



DEFENSE  
HEALTH AGENCY

**MB&RO**

**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
HEALTH AFFAIRS  
16401 EAST CENTRETECH PARKWAY  
AURORA, CO 80011-9066**

**CHANGE 102  
6010.58-M  
AUGUST 22, 2014**

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL  
FOR  
TRICARE REIMBURSEMENT MANUAL (TRM), FEBRUARY 2008**

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

**CHANGE TITLE: CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES  
DIAGNOSIS RELATED GROUP-BASED PAYMENT SYSTEM AND PRICING OF  
HOSPITAL CLAIMS**

**CONREQ: 17004**

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

**SUMMARY OF CHANGE(S): This change revises TRICARE's current regulatory provision for  
inpatient hospital claims priced under the CHAMPUS DRG-based payment system.**

**EFFECTIVE DATE: October 1, 2014.**

**IMPLEMENTATION DATE: September 22, 2014.**

**This change is made in conjunction with Feb 2008 TSM, Change No. 65.**

**FAZZINI.ANN.NOR  
EEN.1199802271**

Digitally signed by  
FAZZINI.ANN.NOREEN.1199802271  
DN: c=US, o=U.S. Government, ou=DoD,  
ou=PKI, ou=TMA,  
cn=FAZZINI.ANN.NOREEN.1199802271  
Date: 2014.08.20 09:31:22 -06'00'

**Ann N. Fazzini  
Team Chief, Medical Benefits &  
Reimbursement Office (MB&RO)  
Defense Health Agency (DHA)**

**ATTACHMENT(S): 8 PAGE(S)  
DISTRIBUTION: 6010.58-M**

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

**CHANGE 102  
6010.58-M  
AUGUST 22, 2014**

**REMOVE PAGE(S)**

**CHAPTER 6**

Section 3, pages 1 and 2

**APPENDIX A**

pages 5, 6, 17, 18, 29, and 30

**INSERT PAGE(S)**

Section 3, pages 1 and 2

pages 5, 6, 17, 18, 29, and 30

## Hospital Reimbursement - TRICARE DRG-Based Payment System (Basis Of Payment)

Issue Date: October 8, 1987

Authority: [32 CFR 199.14\(a\)\(1\)](#)

---

### 1.0 APPLICABILITY

This policy is mandatory for reimbursement of services provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by the TRICARE Management Activity (TMA) and specifically included in the network provider agreement.

### 2.0 ISSUE

What is the basis of payment for the TRICARE DRG-based payment system?

### 3.0 POLICY

#### 3.1 Hospital Billing

Under the TRICARE DRG-based payment system, hospitals are required to submit claims in accordance with [32 CFR 199.7\(b\)](#). The contractor will assign the appropriate DRG to the claim based on the information contained on the claim.

**3.1.1** Hospital participation. As noted previously, all hospitals which participate in Medicare are required to participate on all inpatient claims.

**3.1.2** Late charges. Any late charges received by the contractor for a claim which has been processed under the TRICARE DRG-based payment system are to be processed as an adjustment. Generally, late charges will not result in any additional payment, but they could affect payment by changing the DRG assigned to the claim or by causing the claim to qualify as an outlier, or they could affect the amount of the beneficiary's cost-share.

**3.1.3** Beneficiary-submitted claims. If a beneficiary submits a claim which is determined to be subject to the TRICARE DRG-based payment system (or for services from an exempt hospital which is Medicare-participating), whether for inpatient services or for related professional services rendered by a hospital-based professional, the claim is to be returned (uncontrolled) with the notation that all inpatient hospital claims must be submitted by the provider.

**3.1.4** Effective July 11, 1995, the physician attestation form that requires doctors to certify the accuracy of all diagnoses and procedures before submitting claims for payment is no longer

required, and instead of requiring a physician to sign an acknowledgement statement every year, a physician need only sign the statement upon receiving admitting privileges at a hospital.

### 3.2 Payment On A Per Discharge Basis

Under the TRICARE DRG-based payment system, hospitals are paid a predetermined amount per discharge for inpatient hospital services furnished to TRICARE beneficiaries.

### 3.3 Pricing of Claims

**3.3.1** All final claims with discharge dates of September 30, 2014, or earlier that are reimbursed under the TRICARE DRG-based payment system are to be priced using the rules, weights and rates in effect as of the date of admission, regardless of when the claim is submitted. All final claims with discharge dates of October 1, 2014, or later that are reimbursed under the TRICARE DRG-based payment system are to be priced using the rules, weights and rates in effect as of the date of discharge.

