

TRANSITIONS

1.0. CONTRACT PHASE-IN

1.1. Start-Up Plan

This comprehensive plan shall be submitted electronically, in MS Project files, to the Contracting Officer (CO) and the Contracting Officer Representative (COR) no later than ten calendar days following contract award. The plan shall address all events and milestones that need to occur for each functional area described in this contract to enable the start of health care service performance under this contract. Within 15 calendar days following the interface meetings, the incoming contractor shall submit to 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 Meeting

The incoming contractor shall attend a two to four day meeting with the outgoing contractor and TMA at the TMA office in Aurora, CO, 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 incoming 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 MHS Referrals and Authorization System, Defense Eligibility Enrollment System, HMS Information Assurance Certification and Accreditation Team, Outgoing Managed Care Support Contractor and its subcontractor(s) for claims processing, PBMs, MMSO, CHCS, TMA, and the Marketing & Education Contractor. TMA representatives shall be included in these meetings and all plans developed shall be submitted to the TMA CO and the COR within 10 calendar days after the meeting.

2.0. START-UP REQUIREMENTS

2.1. Systems Development

Approximately 30 calendar days prior to the initiation of health care delivery of services, 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, DEERS and MHS Referral and Authorization System. The review will also confirm that the hardware, software, and communications links required for operating the automated TRICARE Duplicate Claims System have been installed and are ready for TMA installation of the Duplicate Claims System application software (see [Chapter 9](#) and [10](#)). This review is in addition to Benchmark testing. The contractor shall effect any modifications required by TMA prior to the initiation of services.

2.2. Execution Of Agreements With Contract Providers

2.2.1. All contract provider agreements shall be executed, and loaded to the contractor's system, 60 calendar days prior to the start date of TRICARE Prime in the Prime service area or at such other time as is mutually agreed between the contractor and TMA.

2.2.2. The contractor shall report network adequacy on a monthly basis during the transition and for the first six months following the start of health care delivery, and in accordance with contract requirements thereafter. These reports are due to the COR within 10 calendar days following the last day of the reporting period and shall provide the following information:

- The number of network providers by specialty;
- The number of network additions and deletions, by specialty;
- Activities undertaken to contract with additional providers in areas lacking adequate networks to meet the prescribed network standards; and
- A listing of PCMs, (both civilian and military) and the number of enrollees assigned to each PCM, by Prime service area.

2.3. Provider Certification

The outgoing contractor shall transfer the provider certification documentation to the incoming contractor. The incoming contractor shall limit certification actions to new providers and shall verify a provider's credentials once, upon application to become a certified provider.

2.4. Execution Of Memoranda Of Understanding (MOU)

2.4.1. MOU With MTF Commanders

Sixty calendar days prior to the start of health care delivery, the contractor shall have executed an MOU with all MTF Commanders in the Region. The MOU shall include, but not be limited to, MTF Optimization, Resource Sharing, TSC location and Government furnished services, surveillance and reporting, use of facilities, Medical Management. The contractor shall provide two copies of each executed MOU to the CO and the COR within 10 calendar days following the execution of the MOU.

2.4.2. MOU With TMA *Beneficiary Education and Support Division (BE&SD)*

The contractor shall meet with the TMA *BE&SD* within 60 calendar days after health care contract award to develop a MOU, including deliverables and schedules. The MOU shall be executed within 30 days of the MOU meeting with the *BE&SD*. The contractor shall provide two copies of the executed MOU to the CO and the COR within 10 calendar days following the execution of the MOU.

2.5. Phase-In Of TRICARE Prime Enrollment

The contractor shall begin the enrollment process for the TRICARE Prime Program no later than 60 calendar days prior to the scheduled start of health care delivery, with actual enrollment processing to begin 40 days prior to the start of health care delivery, subject to TMA approval of systems under the contract.

NOTE: MTFs have the responsibility for reassigning all enrollees assigned Resource Sharing PCMs under the current managed care support contracts to other MTF PCMs or "Pseudo" PCMs using CHCS. These reassignments must be completed not later than 14 days prior to the start of health care delivery. If instructed by the MTF commander, the incoming contractor will be required to reassign such enrollees to new PCMs using DOES/DEERS. The MTF's instructions to accomplish this task will be in writing and will include sufficient information to reasonably identify the beneficiary, as well as the PCM currently assigned and the PCM to be assigned. These PCM reassignments should not cross DMISs, CHCS platforms or regions. They should be initiated by the MTF within 15 days of the start of health care delivery and will be completed by the contractor within 30 days of receipt.

