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TRICARE
MANAGEMENT ACTIVITY

MB&RB

**CHANGE 145
6010.54-M
AUGUST 22, 2011**

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL
FOR
TRICARE POLICY MANUAL (TPM), AUGUST 2002**

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

CHANGE TITLE: INSTITUTIONAL PROVIDER, INDIVIDUAL PROVIDER, AND OTHER
NON-INSTITUTIONAL PROVIDER

CONREQ: 15362

PAGE CHANGE(S): See page 2.

SUMMARY OF CHANGE(S): This change adds paragraph III.C. to clarify the interpretation of Medicare participating for preferred network providers.

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

**Ann N. Fazzini
Chief, Medical Benefits and
Reimbursement Branch**

**ATTACHMENT(S): 2 PAGE(S)
DISTRIBUTION: 6010.54-M**

CHANGE 145
6010.54-M
AUGUST 22, 2011

REMOVE PAGE(S)

CHAPTER 11

Section 1.2, pages 1 and 2

INSERT PAGE(S)

Section 1.2, pages 1 and 2

INSTITUTIONAL PROVIDER, INDIVIDUAL PROVIDER, AND OTHER NON-INSTITUTIONAL PROVIDER PARTICIPATION

ISSUE DATE:

AUTHORITY: [32 CFR 199.6](#); Section 707-NDAA 02

I. DESCRIPTION

Institutional providers (U.S.C., Section 1079(j) of Title 10), in order to be authorized providers under TRICARE must be participating providers. Individual and other non-institutional providers, that are not participating providers, may elect to participate on a claim basis. All individual and other non-institutional providers either operating in or outside an institutional provider who are nonparticipating providers are subject to the TRICARE balance-billing limit.

II. BACKGROUND

Per [32 CFR 199.6\(b\)](#), institutional providers must participate on all claims. In most cases (except for providers under **Diagnosis Related Groups (DRGs)**, Outpatient Prospective Payment System (OPPS), and the inpatient mental health per diem payment system), a participation agreement is required. By definition, participating providers whether institutional providers, individual providers, or other non-institutional providers, agree to accept the TRICARE payment as full payment for the care services or supplies. Individual providers and other non-institutional providers that are not participating providers are limited to the amount they can collect from the beneficiary. This limit is the same as Medicare's limiting charge.

III. POLICY

A. All institutional providers must participate under TRICARE to be authorized providers. Participation agreements are required unless the provider comes under the TRICARE DRG, TRICARE OPPS, or inpatient mental health reimbursement systems. TRICARE payments to institutional providers are complete payments. No additional payments shall be billed to the beneficiary except for any required beneficiary deductible and copayment amounts.

B. Individual providers including providers salaried or under contract by an institutional provider, e.g., hospital, and other non-institutional providers, e.g., **Ambulatory Surgical Centers (ASCs)**, independent laboratories, suppliers of portable x-ray services, ambulance companies, medical equipment firms and medical supply firms, and mammography suppliers, etc. who are not participating providers may not balance bill a beneficiary an amount that exceeds the applicable balance billing limit. The balance-billing

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limit shall be the same percentage (115%) as the Medicare limiting charge percentage for nonparticipating practitioners and suppliers. This means that the individual provider or non-institutional provider is required to accept the lower of the billed charge or 115% of the TRICARE allowable amount. No additional payments shall be billed to the beneficiary except for any required beneficiary deductible and copayment amounts.

C. All network providers must be Medicare participating providers. For the purposes of TRICARE, "Medicare participating" is interpreted to mean participation on a claim-by-claim basis. Participation on a claim-by-claim basis means that while network providers must agree to participate with Medicare on all claims that involve a TRICARE beneficiary (dual-eligible claims), they are not required to enter into a participation agreement with Medicare (individual and other non-institutional providers are NOT required to sign a Centers for Medicare and Medicaid Services (CMS) 460 Form) as a prerequisite to joining a TRICARE network. The requirement for Medicare participation applies only to providers that are recognized under Medicare and eligible to participate with Medicare. This does not mean that a TRICARE-authorized provider not recognized under Medicare is exempt from joining a TRICARE network; it simply means that such a provider is exempt from the Medicare participation requirement.

IV. EFFECTIVE DATE August 1, 2003.

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