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TRICARE
MANAGEMENT ACTIVITY

MB&RB

**CHANGE 8
6010.57-M
JUNE 2, 2009**

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

The TRICARE Management Activity has authorized the following addition(s)/revision(s) to the 6010.57-M, issued February 2008.

CHANGE TITLE: EXTENDED CARE HEALTH OPTION (ECHO) CAP FOR CERTAIN BENEFITS

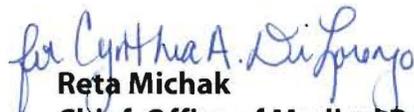
PAGE CHANGE(S): See page 2.

SUMMARY OF CHANGE(S): This change revises the Government's maximum cost-share for certain ECHO benefits from \$2,500 per month to \$36,000 per fiscal year. This change brings this manual up-to-date with published Change 94 (March 6, 2009) to the August 2002 TRICARE Policy Manual 6010.54-M

EFFECTIVE DATE: October 14, 2008.

IMPLEMENTATION DATE: Upon direction of the Contracting Officer.

This change is made in conjunction with Feb 2008 TOM, Change No. 7.



**Reta Michak
Chief, Office of Medical Benefits and
Reimbursement Branch**

**ATTACHMENT(S): 13 PAGE(S)
DISTRIBUTION: 6010.57-M**

**CHANGE 8
6010.57-M
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REMOVE PAGE(S)

CHAPTER 9

Section 7.1, page 1

Section 8.1, page 1

Section 9.1, pages 1 and 2

Section 10.1, pages 1 and 2

Section 11.1, page 1

Section 15.1, pages 21 and 22

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Section 11.1, page 1

Section 15.1, pages 21 and 22

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Section 18.1, pages 1 and 2

Chapter 9

Section 7.1

Treatment

Issue Date: July 3, 1997
Authority: [32 CFR 199.5\(c\)\(2\)](#)

1.0 PROCEDURE CODES

All valid and applicable HCPCS Levels I and II codes.

2.0 POLICY

2.1 Treatment through the use of medical, habilitative, or rehabilitative methods, techniques, therapies, equipment, prosthetic devices, orthopedic braces and appliances, may be cost-shared subject to all other applicable Extended Care Health Option (ECHO) requirements.

Note: The allowed cost of rehabilitative services provided on or after October 14, 2008, accrue to the government's maximum fiscal year benefit of \$36,000.

2.2 Services cost-shared through the ECHO may be provided by an authorized institutional or individual professional provider on an inpatient or outpatient basis and rendered in the beneficiary's natural environment. This includes at home, at school, or other location that is suitable for the type of services being rendered.

3.0 EXCLUSIONS

Treatment services available under the TRICARE Basic Program are not eligible to be cost-shared under the ECHO.

4.0 EFFECTIVE DATE

September 1, 2005.

- END -

Chapter 9

Section 8.1

Training

Issue Date: July 3, 1997

Authority: [32 CFR 199.5\(c\)\(3\)](#)

1.0 CPT¹ PROCEDURE CODES

97504, 97520, 97535, 97542, 99199, 99600

2.0 POLICY

2.1 Training when required to allow the use of an assistive technology device or to acquire skills which are expected to assist the beneficiary in reducing the disabling effects of a qualifying condition may be cost-shared as an Extended Care Health Option (ECHO) benefit subject to all applicable ECHO requirements.

2.2 Training for parents (or guardians) and siblings of an ECHO beneficiary when required as an integral part of the management of the qualifying condition may be cost-shared as an ECHO benefit subject to all applicable ECHO requirements.

2.3 Vocational training, in the beneficiary's home or a facility providing such, is an allowed ECHO benefit.

2.4 Services cost-shared through the ECHO may be provided by an authorized institutional or individual professional provider on an inpatient or outpatient basis and rendered in the beneficiary's natural environment. This includes at home, at school, or other location that is suitable for the type of services being rendered.