2.5.1. Enrollment Actions During 45-Day Transition Period

2.5.1.1. For enrollments in the Region with an effective date prior to the start of health care delivery (e.g., AD enrollment, mid-month enrollment; transfer-in, etc.), the incoming contractor must effect an enrollment to begin on the start of health care delivery once notified by the outgoing contractor of the new enrollment. The end date of the enrollment should follow the Enrollment Year to Fiscal Year realignment process. (DMDC may run a report at the end of the transition period that reflects new additions.)

2.5.1.2. When a current enrollment in the Region requires deletion with an effective date prior to the start of health care delivery (e.g., transfers out; disenrollments for failure to pay fees; cancellations, etc.), when requested by the outgoing contractor, the incoming contractor

must cancel the future enrollment segment and notify the outgoing contractor when this action has been completed.

2.5.1.3. For all other enrollment actions with an effective date prior to start of health care delivery (e.g., PCM changes; DMIS ID changes; enrollment begin date changes; etc.), when requested by the outgoing contractor, the incoming contractor must cancel the future enrollment segment and notify the outgoing contractor when this action has been completed. When notified by the outgoing contractor that their change has been effected, the incoming contractor must reinstate the future enrollment segment.

2.5.1.4. Once health care delivery begins, all enrollment actions will be accomplished by the incoming contractor. If the outgoing contractor requires a retroactive change, they must submit their request to the incoming contractor who will perform the change and notify the outgoing contractor when it is complete.

2.5.2. In addition to other contractually required enrollment reports, the contractor, within 30 calendar days following the start of health care delivery, and within 10 calendar days following the close of each calendar month through the seventh month following the start of health care delivery, shall provide a report to the TMA CO and the COR on progress made in implementing TMA approved enrollment plan. The report shall identify those areas in the contractor's approved start-up plan to be serviced by TRICARE Prime in which enrollment significantly exceeds or falls short of the targets established by the contractor in the approved enrollment plan, and outline corrective action plans for any deficiencies in the contractor's enrollment process which are significant deviations from the approved enrollment plan.

2.6. Transfer Of Enrollment Files

2.6.1. The incoming contractor shall obtain enrollment policy information from DEERS through an initial enrollment load file. DMDC will provide the incoming contractor with an incremental enrollment load file for each contract transition. The incoming contractor shall process each enrollment load file within 24 hours or less from receipt of the file. The following procedures apply to outgoing contracts that are being combined to form the new TNEX region/contract until TNEX is fully implemented.

NOTE: Each TNEX contract transition shall require a three-day freeze of enrollment and claim processing. This freeze will occur beginning the first weekend that precedes the 60 day window prior to the start of health care delivery. The actual calendar dates will be determined during the transition meeting.

2.6.2. Split enrollments occur when all family members are covered under the same type of coverage but do not reside in the same contract-area, causing the enrollments to be administered by multiple contracts. A policy for the family will exist for each MCSC contract. However, as MCSCs migrate to TNEX, DEERS will consolidate all split policies that are within the new MCSC contract-area and communicate this information to the incoming MCSC via an initial load file. If needed, the incoming TNEX contractor shall communicate with beneficiaries whose policies have been consolidated and apply any overage of fees to the next fee obligation. The fee overage must be applied first to the existing policy period. If

there is additional overage, the overage shall be applied to the next policy period when the policy is established on DEERS (i.e., 45 days prior to the expiration of the current policy).

2.6.3. When all contracts have transitioned to TNEX, DEERS will perform a final consolidation of all split families. DEERS will provide the incoming contractors with reports of the beneficiaries who have been consolidated. If needed, the incoming MCSC shall communicate to beneficiaries whose policies have been consolidated and apply any overage of fees to the next fee obligation. The fee overage must be applied first to the existing policy period. If there is additional overage, the overage shall be applied to the next policy period when the policy is established on DEERS (i.e., 45 days prior to the expiration of the current policy).

2.6.4. The incoming contractor shall send enrollment renewal notices for all enrollees whose current enrollment period expires on or after the start of health care delivery. The incoming contractor shall send billing statements where the enrollment fee payment would be due on or after the start of health care delivery. The incoming contractor shall start sending billing notices and process renewals 45 days prior to the start of health care.

