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TRICARE
MANAGEMENT ACTIVITY

MB&RS

CHANGE 17
6010.53-M
MAY 16, 2003

PUBLICATIONS SYSTEM CHANGE TRANSMITTAL
FOR
TRICARE REIMBURSEMENT MANUAL

The TRICARE Management Activity has authorized the following addition(s)/
revision(s) to the 6010.53-M, issued March 2002.

CHANGE TITLE: DRG-BASED SYSTEM CHANGES, FY 2002 CPT CODE
UPDATE, AND RAISING PAYMENT RATES FOR CERTAIN
PROVIDERS TO THE PHYSICIAN LEVEL.

PAGE CHANGE(S): See pages 2 and 3.

SUMMARY OF ADDITIONS/REVISIONS: This change includes wage index
changes and several other changes to the DRG-based payment system; FY 2002 CPT
code updates; and raises the payment rate for certain providers to the physician level
to follow Medicare policy.

EFFECTIVE DATE AND IMPLEMENTATION: The Effective Date is January 1,
2002 for CPT coding updates and August 1, 2003 for all other changes unless
otherwise stated. The Implementation Date is August 1, 2003.

This change is made in conjunction with May 1999 ADP Manual, Change No. 37
and Mar 2002 Policy Manual, Change No. 7.

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ATTACHMENT(S): 125 PAGE(S)
DISTRIBUTION: 6010.53-M

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

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SUMMARY OF CHANGES

CHAPTER 1

1. Section 6 (**Reimbursement of Physician Assistants and Nurse Practitioners**) includes Nurse Practitioners and the basis for paying their services.
2. Section 17 (**Assistant Surgeons**) adds Nurse Practitioners as assistant surgeons.

CHAPTER 5

3. Section 2 (**Allowable Charges - CHAMPUS Maximum Allowable Charges (CMAC)**) raises the payment level for certain providers to the physician level. In addition, podiatrists, oral surgeons and optometrists will be eligible to receive the bonus payment.

CHAPTER 6

4. Section 2 (**Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (General Description of System)**) adds language that after August 1, 2003, if a beneficiary loses TRICARE eligibility, and the patient stay results in a cost outlier payment, any charges that occur after the loss of TRICARE eligibility should be subtracted from the billed charges prior to multiplying the billed charges by the cost-to-charge ratio when calculating the cost outlier payment.
5. Section 3 (**Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Basis of Payment)**) clarifies that when calculating the cost outlier threshold for transfer cases, if the length of stay (LOS) exceeds the geometric mean LOS, the outlier threshold is limited to the DRG base payment plus the fixed loss threshold (wage adjusted).
6. Section 4 (**Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Applicability of the DRG System)**) adds language that all services related to combined liver-kidney transplants (CLKTs) and combined heart-kidney transplants (CHKTs) through July 31, 2003, are excluded from the DRG payment. Effective August 1, 2003, CLKTs and CHKTs shall be paid under the assigned DRG based on the patient's diagnosis.
7. Section 8 (**Hospital Reimbursement - TRICARE/CHAMPUS DRG-based Payment System (Adjustments to Payment Amounts)**) adds language referring individuals to Chapter 6, Section 2, paragraph III.C.1., for information on calculating outlier payments when a beneficiary's eligibility status changes.
8. Addendum D (FY 2001) adds revised wage indexes for certain MSAs and rural areas for FY 2001.
9. Addendum D (FY 2002) adds revised wage indexes for certain MSAs for FY 2002.

SUMMARY OF CHANGES (Continued)

CHAPTER 6 (Continued)

10. Addendum E (FY 2001) adds revised wage indexes for hospitals that are reclassified for FY 2001.
11. Addendum E (FY 2002) adds revised wage indexes for hospitals that are reclassified for FY 2002.
12. Addendum F (FY 2000) adds revised reclassification of FY 2000 Wage Indexes and Standardized Amounts for Individual Hospitals as a result of the Balanced Budget Refinement Act of 1999.
13. Addendum F (FY 2001) adds revised reclassification of FY 2001 Wage Indexes and Standardized Amounts for Individual Hospitals as a result of the Balanced Budget Refinement Act of 1999.
14. Addendum F (FY 2002) adds revised reclassification of FY 2002 Wage Indexes and Standardized Amounts for Individual Hospitals.
15. Addendum F (FY 2003) adds revised reclassification of FY 2003 Wage Indexes and Standardized Amounts for Individual Hospitals.

CHAPTER 7

16. Section 1 (**Hospital Reimbursement - TRICARE/CHAMPUS Inpatient Mental Health Per Diem Payment System**) includes the mental health per diem cap amount for FY 2003 that was inadvertently left out of a prior package.

CHAPTER 9

17. Addendum A adds new 2002 CPT codes to ambulatory surgery. Corrects footnote from 14 to 15 on CPT code 52400, under Urinary System, Bladder, CPT Subsection: Transurethral Surgery (Vesical Neck and Prostate). Adds footnote 18 noting payment group change.