2.5 The allowed costs of the above services provided on or after October 14, 2008, accrue to the government's maximum fiscal year benefit of \$36,000.

3.0 EXCLUSIONS

Training services available under the TRICARE Basic Program are not eligible to be cost-shared under the ECHO.

4.0 EFFECTIVE DATE

September 1, 2005.

- END -

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Special Education

Issue Date: July 3, 1997

Authority: [32 CFR 199.5\(c\)\(3\)](#) and [\(c\)\(4\)](#)

1.0 CPT¹ PROCEDURE CODES

99199, 99600

2.0 POLICY

2.1 Special education, within the meaning of such term as used in the Individuals with Disabilities Education Act (IDEA) and its implementing regulations and policies, may be cost-shared subject to all applicable Extended Care Health Option (ECHO) requirements, and in particular, the requirement that other public programs and facilities be used to the extent available and adequate.

2.2 Identification of appropriate public facilities. The local educational agency with responsibility for the beneficiary is the sole public facility to provide public facility use certification for special education services.

2.3 The educational modality known as “Applied Behavioral Analysis (ABA)” is included as a benefit under this issuance when provided by a TRICARE-authorized provider. Payable services include periodic evaluation of the beneficiary, development of a treatment plan, and training of immediate family members to provide services in accordance with the treatment plan. TRICARE can also pay for the “hands-on” ABA services when provided by a TRICARE authorized provider. However, TRICARE can not pay for such services when provided by family members, trainers or other individuals who are not TRICARE-authorized providers (see [Section 17.1](#)) and for children less than three and included in the Individualized Family Service Plan (IFSP).

2.4 Services cost-shared through the ECHO may be provided by an authorized institutional or individual professional provider on an inpatient or outpatient basis and rendered in the beneficiary’s natural environment. This includes at home, at school, or other location that is suitable for the type of services being rendered.

2.5 See the TRICARE Operations Manual (TOM), [Chapter 18, Section 9](#) for information about the Department of Defense (DoD) Enhanced Access to Autism Services Demonstration.

2.6 The allowed costs of the above services provided on or after October 14, 2008, accrue to the government’s maximum fiscal year benefit of \$36,000.

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Chapter 9, Section 9.1

Special Education

3.0 EXCLUSION

Special education services are generally unavailable under the TRICARE Basic Program except as authorized under Section 1079(a)(g) of Title 10 United States Code (USC), and when authorized are not eligible to be cost-shared under ECHO.

4.0 EFFECTIVE DATE

September 1, 2005.

- END -

Institutional Care

Issue Date: July 3, 1997

Authority: [32 CFR 199.5\(c\)\(5\)](#)

1.0 CPT¹ PROCEDURE CODE

99199

2.0 POLICY

2.1 Institutional care when the severity of the qualifying condition requires protective custody or training in a residential environment, may be cost-shared subject to all applicable Extended Care Health Option (ECHO) requirements.

2.2 In accordance with Title 10, Section 1079(d)(4), United States Code (USC), institutional care must be provided in private nonprofit, public and state institutions and facilities.

2.3 The requirements of [paragraph 2.2](#) notwithstanding, institutional care provided by a for-profit entity may be allowed only when the care for a specific ECHO beneficiary:

2.3.1 Is contracted for by a public facility, as defined in [32 CFR 199.2](#), as part of a publicly funded long-term inpatient care program; and

2.3.2 Is provided based upon the ECHO beneficiary's being eligible for the publicly funded program which has contracted for the care; and

2.3.3 Is authorized by the public facility as a part of a publicly funded program; and

2.3.4 Would cause a cost-share liability in the absence of TRICARE eligibility; and

2.3.5 Produces an ECHO beneficiary cost-share liability that does not exceed the maximum charge by the provider to the public facility for the contracted level of care.

2.4 The allowed costs of the above services provided on or after October 14, 2008, accrue to the government's maximum fiscal year benefit of \$36,000.