2.6.5. Outstanding enrollment record discrepancies and issues reported to the DEERS Support Office (DSO) by the outgoing contractor will be transferred to the incoming contractor for reconciliation. Records will be reconciled in accordance with TRICARE Systems Manual (*TSM*), [Chapter 3, Section 1.6](#).

2.7. Enrollment Fees

2.7.1. The incoming contractor shall obtain the cumulative total of enrollment fees and paid through dates for the policies from the outgoing MCSCs with the enrollment transition information. The contractor who collects the enrollment fee will retain the enrollment fee based on the start date of the enrollment. The incoming contractor shall resolve any discrepancies of cumulative enrollment fees and paid through dates with the outgoing contractor within 90 days of start of health care on policies inherited during the transition. The incoming contractor shall send the corrected fee information to DEERS using DOES or the batch fee interface outlined in the *TSM*, [Chapter 3](#).

2.7.2. *The incoming contractor shall coordinate the transition of allotment data, through TMA Purchased Care Systems Integration Branch (PCSIB) and/or the applicable TMA Program Office, with the Defense Finance and Accounting Service (DFAS), the Public Health System (PHS) and the U.S. Coast Guard (USCG) during the transition-in period of the contract (see the TSM, Chapter 1, Section 1.1).*

2.8. Phase-In Requirements Related To The Health Care Finder (HCF) Function

The hiring and training of HCF staff shall be completed no later than 40 calendar days prior to the start of health care delivery for TRICARE Prime in each Prime service area. HCF space will be occupied and all equipment and supplies in place not later than 40 calendar days prior to the start of health care delivery. The provider/beneficiary community shall be advised of the procedures for accessing the HCF function no later than 40 calendar days prior to the start of health care delivery.

2.9. Phase-In Requirements Of The TRICARE Service Centers (TSCs)

2.9.1. In the event the incoming contractor will utilize the existing TSCs of the outgoing contractor, the outgoing contractor shall allow reasonable access to the incoming contractor throughout the Transition Period to install communication lines, equipment and other essential work to fully manage and operate the TSCs.

2.9.2. The final schedule for access to and occupancy of the TSCs will be determined at the Transition Specification Meeting. The approved schedule must allow the outgoing contractor to fulfill all contract requirements through the last day of health care delivery, and must provide the incoming contractor sufficient access to install equipment and train staff to undertake all required functions on the first day of health care delivery.

2.9.3. Acquisition Of Resources

All TSC and Field Representatives shall be fully trained and available for all duties no less than 40 calendar days prior to initiation of health care services.

2.10. Claims Processing System And Operations

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

2.10.1. Contractor File Conversions and Testing

The incoming contractor shall perform initial conversion and testing of all ADP files (e.g., provider files, pricing files, and beneficiary history) not later than 30 calendar days following receipt of the files from the outgoing contractor(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.

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.

2.10.2. Receipt Of Outgoing Contractor's Weekly Shipment Of History Updates And Dual Operations

2.10.2.1. Beginning with the 120th calendar day prior to the start of health care delivery and continuing for 180 calendar days after the start of health care delivery, the incoming contractor shall convert the weekly shipments of the beneficiary history updates from the

outgoing contractor(s) within two work days following receipt. The incoming contractor shall load enrollment year catastrophic cap totals from the outgoing contractor within two working 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. Following the start of health care delivery, these files shall be loaded to history and used for claims processing on the first processing cycle following the check for duplicate deductibles.

NOTE: As of October 1, 2003, a former spouse will be considered a sponsor in their own right and will no longer be identified by their previous relationship to a military service member. Former spouses will be identified by their own individual Social Security Number and not the SSN of the military service member. DMDC will provide contractors with a crosswalk file for former spouses previously identified by the military service member's SSN.

2.10.2.2. During the 180 calendar days after the start of health care delivery when both the incoming and outgoing contractors are processing claims, both contractors shall maintain close interface on history update exchanges and provider file information. 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. The outgoing contractor shall have total responsibility for the maintenance of the Health Care Provider Record (HCPR) to support HCSR submission during the 180 day phase out period. The incoming contractor shall assume total responsibility for the maintenance of the TRICARE Encounter Provider Record (TEPRV) beginning with the start of health care delivery. The incoming contractor shall not rely on the outgoing contractor HCPR for creation of the TEPRV, but will create new TEPRVs for submission. The incoming contractor will coordinate and cooperate with the outgoing contractor to ensure that the outgoing contractor can continue to process claims accurately; conversely, the outgoing contractor has responsibility to notify the incoming contractor of any changes in provider status that they become aware of through their operations.

