



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
HEALTH AFFAIRS

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TRICARE  
MANAGEMENT ACTIVITY

PCSIB

CHANGE 35  
7950.2-M  
APRIL 25, 2012

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL  
FOR  
TRICARE SYSTEMS MANUAL (TSM), FEBRUARY 2008**

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

**CHANGE TITLE:** BLENDED RATE REIMBURSEMENT METHODOLOGY FOR HOSPITAL  
OUTPATIENT DEPARTMENT (HOPD) RADIOLOGY SERVICES FOR CANCER  
AND CHILDREN'S HOSPITALS

**CONREQ:** 15871

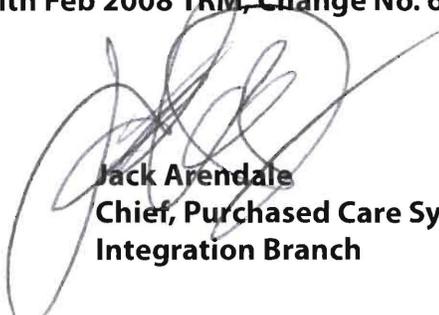
**PAGE CHANGE(S):** See page 2.

**SUMMARY OF CHANGE(S):** This change adopts Medicare's blended rate reimbursement  
methodology for HOPD radiology services for cancer and children's hospitals.

**EFFECTIVE DATE:** January 1, 2011.

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

**This change is made in conjunction with Feb 2008 TRM, Change No. 64.**



**Jack Arendale**  
Chief, Purchased Care Systems  
Integration Branch

**ATTACHMENT(S):** 2 PAGES  
**DISTRIBUTION:** 7950.2-M

**CHANGE 35**  
**7950.2-M**  
**APRIL 25, 2012**

**REMOVE PAGE(S)**

**CHAPTER 2**

Section 2.7, pages 23 and 24

**INSERT PAGE(S)**

Section 2.7, pages 23 and 24

**TRICARE Systems Manual 7950.2-M, February 1, 2008**

Chapter 2, Section 2.7

Data Requirements - Institutional/Non-Institutional Record Data Elements (P)

**DATA ELEMENT DEFINITION**

| <b>ELEMENT NAME: PRICING RATE CODE (Continued)</b> |  |
|--|--|
| <b>CODE/VALUE SPECIFICATIONS (CONTINUED)</b>       | <b>NON-INSTITUTIONAL CODE (CONTINUED)</b>  |
| G  | Claim Auditing Software-added procedure, prevailing charge (State)                           |
| H  | Claim Auditing Software-added procedure, conversion factor (Contractor)                      |
| I  | Claim Auditing Software-added procedure, paid as billed                                      |
| J  | Claim Auditing Software-added procedure, paid on negotiated rate                             |
| N  | Claim Auditing Software-added procedure, national prevailing charge                          |
| O  | Claim Auditing Software-added procedure, national conversion factor                          |
| P  | Claim Auditing Software-added procedure, ambulatory surgery-facility payment rate            |
| Q  | Claim Auditing Software-added procedure, discounted ambulatory surgery-facility payment rate |
| R  | Claim Auditing Software-added procedure, ambulatory surgery-paid as billed                   |
| T  | Claim Auditing Software-added procedure, allowed as billed but paid less than billed         |
| U  | SHCP or active duty member TPR claim paid outside normal limits                              |
| V  | Medicare Reimbursement Rate  |
| W  | Priced over CMAC (Effective 09/27/2001)  |
| BR   | Blended Rate   |
| CA   | Critical Access Hospital (CAH) Reimbursement   |
| GG   | Global Rate Agreement (used with corporate service providers only) (Effective 08/01/2003)    |
| GP   | Per Diem Rate Agreement (used with corporate service providers only) (Effective 08/01/2003)  |
| LC   | TRICARE Claim-added procedure, CMAC priced laboratory code                                   |
| P1   | OPPS   |
| P2   | OPPS with Cost Outlier   |
| P3   | OPPS with Discount   |
| P5   | Hospital-based Partial Hospitalization - paid as OPPS  |

**ALGORITHM** N/A

**NOTES AND SPECIAL INSTRUCTIONS:**

<sup>1</sup> Code '0' for all allowed drug charges.

<sup>2</sup> Use Pricing Rate Code '1' (Priced Manually) for consultation procedures for which the allowable charge is limited to that for a Limited Initial Visit, New Patient.

To indicate that the hospital reimbursement was reduced by a full or partial credit a provider received for a replaced device, Special Processing Codes 49 or 50 should be used. See [Section 2.8](#).

**TRICARE Systems Manual 7950.2-M, February 1, 2008**

Chapter 2, Section 2.7

Data Requirements - Institutional/Non-Institutional Record Data Elements (P)

**DATA ELEMENT DEFINITION**

**ELEMENT NAME: PRICING RATE CODE (Continued)**

**SUBORDINATE AND/OR GROUP ELEMENTS**

| <b>SUBORDINATE</b> | <b>GROUP</b>           |
|--------------------|------------------------|
| N/A                | PROCESSING INFORMATION |

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