s) will be determined by TRICARE Management Activity (TMA) and will be publicized at least 60 calendar days in advance of the effective date for each location. TMA anticipates using a phased approach to implement the demonstration in multiple locations.

**4.4** TRICARE Standard beneficiaries who reside in the Philippines, in accordance with [paragraph 4.2](#), and receive care in designated demonstration area(s) must receive all care from approved demonstration providers, unless a specific waiver has been granted (see [paragraphs 4.8](#) and [4.9](#)). If these beneficiaries receive care from a non-approved demonstration provider without a waiver, TRICARE will not cost-share the claim and the beneficiary will be responsible for 100% of the charges. Normal TRICARE cost-shares and deductibles apply to care rendered to eligible beneficiaries by approved providers under the terms of the demonstration. Additionally, when a beneficiary receives care from an approved provider in a designated demonstration area, the provider will file the claim on the beneficiary's behalf, and the provider will collect only applicable cost shares and deductibles after receipt of the TOP EOB. The beneficiary will be held harmless for