2.10.3. Phase-In Requirements Related To Transitional Cases

In notifying beneficiaries of the transition to another contractor, both the incoming and outgoing contractors shall include instructions on how the beneficiary may obtain assistance with transitional care. If the outgoing contractor succeeds itself, costs related to each contract will be kept separate for purposes of contract accountability.

2.10.3.1. Non-Network Inpatient Transitional Cases

These are beneficiaries who are inpatients (occupying an inpatient bed) at 0001 hours on the first day of any health care contract period in which the incoming contractor begins health care delivery. In the case of DRG reimbursement, the outgoing contractor shall pay through the first month of health care delivery or the date of discharge, whichever occurs first. If the facility is reimbursed on a per diem basis, the outgoing contractor is responsible for payment of all the institutional charges accrued prior to 0001 hours on the first day of health care delivery, under the incoming contractor. The incoming contractor thereafter is responsible for payment.

2.10.3.2. Non-Network Outpatient/Professional Transitional Cases

These are cases, such as obstetric care, that are billed and payable under “Global” billing provisions of CPT-4, HCPCS or local coding in use at the time of contract transition, and where an episode of care shall have commenced during the period of health care delivery of the outgoing contractor and continues, uninterrupted, after the start of health care delivery by the incoming contractor. Outpatient/Professional services related to transitional cases are the responsibility of the outgoing contractor for services delivered prior to 0001 hours on the first day of health care delivery and of the incoming contractor thereafter.

2.10.3.3. Network Inpatient Care During Contract Transition

The status of a network provider changes (provider’s network agreement with the outgoing contractor is terminated resulting in the provider’s loss of network status) with the start of health care delivery of the new contract. As a result, claims for inpatient care shall be reimbursed in accordance with [paragraph 2.10.3.1.](#) for non-network transitional cases. Beneficiary copay is based on the date of admission; therefore, Prime beneficiaries who are inpatients as described in [paragraph 2.10.3.1.](#), shall continue to be subject to Prime network copayments and shall not be subject to Point-of-Service (POS) copayments.

2.10.3.4. Home Health Care (HHC) During Contract Transition

HHC, for a 60-day episode of care, initiated during the outgoing contractor’s health care delivery period and extending, uninterrupted, into the health care delivery period of the incoming contractor are considered to be transitional cases. Reimbursement for both the Request for Anticipated Payment (RAP) and the final claim shall be the responsibility of the outgoing contractor for the entire 60-day episodes covering the transition period from the outgoing to the incoming contractor.

2.10.4. Prior Authorizations And Referrals

The incoming contractor shall honor outstanding prior authorizations and referrals issued by the outgoing contractor, covering care through 60 days after the start of health care delivery under the incoming contract, in accordance with the outgoing contractors existing practices and protocols, within the scope of the TRICARE program and applicable regulations or statutes. In the case of RTC care, both the incoming and outgoing contractors are responsible for authorizing that part of the stay falling within their areas of responsibility; however, the incoming contractor may utilize the authorization issued by the outgoing contractor as the basis for continued stay.

2.10.5. Health Insurance Portability And Accountability Act (HIPAA)

The covered entity may honor an authorization or other express legal document obtained from an individual permitting the use and disclosure of protected health information prior to the compliance date (HHS Privacy Regulation, §164.532).

2.10.6. Installation And Operation Of The Duplicate Claims System

The incoming contractor shall have purchased, installed, configured, and connected the personal computers and printers required to operate the Duplicate Claims System no later than 60 days prior to the start of the health care delivery. See [Chapter 9](#) and [10](#), for hardware, software, printer, configuration and communications requirements and contractor installation responsibilities. Approximately 30-45 days prior to health care delivery, TMA will provide and install the Duplicate Claims System application software on the incoming contractor designated personal computers and provide on-site training for users of the Duplicate Claims System in accordance with [Chapter 9](#) and [10](#). Following the start of health care delivery, the Duplicate Claims System will begin displaying identified potential duplicate claim sets for which the incoming contractor has responsibility for resolving. The incoming contractor shall begin using the Duplicate Claims System to resolve potential duplicate claim sets in accordance with [Chapter 9](#) and [10](#) and the transition plan requirements.