**3.3.2** Contractors shall maintain at least three years' weights and rates, including Indirect Medical Education (IDME) adjustment factors, wage indexes, etc., in the contractor's on-line system. If the claim filing deadline has been waived and the date of discharge is more than three years before the reprocessing date, the affected claim or adjustment is to be priced using the earliest DRG weights and rates on the contractor's system.

### 3.4 Payment In Full

The DRG-based amount paid for inpatient hospital services is the total TRICARE payment for the inpatient operating costs (as described in this section) incurred in furnishing services covered by the TRICARE. The full prospective payment amount is payable for each stay during which there is at least one covered day of care, except as provided in [Section 8](#) for short-stay outliers. Thus, certain items related or incidental to the treatment of the patient, but which might not otherwise be covered, are included in the DRG-based payment. For example, patient education services such as nutrition counseling are not covered by TRICARE, but if they are provided incidental to covered services, they are to be considered included in the DRG-based payment. The hospital cannot bill the beneficiary for the services, since they are included in the overall treatment regimen for the admission. At the same time, the contractor is not to reduce the DRG-based payment simply because some non-covered services were rendered.

**3.4.1** Services received from another hospital. In those cases in which the hospital obtains certain services from another hospital (e.g., computerized tomography services) no additional payment is to be made to either hospital for the technical component of the services. The technical component is to be considered part of the DRG-based payment, and it is the discharging hospital's responsibility to make suitable payment arrangements with the other hospital providing services. Of course, the professional component of such services can be billed separately by the second hospital.

**3.4.2** Interim bills for unusually long Lengths-Of-Stay (LOS). Because the DRG-based payment is the full payment for the claim, in most cases interim bills will not be accepted. If an interim bill is submitted for services subject to the TRICARE DRG-based payment system, it is to be denied. The only exception to this is for certain qualifying outlier cases.

# TRICARE Reimbursement Manual 6010.58-M, February 1, 2008

## Appendix A

### Acronyms And Abbreviations

---

CAP/DME	Capital and Direct Medical Education
CAPD	Continuous Ambulatory Peritoneal Dialysis
CAPP	Controlled Access Protection Profile
CAQH	Council for Affordable Quality Health
CARC	Claim Adjustment Reason Code
CAS	Carotid Artery Stenosis
CAT	Computerized Axial Tomography
CB	Consolidated Billing
CBC	Cypher Block Chaining
CBE	Clinical Breast Examination
CBHCO	Community-Based Health Care Organizations
CBL	Commercial Bill of Lading
CBP	Competitive Bidding Program
CBSA	Core Based Statistical Area
CC	Common Criteria Convenience Clinic Criminal Control (Act)
CC&D	Catastrophic Cap and Deductible
CCCT	Clomiphene Citrate Challenge Test
CCD	Corporate Credit or Debit
CCDD	Catastrophic Cap and Deductible Data
CCEP	Comprehensive Clinical Evaluation Program
CCMHC	Certified Clinical Mental Health Counselor
CCN	Case Control Number
CCPD	Continuous Cycling Peritoneal Dialysis
CCR	Cost-To-Charge Ratio
CCTP	Custodial Care Transitional Policy
CD	Compact Disc
CDC	Centers for Disease Control and Prevention
CDCF	Central Deductible and Catastrophic Cap File
CDD	Childhood Disintegrative Disorder
CDH	Congenital Diaphragmatic Hernia
CD-I	Compact Disc - Interactive
CDR	Clinical Data Repository
CDRL	Contract Data Requirements List
CD-ROM	Compact Disc - Read Only Memory
CDT	Current Dental Terminology
CEA	Carotid Endarterectomy
CEIS	Corporate Executive Information System
CEO	Chief Executive Officer
CEOB	CHAMPUS Explanation of Benefits
CES	Cranial Electrotherapy Stimulation

