



DEFENSE  
HEALTH AGENCY

**MB&RS**

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**CHANGE 149  
6010.57-M  
DECEMBER 7, 2015**

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL  
FOR  
TRICARE POLICY MANUAL (TPM), FEBRUARY 2008**

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

**CHANGE TITLE:** REIMBURSEMENT UPDATES 15-002

**CONREQ:** 17595

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

**SUMMARY OF CHANGE(S):** This change provides Skilled Nursing Facility Prospective Payment System rates and Wage Index Updates for fiscal year 2016 and for ECHO Home Health Care for fiscal year 2016.

**EFFECTIVE DATE:** October 1, 2015.

**IMPLEMENTATION DATE:** January 7, 2016.

This change is made in conjunction with Feb 2008 TRM, Change No. 120.

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**ATTACHMENT(S): 2 PAGE(S)  
DISTRIBUTION: 6010.57-M**

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, FILE THIS TRANSMITTAL WITH BASIC DOCUMENT.

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**REMOVE PAGE(S)**

**CHAPTER 9**

Section 15.1, pages 21 and 22

**INSERT PAGE(S)**

Section 15.1, pages 21 and 22

**6.7.9.1** Frequency of submitting claims is at the discretion of the MCSC, that is, the HHA may be required by the MCSC to submit claims weekly, monthly, or at such other intervals as the MCSC determines is appropriate.

**6.7.9.2** The monthly (or other billing period as specified by the MCSC) claim will indicate the total hours for each type of service, that is, skilled services, skilled therapy services, home health aide services, and medical social services, will be grouped according to the professional level of the individuals providing such services. The totals will be entered on separate lines of the CMS 1500 Claim Form.

**6.7.10** The following, although required to be included in the POC and when provided by the HHA, will be itemized billed separately from the allowed HHC services and will be cost-shared through the TRICARE Basic Program or the ECHO as appropriate. The amount reimbursed for these items do not accrue to the EHC fiscal year benefit cap established under [paragraph 6.8](#).

- Rental or purchase of **AT devices** and **DE**;
- FDA-approved injectable drugs for osteoporosis;
- Pneumococcal pneumonia, influenza virus and hepatitis B vaccines;
- Oral cancer drugs and antiemetics;
- Orthotics and prosthetics;
- Ambulance services operated by the HHA;
- Enteral and parenteral supplies and equipment; and
- Other drugs and biologicals administered by other than oral method.

## **6.8 Reimbursement**

Reimbursement for the services described in this issuance will be made on the basis of allowable charges or negotiated rates between the MCSCs and the HHAs.

**6.8.1** Benefit cap. Coverage for the EHC benefit is capped on a fiscal year basis.

**6.8.2** Basis of the cap. The purpose of the EHC benefit is to assist eligible beneficiaries in remaining at their primary residence rather than being confined to institutional facilities, such as a SNF or other acute care facility. Therefore, TRICARE has determined that the appropriate EHC benefit cap is equivalent to what TRICARE would reimburse if the beneficiary was in a SNF.

**6.8.2.1** Annually, the MCSCs will calculate the EHC cap for each beneficiary's area of primary residence as follows:

**6.8.2.1.1** Obtain the annual notice, published in the **Federal Register**, of the CMS PPS and Consolidated Billing for SNFs--Update for the upcoming fiscal year. (From time to time the update notice may be known by another name but will contain the same information.)

**Note:** Although CMS periodically publishes updates to the SNF rates during any given fiscal year, those will not be used to calculate the EHC cap. Only the SNF reimbursement rates in effect on October 1 of each year will be used to calculate the EHC cap for the fiscal year beginning on that date.

**6.8.2.1.2** From the "RUG-IV Case-Mix Adjusted Federal Rates for Urban SNFs by Labor and Non-Labor Component", determine the highest cost RUG-IV category;

**6.8.2.1.3** Multiply the labor component obtained in [paragraph 6.8.2.1.2](#) by the "FY 2016 Wage Index for Urban Areas Based on CBSA Labor Market Areas" value corresponding to the beneficiary's location;

**6.8.2.1.4** Sum the non-labor component from [paragraph 6.8.2.1.2](#) and the adjusted labor component from [paragraph 6.8.2.1.3](#); the result is the beneficiary's EHC per diem in that location;

**6.8.2.1.5** Multiply the per diem obtained in [paragraph 6.8.2.1.4](#) by 365 (366 in leap year); the result is the beneficiary's fiscal year cap for EHC in that location.

**6.8.2.1.6** For beneficiary's residing in rural areas, use "RUG-IV Case-Mix Adjusted Federal Rates for Rural SNFs by Labor and Non-Labor Component" and "FY 2016 Wage Index Based on CBSA Labor Market Areas for Rural Areas" and adjust similarly to [paragraphs 6.8.2.1.3](#) through [6.8.2.1.5](#) to determine the EHC for beneficiaries residing in rural areas.

**6.8.2.2** Beneficiaries who seek EHC at any time during the fiscal year will have their cap calculated as above and prorated by month for the remaining portion of that fiscal year.

**6.8.2.3** The maximum amount reimbursed in any month for EHC services is the amount authorized in accordance with the approved POC and based on the actual number of hours of HHC provided and billed at the allowable charge or the negotiated rate. In no case will the amount reimbursed for any month of EHC exceed one-twelfth (1/12) of the annual fiscal year cap established under [paragraph 6.8.2.1](#) and as adjusted for the actual number of days in the month during which the services were provided.

**6.8.2.4** Beneficiaries who move will have their cap recalculated to reflect the wage index for their new location. The maximum amount reimbursed in the remaining months of that fiscal year for EHC services will reflect the re-calculated EHC cap.

**6.8.2.5** The cost for EHC services does not accrue to the maximum monthly or fiscal year Government cost-shares indicated in [Section 16.1](#).

**6.8.3** The sponsor's cost-share for EHC services will be as indicated in [Section 16.1](#).

## 7.0 EXCLUSIONS

**7.1** Basic program and the ECHO Respite Care benefit (see [Section 12.1](#)).

**7.2** EHC services will not be provided outside the beneficiary's primary residence.

**7.3** EHC services and EHC respite care services are not available for the purpose of covering primary caregiver(s) absences due to deployment, employment, seeking employment, or to pursue education. Except for those excluded activities, this exclusion does not otherwise restrict or prohibit the primary caregiver(s) from engaging in other activities they choose, including those outside the beneficiary's primary residence.