2.11. Contractor Weekly Status Reporting

The incoming contractor shall submit a weekly status report of phase-in and operational activities and inventories to the TMA CO and COR beginning the 20th calendar day following "Notice of Award" by TMA through the 180th calendar day after the start of health care delivery (or as directed by the Contracting Officer based on the status of the transition and other operational factors) under a new contract according to specifications in the official transition schedule. 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.

2.12. Public Notification Program-Provider And Congressional Mailing

The contractor shall prepare a mailing to all non-network TRICARE providers and Congressional offices within the region by the 45th calendar day prior to the start of health care delivery according to the specifications of the official transition schedule. The proposed mailing shall be submitted to the CO and the COR, and the TMA Marketing and Education Committee for approval not later than 90 calendar days prior to the start of each health care delivery period. The mailing shall discuss any unique processing requirements of the contractor and any other needed information dictated by the official transition schedule.

2.13. Web-Based Services And Applications

No later than 15 days prior to the start of health care delivery, the incoming contractor shall demonstrate to TMA successful implementation of all Web-based capabilities as described in the proposal.

2.14. TRICARE Handbook Mailing

No later than thirty days prior to the start of health care delivery, the MCS contractor shall mail one TRICARE Handbook to every residence in the region based off DEERS.

3.0. INSTRUCTIONS FOR BENCHMARK TESTING

3.1. General

3.1.1. Prior to the start of health care delivery, the incoming contractor shall demonstrate the ability of its staff and its automated enrollment, authorization and referral, and claims processing systems to accurately process TRICARE claims in accordance with current requirements. 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. In the event that an incumbent contractor succeeds itself, the extent of Benchmark testing may be reduced at the discretion of the TMA Contracting Officer.

3.1.2. A Benchmark Test shall consist of up to 1,000 network and non-network claims, testing a multitude of claim conditions including, but not limited to, TRICARE covered/non-covered services, participating/non-participating providers, certified/non-certified providers and eligible/non-eligible beneficiaries. This Benchmark Test will require a TMA presence 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 enrollment, authorization and referral, and claims processing functions to include: claims control and development, accessing and updating internal and external enrollment data, 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 CCDD, submitting and modifying provider and pricing records, issuing referrals and authorizations, 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 (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. Enrollment and case management functions may also be included in the benchmark. 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 of 1996 requirements and security requirements will be included in Benchmark tests as appropriate.

3.1.5. The Benchmark Test will be comprised of both paper and electronic claims. 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 Contracting Officer.

3.1.6. A Benchmark Test of a current contractor’s system may be administered at any time by TMA upon instructions by the Contracting Officer. 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 conduct the testing and evaluate 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 TEDs) 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 TEDs) 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 incoming contractor shall provide up-to-date copies of the TRICARE Operations Manual (*TOM*), *TSM*, TRICARE Policy Manual (*TPM*), and TRICARE Reimbursement Manual (*TRM*), a complete set of current ICD- 9-CM diagnostic coding manuals, the currently approved CPT-4 procedural coding manual, in either hard copy or on-line, whichever is used by the contractor, 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 incoming 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: provider files (TEPRVs), including the contracted rate files for each provider; pricing files (TEPRCs) (area prevailing and CHAMPUS Maximum Allowable Charge pricing) DEERS; catastrophic cap and deductible files; and any other files used in processing claims, authorizations, referrals, enrollments, etc. 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 Test by function (e.g. data entry, development, medical review, etc.) is also required. Claims flow/decision diagrams including authorization and referral requirements will be provided 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 incoming 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 will 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 60 days prior to the start of health care delivery to allow time to make any needed corrections. The pre-benchmark meeting will be conducted at the incoming contractor's claims processing site. Provider and beneficiary data, to include enrollment forms, physician referrals, and authorizations, 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 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 the TMA Benchmark Team 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 personnel will 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 during the Benchmark Test claims review.

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. 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. The contractor's response to the Initial Benchmark Test Report shall be submitted to the TMA CO within 30 calendar days following the contractor's response. TMA shall provide the Final Benchmark Test Report to the contractor within 30 calendar days.

