



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
HEALTH AFFAIRS

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TRICARE  
MANAGEMENT ACTIVITY

PCSIB

CHANGE 55  
7950.1-M  
FEBRUARY 28, 2008

PUBLICATIONS SYSTEM CHANGE TRANSMITTAL  
FOR  
TRICARE SYSTEMS MANUAL (TSM)

The TRICARE Management Activity has authorized the following addition(s)/  
revision(s) to 7950.1-M, reissued August 2002.

**CHANGE TITLE:** CALENDAR YEAR (CY) 2008 UPDATES TO THE TRICARE  
HOME HEALTH PROSPECTIVE PAYMENT SYSTEM  
(HH PPS)

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

**SUMMARY OF CHANGE(S):** See page 3.

**EFFECTIVE DATE:** January 1, 2008.

**IMPLEMENTATION DATE:** Upon direction of the Contracting Officer.

This change is made in conjunction with Aug 2002 TRM, Change No. 72.

Evie Lammle  
Acting Chief, Purchased Care Systems  
Integration Branch

**ATTACHMENT(S):** 2 PAGES  
**DISTRIBUTION:** 7950.1-M

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

**CHANGE 55**  
**7950.1-M**  
**FEBRUARY 28, 2008**

**REMOVE PAGE(S)**

**INSERT PAGE(S)**

**CHAPTER 2**

Section 2.5, pages 13 and 14

Section 2.5, pages 13 and 14

**SUMMARY OF CHANGES**

1. Implementation of a refined 4-equation case-mix model that recognizes and differentiates payment for episodes of care based on whether a patient is in what is considered to be an early (first and second episode in a sequence of adjacent episodes) or late (the third episode and beyond in a sequence of adjacent episodes) episode of care as well as recognizing whether a patient was a high therapy (14 or more therapy visits) or low therapy (13 or fewer therapy visits).
2. Change in labor related and non-labor related share of HH PPS rates.
3. National 60-day episode payment amount update for CY 2008.
4. Change in Non-Routine Supply (NRS) payment.
5. Add-on payments for Low Utilization Payment Adjustments (LUPAs) that occur as initial episodes or as the only episodes.
6. National updated per visit amounts used to pay LUPAs and compute imputed costs in outlier calculations.



TRICARE SYSTEMS MANUAL 7950.1-M, AUGUST 1, 2002

CHAPTER 2, SECTION 2.5

DATA REQUIREMENTS - INSTITUTIONAL/NON-INSTITUTIONAL RECORD DATA ELEMENTS (E - L)

DATA ELEMENT DEFINITION

ELEMENT NAME: HEALTH CARE DELIVERY PROGRAM (HCDP) SPECIAL ENTITLEMENT CODE

RECORDS/LOCATOR NUMBERS

RECORD NAME	LOCATOR#	OCCURRENCES	REQUIRED
Institutional	1-186	1	Yes <sup>1</sup>
Non-Institutional	2-306	Up to 99	Yes <sup>1</sup>
<b>PRIMARY PICTURE (FORMAT)</b>	Two (2) alphanumeric characters.		
<b>DEFINITION</b>	The code used to identify for each person insured in managed care any special category that they may have been given for copayment and deductible. Download field from DEERS.		
<b>CODE/VALUE SPECIFICATIONS</b>	00	Not applicable	
	01	Bosnia Participation Special Entitlement (Sponsor Only)	
	02	Noble Eagle Participation Special Entitlement (Sponsor Only)	
	03	Enduring Freedom Participation Special Entitlement	
	04	TA 60 Benefits Period After Special Operation	
	05	TA 120 Benefits Period After Special Operation	
	06	Kosovo Participation Special Entitlement (Sponsor Only)	
	07	Iraqi Freedom Participation Special Entitlement (Sponsor Only)	
	30	TRICARE Senior Pharmacy Exception - Grandfathered Populations before 04/01/2001.	
	31	TRICARE Senior Pharmacy Exception - Direct Care over 65 members with Medicare A and B but no TFL.	

ALGORITHM N/A

SUBORDINATE AND/OR GROUP ELEMENTS

SUBORDINATE	GROUP
N/A	N/A

NOTES AND SPECIAL INSTRUCTIONS:

<sup>1</sup> If the DEERS response does not return a HCDP SPECIAL ENTITLEMENT CODE, report '00' in this field.

If person not on DEERS but claim is payable (i.e., government liability), report '00' in this field.

TRICARE SYSTEMS MANUAL 7950.1-M, AUGUST 1, 2002

CHAPTER 2, SECTION 2.5

DATA REQUIREMENTS - INSTITUTIONAL/NON-INSTITUTIONAL RECORD DATA ELEMENTS (E - L)

DATA ELEMENT DEFINITION

ELEMENT NAME: HIPPS CODE

RECORDS/LOCATOR NUMBERS

RECORD NAME	LOCATOR#	OCCURRENCES	REQUIRED
Institutional	1-292	1	Yes <sup>1</sup>

**PRIMARY PICTURE (FORMAT)** Five (5) alphanumeric characters.

**DEFINITION** Health Insurance Prospective Payment System (HIPPS) rate codes represent specific patient characteristics (or case mix) on which TRICARE Skilled Nursing Facility (SNF) and Home Health Agency (HHA) payment determinations are made.

**CODE/VALUE SPECIFICATIONS** **SNF HIPPS codes:** Consists of a **three** character **Resource Utilization Group (RUG)** code plus a **two** character modifier which is an assessment indicator.

**HHA HIPPS codes prior to January 1, 2008:** First character is always 'H' for home health; the second, third, and fourth positions represent the care level of intensity; and the fifth character establishes the completeness of the OASIS data.

**HHA HIPPS codes on or after January 1, 2008:** The first position in the HIPPS code is a numeric value based on whether an episode is an early or later episode in a sequence of adjacent episodes; the second, third, and fourth positions of the code remain a one-to-one crosswalk to the three domains of the Home Health Resource Group (HHRG) coding system; and the fifth position indicates a severity group for Non-Routine Supplies (NRS).

**ALGORITHM** N/A

SUBORDINATE AND/OR GROUP ELEMENTS

SUBORDINATE	GROUP
N/A	N/A

NOTES AND SPECIAL INSTRUCTIONS:

<sup>1</sup> Required if available. If not applicable blank fill.

If multiple HIPPS Codes are reported on a claim, the initial HIPPS code (i.e., the HIPPS code initiating the 60 day episode of care) should be coded on the TED record.