CHAPTER 12
SECTION 10.1

PAYMENT POLICY

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I. POLICY

A. With the exception of Philippines, Puerto Rico, and prescription drugs, reimbursement of TOP beneficiary claims for overseas health care shall be based upon the billed charges. (See Chapter 12, Section 11.1, TRICARE Reimbursement Manual (TRM), Chapter 1, Section 34, and TRM, for additional guidelines). Puerto Rico claims shall be reimbursed following continental United States (CONUS) reimbursement guidelines.

B. Payment of Skilled Nursing Facility (SNF) claims from Puerto Rico and the U.S. Territories (Guam, the Virgin Islands and American Samoa) shall be processed as routine foreign claims and shall be subject to the Prospective Payment System (PPS), as required under Medicare in accordance with the Social Security Act. These SNFs will be subject to the same rules as applied to SNFs in the U.S. (see the TRM, Chapter 8):

1. Preauthorization is not a requirement for SNF care. TRICARE contractors, at their discretion, may conduct concurrent or retrospective review for Standard and TRICARE for Life (TFL) patients when TRICARE is the primary payer. The review required for the lower 18 Resource Utilization Groups (RUGs) is a requirement for all TRICARE patients when TRICARE is primary (see TRM, Chapter 8, Section 2, paragraph IV.C.16.). There will be no review for Standard or TFL patients where TRICARE is the secondary payer. The existing referral and authorization procedures for Prime beneficiaries will remain unaffected.

2. Beneficiaries in the lower 18 RUGs do not automatically qualify for SNF coverage. These beneficiaries will be individually reviewed to determine whether they meet the criteria for skilled services and the need for skilled services (see the TRM, Chapter 8, Section 2). If these beneficiaries do not meet these criteria, the SNF PPS claim shall be denied.

3. The TRICARE Managed Care Support Contractor (MCSC), South Region (hereinafter known as "overseas claims processing contractor"), at their own discretion, may collect MDS assessment data per the TRM, Chapter 8, Section 2.

4. The overseas claims processing contractor shall be responsible to enter into participation agreements with SNFs in Puerto Rico, Guam, the Virgin Islands, and American Samoa.

5. The overseas claims processing contractor, at their own discretion, may conduct any data analysis to identify aberrant SNF PPS providers or those providers who might inappropriately place TRICARE beneficiaries in a high RUG. The contractor shall also assist the TRICARE Area Office (TAO) Directors in obtaining/providing SNF data, for conducting any SNF PPS data analysis they deem necessary.

6. The overseas claims processing contractor shall be required to submit the quarterly report to the government contractor as designated by TRICARE Management Activity (TMA) as required by the TRM, Chapter 8, Section 2.

C. Balance billing provisions do not apply to TOP beneficiary claims for TOP overseas health care paid as billed.

D. For health care rendered in Puerto Rico, Philippines, and in the U.S., reimbursement for all TOP beneficiary care shall follow the TRICARE payment policies except as outlined in paragraph E. below.

E. Non-assigned provider claims for active duty service member (ADSM) CONUS health care shall be paid following normal TRICARE CONUS reimbursement rules for institutional and non-institutional care. The contractor shall make every effort to obtain the provider's agreement to accept, as payment in full, first a rate within the 100% CHAMPUS Maximum Allowable Charge (CMAC) limitation and then second, a rate between 100 and 115% of CMAC. If the latter is not feasible, the contractor shall determine the lowest acceptable rate that the provider will accept. The contractor shall then request a waiver of CMAC limitation from the TAO Director, as the designee of the Chief Operating Office (COO), TMA, to ensure that the patient does not bear any out-of-pocket expense. The waiver request shall include the patient name, ADSM's location, services requested (CPT-4) codes, CMAC rate, billed charge, and anticipated negotiated rate. The contractor must obtain approval from the TAO Director before the negotiation can be concluded. The contractors shall ensure that the approval payment is annotated in the authorization/claims processing system, and that payment is issued directly to the provider, unless there is information presented that the ADSM has personally paid the provider.

1. TOP ADSM who have been required by the provider to make "up front" payment at the time services are rendered will be required to submit a claim to the contractor with an explanation and proof of such payment. If the claim is payable, the contractor shall allow the billed amount and reimburse the ADSM for charges on the claim. After processing the claim, the contractor shall initiate recoupment action from the non-participating provider for any amount above the maximum allowed by law.

2. In no case shall a uniformed service member be subjected to "balance billing" or ongoing collection action by a civilian provider for emergency or authorized care. If the contractor becomes aware of such situations that they cannot resolve, they shall pend the file and forward the issue to the appropriate TAO Director. The appropriate TAO Director will issue an authorization to the contractor for payments in excess of CMAC or other applicable TRICARE payment ceilings, provided the TAO Director has requested and has been granted a waiver from the COO, TMA, or designee.

F. TRICARE Global Remote Overseas (TGRO)/TRICARE Puerto Rico Contract (TPRC) healthcare contractor claims submitted for active duty family members (ADFMs) not enrolled in TOP Prime shall be paid following TOP Standard cost-sharing provisions. The overseas claims processing contractor's EOB shall advise the TGRO contractor/TPRC that the beneficiary was not enrolled in TOP Prime. Upon receipt of the EOB, the TGRO contractor/TPRC shall contact the appropriate overseas TAO Director for review of the enrollment problem. The beneficiary's enrollment will be corrected if the case warrants a retroactive enrollment per Chapter 12, Section 3.2.

G. Overseas drug claims shall be paid following the guidelines outlined in the TRM, Chapter 1, Section 15, and Chapter 12, Section 11.1, TOP Prime and Standard cost share for pharmacy services are as outlined in Chapter 12, Section 2.1.

H. Prior to payment, overseas ambulance service shall follow the CONUS medical necessity guidelines outlined in Chapter 8, Section 1.1.

I. Payment may be made for TGRO contractor ambulance services provided by commercial transport (see Chapter 12, Section 11.1, paragraph IV.A.5.b.(2) for additional guidance on processing these claims).

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