3.3.7. The contractor shall prepare and submit the initial TRICARE Encounter Data (TEDs) submission to TMA for evaluation during the Benchmark Test. A TED record shall be prepared for each Benchmark claim processed to completion, whether allowed or denied, within two calendar days from the processed date. TED records will not be created for claims removed from the contractor's processing system, i.e., out of jurisdiction transfers. The contractor shall be notified of any TEDs failing the TMA edits. The contractor shall make the necessary corrections and resubmit the TEDs until 100% of the original Benchmark Test TEDs have passed the edits and are accepted by TMA. TEDs submission files related to the Benchmark Tests must be identified by transmission file and batch/voucher numbers prior to submission to TMA.

3.3.8. The contractor has 45 calendar days from the date of the initial Benchmark Test report to submit the final corrected TEDs to TMA. New TEDs need not be generated to reflect changes created from claims processing corrections, however, all TEDs 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 TEDs have been accepted by TMA. TEDs submission files related to the Benchmark Tests must be identified by transmission file and batch/voucher numbers prior to submission to 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 TEDs 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 Branch, and the TMA IT contractor to ensure that

direct interface with any required external test systems (i.e., DEERS) is established and operational prior to the Benchmark Test.

3.4.3. TEDs shall be generated from the Benchmark Test claims and provided to TMA for processing as scheduled at the pre-benchmark meeting. The contractor shall coordinate with the TMA, Operations/Advanced Technology Integration (O/ATIC), for TED submission procedures.

4.0. CONTRACT PHASE-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, CO, 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. The outgoing contractor shall provide a proposed phase-out plan at the Transition Specifications Meeting.

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 enrollment information system.
- 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, not later than 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 TRICARE Provider Files (TEPRVs).
- The TRICARE Pricing Files (TEPRCs).
- The Enrolled Beneficiary and Primary Care Manager Assignment Files.
- 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; 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 meets 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, such as the Provider and Pricing files, 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 health care 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 2.10.2](#).

4.3.5. Transfer Of Non-ADP Files

The outgoing contractor shall transfer to the incoming contractor all non-ADP files (e.g., authorization files, clinic billing authorizations, and tapes/CDs, etc. which identify Prime service areas, 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 of the Beneficiary History Files are to be transferred to the incoming contractor or Federal Records Center as required by [Chapter 2](#). The contractor shall provide samples 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 Contracting Officer'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.

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 Specifications Meeting until otherwise notified by the Contracting Officer 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 all claims and adjustments for care rendered prior to the start of health care delivery of the new contract that are received through the 120th day following cessation of the outgoing contractor's health care delivery. Processing of these claims shall be completed within 180 calendar days following the start of the incoming contractor's health care delivery. All claims shall meet the same standards as outlined in the outgoing contract. Any residual claim received after 120 days shall be forwarded to the incoming contractor within 24 hours of receipt.
- 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.
- Refer to [paragraph 2.10.3.](#), for transitional case requirements.
- 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 and 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 not later than 210 calendar days following the start of the incoming contractor's health care delivery.

4.4.2. Phase-Out Of The Automated TRICARE Duplicate Claims System

The outgoing contractor shall phase-out the use of the automated TRICARE Duplicate Claims System in accordance with [Chapters 9](#) and [10](#) and transition plan requirements.

4.4.3. Phase-Out Of The Contractor's Provider Network, TSCs, And MTF Agreements

4.4.3.1. Upon notice of award to another contractor, the outgoing contractor shall provide full cooperation and support to the incoming contractor, to allow an orderly transition, without interruption, of all functions relating to the MTF interface and the establishment of a provider network by the incoming contractor. This shall include, but is not limited to, data relating to on-site service centers, resource sharing agreements, equipment, telephones and all other functions having an impact on the MTFs.

4.4.3.2. Within 15 calendar days of the Transitions Specifications Meeting the outgoing contractor shall draft and submit a revised plan for transition of the MTF interfaces. Resolution of differences identified through the coordination process must be accomplished in collaboration with the Transition Monitor appointed by TMA and according to the guidelines in the transition schedule.

4.4.3.3. The outgoing contractor shall vacate the TSCs on the 40th calendar day prior to the start of health care delivery and will establish a centralized HCF function to continue through the last date of health care delivery under the current contract, unless otherwise negotiated with the incoming contractor during the Transition Specifications Meeting.

NOTE: This section only applies when both the incoming and outgoing contractors have TSCs.