3.0 EXCLUSIONS

3.1 Regardless of the beneficiary's condition, care within any type of institution for the primary purpose of providing custodial, domiciliary, hospice, or respite care is excluded from the ECHO.

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TRICARE Policy Manual 6010.57-M, February 1, 2008

Chapter 9, Section 10.1

Institutional Care

3.2 Institutional care available under the TRICARE Basic Program is not eligible to be cost-shared under the ECHO.

4.0 EFFECTIVE DATE

September 1, 2005.

- END -

Transportation

Issue Date: January 23, 1984

Authority: [32 CFR 199.5\(c\)\(6\)](#) and [\(g\)\(1\)](#)

1.0 CPT¹ PROCEDURE CODE

99082: Unusual travel

2.0 HCPCS PROCEDURE CODES

Level II Codes A0100 - A0140, A0170

3.0 POLICY

3.1 Transportation of an Extended Care Health Option (ECHO) beneficiary to or from a facility or institution to receive otherwise allowable services or items through the ECHO may be cost-shared.

3.2 Transportation of an accompanying medical attendant to ensure the safe transport of the ECHO beneficiary may be cost-shared.

3.3 A public facility use certification is not required for the transportation unless the care is being provided by the public facility.

3.4 The reimbursement rate for the use of a privately-owned vehicle, regardless of the number of ECHO family members being transported, is limited to the Federal Government employee mileage reimbursement rate in effect on the trip date.

3.5 Transportation by means other than a privately-owned vehicle will be reimbursed on the basis of actual costs.

3.6 The allowed costs of the above services provided on or after October 14, 2008, accrue to the government's maximum fiscal year benefit of \$36,000.

4.0 EFFECTIVE DATE

September 1, 2005.

- END -

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individuals providing such services. The totals will be entered on separate lines of the CMS 1500 (08/2005).

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 durable equipment and durable medical equipment;
- 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 "Table 6. RUG-53 Case-Mix Adjusted Federal Rates for Urban SNFs by Labor and Non-Labor Component", determine the highest cost RUG-III category;

6.8.2.1.3 Multiply the labor component obtained in (2) by the "Table 8. FY 2008 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 (2) and the adjusted labor component from (3); the result is the beneficiary's EHC per diem in that location;

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ECHO Home Health Care (EHC)

6.8.2.1.5 Multiply the per diem obtained in (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 areas not listed in Table 8, use "Table 7. RUG-53 Case-Mix Adjusted Federal Rates for Rural SNFs by Labor and Non-Labor Component" and "Table 9. FY 2008 Wage Index Based on CBSA Labor Market Areas for Rural Areas" and adjust similarly to steps (3) through (5) to determine the EHC cap for beneficiaries residing in rural areas.

Note: See [Addendum A](#) for an example of the EHC cap based on the FY 2008 rates published in the **Federal Register** on August 31, 2007 (72 FR 43412).

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 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.

7.4 EHC services and supplies can be provided only to the eligible beneficiary, that is, such services will not be provided to or on behalf of other members of the beneficiary's family nor other individuals who reside in or are visiting in the beneficiary's primary residence.

7.5 EHC services and supplies are excluded from those who are being provided continuing coverage of HHC as participants of the former Individual Case Management Program for Persons with Extraordinary Conditions (ICMP-PEC) or previous case management demonstrations.