# TRICARE Reimbursement Manual 6010.58-M, February 1, 2008

## Appendix A

### Acronyms And Abbreviations

---

CF	Conversion Factor <b>Cystic Fibrosis</b>
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CFRD	Cystic Fibrosis-Related Diabetes
CFS	Chronic Fatigue Syndrome
CGMS	Continuous Glucose Monitoring System
CHAMPUS	Civilian Health and Medical Program of the Uniformed Services
CHAMPVA	Civilian Health and Medical Program of the Department of Veteran Affairs
CHBC	Criminal History Background Check
CHBR	Criminal History Background Review
CHC	Civilian Health Care
CHCBP	Continued Health Care Benefits Program
CHCS	Composite Health Care System
CHEA	Council on Higher Education Accreditation
CHKT	Combined Heart-Kidney Transplant
CHOP	Children's Hospital of Philadelphia
CI	Counterintelligence
CIA	Central Intelligence Agency
CID	Central Institute for the Deaf
CIF	Central Issuing Facility Common Intermediate Format
CIO	Chief Information Officer
CIPA	Classified Information Procedures Act
CJCSM	Chairman of the Joint Chiefs of Staff Manual
CL	Confidentiality Level (Classified, Public, Sensitive)
CLIA	Clinical Laboratory Improvement Amendment
CLIN	Contract Line Item Number
CLKT	Combined Liver-Kidney Transplant
CLL	Chronic Lymphocytic Leukemia
CMAC	CHAMPUS Maximum Allowable Charge
CMHC	Community Mental Health Center
CML	Chronic Myelogenous Leukemia
CMN	Certificate(s) of Medical Necessity
CMO	Chief Medical Officer
CMP	Civil Money Penalty
CMR	Cardiovascular Magnetic Resonance
CMS	Centers for Medicare and Medicaid Services
CMVP	Cryptographic Module Validation Program
CNM	Certified Nurse Midwife
CNS	Central Nervous System Clinical Nurse Specialist
CO	Contracting Officer

## TRICARE Reimbursement Manual 6010.58-M, February 1, 2008

### Appendix A

#### Acronyms And Abbreviations

---

IOLs	Intraocular Lenses
IOM	Internet Only Manual
IOP	Intraocular Pressure
IORT	Intra-Operative Radiation Therapy
IP	Inpatient
IPC	Information Processing Center (outdated term, see SMC)
IPHC	Intraperitoneal Hyperthermic Chemotherapy
IPN	Intraperitoneal Nutrition
IPP	In-Person Proofing
IPPS	Inpatient Prospective Payment System
IPS	Individual Pricing Summary
IPSEC	Secure Internet Protocol
IQ	Intelligence Quotient
IQM	Internal Quality Management
IRB	Institutional Review Board
IRF	Inpatient Rehabilitation Facility
IRR	Individual Ready Reserve
IRS	Internal Revenue Service
IRTS	Integration and Runtime Specification
IS	Information System
ISN	Investigation Schedule Notice
ISO	International Standard Organization
ISP	Internet Service Provider
IT	Information Technology
ITSEC	Information Technology Security Evaluation Criteria
IV	Initialization Vector Intravenous
IVD	<b>In Vitro Diagnostic</b> Ischemic Vascular Disease
IVF	In Vitro Fertilization
JC	Joint Commission (formerly Joint Commission on Accreditation of Healthcare Organizations (JCAHO))
JCAHO	Joint Commission on Accreditation of Healthcare Organizations
JCIH	Joint Committee on Infant Hearing
JCOS	Joint Chiefs of Staff
JFTR	Joint Federal Travel Regulations
JNI	Japanese National Insurance
JTF-GNO	Joint Task Force for Global Network Operations
JUSDAC	Joint Uniformed Services Dental Advisory Committee
JUSMAC	Joint Uniformed Services Medical Advisory Committee
JUSPAC	Joint Uniformed Services Personnel Advisory Committee
KB	Knowledge Base
KO	Contracting Officer

## TRICARE Reimbursement Manual 6010.58-M, February 1, 2008

### Appendix A

#### Acronyms And Abbreviations

---

LAA	Limited Access Authorization
LAC	Local Agency Check
LAK	Lymphokine-Activated Killer
LAN	Local Area Network
LASER	Light Amplification by Stimulated Emission of Radiation
LCD	Local Coverage Determination
LCF	Long-term Care Facility
LCIS	Lobular Carcinoma In Situ
LDL	Low Density Lipoprotein
LDLT	Living Donor Liver Transplantation
LDR	Low Dose Rate
LDT	Laboratory Developed Test
LGS	Lennox-Gastaut Syndrome
LH	Luteinizing Hormone
LLLT	Low Level Laser Therapy
LNT	Lexical Neighborhood Test
LOC	Letter of Consent
LOD	Letter of Denial/Revocation Line of Duty
LOI	Letter of Intent
LOS	Length-of-Stay
LOT	Life Orientation Test
LPN	Licensed Practical Nurse
LSIL	Low-grade Squamous Intraepithelial Lesion
LSN	Location Storage Number
LTC	Long-Term Care
LUPA	Low Utilization Payment Adjustment
LV	Left Ventricle [Ventricular]
LVEF	Left Ventricular Ejection Fraction
LVN	Licensed Vocational Nurse
LVRS	Lung Volume Reduction Surgery
LVSD	Left Ventricular Systolic Dysfunction
MAC	Maximum Allowable Charge Maximum Allowable Cost
MAC III	Mission Assurance Category III
MAID	Maximum Allowable Inpatient Day
MAP	MYH-Associated Polyposis
MB&RB	Medical Benefits and Reimbursement Branch
MBI	Molecular Breast Imaging
MCIO	Military Criminal Investigation Organization
MCS	Managed Care Support
MCSC	Managed Care Support Contractor