4.4.3.4. The outgoing contractor shall continue to issue prior authorizations for care for which it is financially responsible. However, authorization-related information shall be shared between the incoming and the outgoing contractors to preclude requiring a provider or beneficiary to duplicate the paperwork and other effort related to establishing prior authorizations. The outgoing contractor may issue prior authorizations as late as midnight on the day prior to the end of its health care delivery for inpatient stays that will continue as transitional cases. The two contractors shall interface on the clinical issues of a case where both contractors will, or can reasonably expect to have periods of liability for the same episode of care.

4.4.3.5. The outgoing contractor shall maintain toll-free lines and Web-based customer service capabilities, accessible to the public during the first 90 calendar days of dual operations in order to properly respond to inquiries related to claims processed for services incurred during the period of their respective liability. Beneficiary inquiry lines will continue to be staffed as defined in the contract. In general, the outgoing contractor shall maintain adequate toll-free line coverage to ensure that the blockage rate does not exceed the blockage rate on the contractor's most critical private or other government business access line.

4.5. Phase-Out Of Enrollment Activities

4.5.1. Prior to the start of health care delivery under the successor contract, for all enrollment renewals or payments in which the new enrollment period or period covered by the premium payment will begin under the new contract, the outgoing contractor shall amend renewal notices and billing statements (or include a stuffer/insert) to advise the enrollee to direct any enrollment-related correspondence and enrollment fee payments to the successor contractor.

4.5.2. Prior to the start of health care delivery under the successor contract, the Government will provide the outgoing contractor with the software for the DEERS On-line Enrollment System (DOES) version to be used during transition. The software version should be loaded and used for the phase-out of enrollment activities.

4.5.2.1. Enrollment Actions During 45-Day Transition Period

4.5.2.2. For new enrollments in the Region with an effective date prior to the start of health care delivery (e.g., AD enrollment, mid-month enrollment; transfer-in, etc.), the outgoing contractor must effect an enrollment action with an end date of the current contract period (i.e., one day prior to the start of health care delivery under the incoming contract). Any enrollment fees due for an effective date that is prior to the start of health care delivery will be retained by the outgoing contractor. Once the enrollment is effected, the outgoing contractor will notify the incoming contractor of the new enrollment.

4.5.2.3. When a current enrollment in the Region requires deletion with an effective date prior to the start of health care delivery (e.g., transfers out; disenrollments for failure to pay fees; cancellations, etc.), the outgoing contractor must request the incoming contractor to cancel the future enrollment segment that was included on the Gold File. Once notified by the incoming contractor that the segment has been cancelled, the outgoing contractor completes the appropriate disenrollment action.

4.5.2.4. For all other enrollment actions with an effective date prior to start of health care delivery (e.g., PCM changes; DMIS ID changes; enrollment begin date changes; etc.), the outgoing contractor must request the incoming contractor cancel the future enrollment segment. Once notified that the cancellation has been completed, the outgoing contractor will make the necessary change. Upon completion of the change, the outgoing contractor must notify the incoming contractor so that the future enrollment segment can be restored.

4.5.2.5. The outgoing contractor should complete all pending enrollment actions prior to the DEERS freeze to transition enrollment. Any enrollment action not completed by the

outgoing contractor prior to the freeze (and after the Gold File is created) will have to be accomplished following the above procedures.

4.5.2.6. Once health care delivery begins, all enrollment actions will be accomplished by the incoming contractor. If the outgoing contractor requires a retroactive change, they must submit their request to the incoming contractor who will perform the change and notify the outgoing contractor when it is complete.

4.5.3. Any enrollment-related correspondence and/or enrollment fee payments subsequently received by the outgoing contractor shall be forwarded to the incoming contractor within three business days of receipt.

4.5.4. The outgoing contractor shall terminate marketing and enrollment activity 40 calendar days prior to the start of the incoming contractor's health care delivery. Any enrollment requests or applications received after the 40th calendar day shall be transferred to the incoming contractor by overnight delivery at the outgoing contractor's expense.

4.5.5. Throughout the transition period, the outgoing and incoming contractors shall coordinate enrollment files no less than weekly to ensure that new enrollments and enrollment renewals are accurately and timely reflected in the incoming contractor's enrollment files and in DEERS.

4.6. Cost Accounting

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

4.7. 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 Specification Meeting.