Chapter 9

Section 16.1

Cost-Share Liability

Issue Date: December 16, 1985

Authority: [32 CFR 199.5\(f\)](#)

1.0 POLICY

1.1 Extended Care Health Option (ECHO) allowable amounts are not subject to a deductible amount.

1.2 The sponsor/beneficiary ECHO cost-share for every month in which ECHO benefits, including the ECHO Home Health Care (EHHC) benefits, are received is according to the sponsor's pay grade as specified below, regardless of the number of dependents of that same sponsor receiving ECHO benefits in that month:

ECHO COST-SHARE AMOUNTS	
SPONSOR PAY GRADE CODE	SPONSOR COST-SHARE AMOUNT
E-1 through E-5	\$25
E-6	30
E-7 and O-1	35
E-8 and O-2	40
E-9, WO/WO-1, CWO-2, and O-3	45
CWO-3, CWO-4, and O-4	50
CWO-5, O-5	65
O-6	75
O-7	100
O-8	150
O-9	200
O-10	250

1.3 The sponsor/beneficiary is responsible for the appropriate amount shown in the above table plus any amount in excess of the government's maximum monthly **or fiscal year** coverage for any benefits received in a month **or fiscal year**, including the 90 day period the beneficiary is given "provisional" status.

1.4 The requirement for sponsor/beneficiary cost-sharing applies every month during which a prorated amount for durable equipment is authorized.

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Chapter 9, Section 16.1

Cost-Share Liability

1.5 The sponsor/beneficiary cost-shares under the ECHO are in addition to those incurred for services and items received through the TRICARE Prime, Extra, and Standard options.

1.6 The sponsor/beneficiary cost-shares under the ECHO do not accrue to meeting the catastrophic cap in the TRICARE Basic Program.

1.7 The sponsor/beneficiary cost-shares in the above table that are applicable for ECHO benefits, other than EHC services, do not accrue to the EHC fiscal year benefit cap.

1.8 The government's maximum monthly **or fiscal year** cost-share for ECHO benefits **applies to each** beneficiary, regardless of the number of dependents **with the** same sponsor receiving ECHO benefits in that month **or fiscal year**.

1.9 The allowed cost of all services provided by this chapter, except the EHC, on or after October 14, 2008 accrue to the government's maximum fiscal year cost-share of \$36,000. Additionally, the allowed cost of services provided by **Sections 6.1, 7.1, (except rehabilitation), 12.1, 13.1, and 14.1**, remain subject to the government's maximum accrued monthly cost-share of \$2,500. The accrued amount from these sections must also be applied against the government's annual fiscal year maximum of \$36,000.

1.10 The government's maximum annual cost-share for the EHC benefit is as calculated in [Section 15.1](#).

2.0 EFFECTIVE DATE

September 1, 2005.

- END -

Chapter 9

Section 18.1

Claims

Issue Date: July 3, 1997

Authority: [32 CFR 199.5\(g\)](#) and [32 CFR 199.7](#)

1.0 POLICY

1.1 Only Extended Care Health Option (ECHO) authorized benefits may be processed as an ECHO claim. Benefits that are available through the TRICARE Basic Program are not eligible to be cost-shared through the ECHO.

1.2 Government and beneficiary cost-share liability for ECHO benefits are indicated in [Section 16.1](#).

1.3 Pricing of ECHO services and items shall be determined in accordance with the TRICARE Reimbursement Manual (TRM).

1.4 All ECHO claims must have a valid written authorization. The Managed Care Support Contractor (MCSC) or Director, TRICARE Area Office may waive the requirement for a written authorization for rendered ECHO services/items that, except for the absence of the written authorization, would be allowable as an ECHO benefit.

1.5 Services or items on an ECHO claim which do not have a corresponding line item on an authorization document shall be denied.

1.6 Charges for Basic Program benefits and ECHO benefits shall be split as individual line items on ECHO and ECHO Home Health Care (EHHC) claims.

1.7 The "billed amount" for ECHO procedures or items is the actual billed amount, not the **applicable** ECHO benefit limits **indicated in this chapter**.

1.8 ECHO claims shall be paid the amount authorized, as indicated on the ECHO authorization, or the benefit limit, whichever is lower.

1.9 The reimbursement rate for the use of a privately-owned vehicle, regardless of the number of ECHO family members being transported, is limited to the Federal government employee mileage reimbursement rate in effect on the trip date.

2.0 EFFECTIVE DATE

September 1, 2005.

- END -