# TRICARE Reimbursement Manual 6010.58-M, February 1, 2008

## Appendix A

### Acronyms And Abbreviations

---

<b>SPC</b>	<b>Special Processing Code</b>
SPECT	Single Photon Emission Computed Tomography
SPK	Simultaneous Pancreas Kidney (transplant)
SPOC	Service Point of Contact
SPR	SECRET Periodic Reinvestigation
SQL	Structured Query Language
SRE	Serious Reportable Event
SSA	Social Security Act Social Security Administration
SSAA	Social Security Authorization Agreement
SSAN	Social Security Administration Number
SSBI	Single-Scope Background Investigation
SSDI	Social Security Disability Insurance
SSL	Secure Socket Layer
SSM	Site Security Manager
SSN	Social Security Number
SSO	Short-Stay Outlier
ST	Speech Therapy
STF	Specialized Treatment Facility
STS	Specialized Treatment Services
STSF	Specialized Treatment Service Facility
SUBID	Sub-Identifier
SUDRF	Substance Use Disorder Rehabilitation Facility
SVO	SIT Validation Office
SVT	Supraventricular Tachycardia
SWLS	Satisfaction With Life Scale
T-3	TRICARE Third Generation
TAD	Temporary Additional Duty
TAFIM	Technical Architecture Framework for Information Management
TAH	Total Artificial Heart
TAMP	Transitional Assistance Management Program
TAO	TRICARE Alaska Office TRICARE Area Office
TAR	Total Ankle Replacement
TARO	TRICARE Alaska Regional Office
TAVR	Transcatheter Aortic Valve Replacement
TB	Tuberculosis
TBD	To Be Determined
TBE	Tick Borne Encephalitis
TBI	Traumatic Brain Injury
TC	Technical Component
TCMHC	TRICARE Certified Mental Health Counselor

## TRICARE Reimbursement Manual 6010.58-M, February 1, 2008

### Appendix A

#### Acronyms And Abbreviations

---

TCP/IP	Transmission Control Protocol/Internet Protocol
TCSRC	Transitional Care for Service-Related Conditions
TDD	Targeted Disc Decompression
TDEFIC	TRICARE Dual Eligible Fiscal Intermediary Contract
TDP	TRICARE Dental Program/Plan
TDR	Total Disc Replacement
TDY	Temporary Duty
TED	TRICARE Encounter Data
TEE	Transesophageal Echocardiograph [Echocardiography]
TEFRA	Tax Equity and Fiscal Responsibility Act
TEOB	TRICARE Explanation of Benefits
TEPRC	TRICARE Encounter Pricing (Record)
TEPRV	TRICARE Encounter Provider (Record)
TET	Tubal Embryo Transfer
TF	Transfer Factor
TFL	TRICARE For Life
TFMDP	TRICARE (Active Duty) Family Member Dental Plan
TGRO	TRICARE Global Remote Overseas
TGROHC	TGRO Host Country
TIFF	Tagged Imaged File Format
TIL	Tumor-Infiltrating Lymphocytes
TIMPO	Tri-Service Information Management Program Office
TIN	Taxpayer Identification Number
TIP	Thermal Intradiscal Procedure
TIPS	Transjugular Intrahepatic Portosystemic Shunt
TIS	TRICARE Information Service
TLAC	TRICARE Latin America/Canada
TLC	Total Lung Capacity
TMA	TRICARE Management Activity
TMA-A	TRICARE Management Activity - Aurora
TMAC	TRICARE Maximum Allowable Charge
TMCPA	Temporary Military Contingency Payment Adjustment
TMH	Telemental Health
TMI&S	Technology Management Integration & Standards
TMOP	TRICARE Mail Order Pharmacy
TMR	Transmyocardial Revascularization
TMS	Transcranial Magnetic Stimulation
TNEX	TRICARE Next Generation (MHS Systems)
TNP	Topical Negative Pressure
TOB	Type of Bill
TOE	Target of Evaluation
TOL	TRICARE Online