

Introducing the New TRICARE Outpatient Prospective Payment System

TRICARE plans to implement the Outpatient Prospective Payment System (OPPS) payment methodology by early summer 2007.

What Is OPPS?

The OPPS is an Ambulatory Payment Classification (APC) system for covered hospital-based outpatient services. It consists of groups of covered services arranged so services within each group are comparable clinically and with respect to the use of resources. Level I Current Procedural Terminology (CPT) and Level II Healthcare Common Procedure Coding System (HCPCS) codes and descriptors are used to identify and group the services within each APC. Costs associated with items or services that are directly related and integral to performing a procedure or furnishing a service have been packaged into each procedure or service within an APC group.

While the TRICARE OPPS is modeled after the Medicare OPPS, there are some differences between the two systems,

such as covered benefits and beneficiary copayments. The TRICARE Outpatient Code Editor (OCE) will reflect these differences, allowing payment for those services that are covered under TRICARE, but not under Medicare and vice versa. In addition, TRICARE will retain its current hospital outpatient deductibles, cost-share and copayment amounts and catastrophic loss protection under its OPPS.

What Will Change?

Currently, when sufficient coding information is provided, outpatient hospital services, including emergency services, clinical laboratory services, rehabilitation therapy, venipuncture and radiology services are paid using existing allowable charges. Such services are reimbursed under the allowable charge methodology that would also include the CHAMPUS Maximum Allowable Charge (CMAC) rates for professional services. Other services without allowable charges, such as facility charges, are paid as a percentage of billed charges.

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From the Desk of the CMO

*John E. Crum, MD
Chief Medical Officer
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MAXIMUS is the National Quality Monitoring Contractor contracted by the government to work with Humana Military and other contractors to promote and provide the highest quality of care to TRICARE beneficiaries. MAXIMUS reviews inpatient care in the South Region and identifies potential issues in quality of care and patient safety. These findings are forwarded to Humana Military for

investigation and follow-up, as appropriate. Here are some patient care issues we reviewed recently:

- Heart failure –
 - measurement of left ventricular function
 - angiotensin converting enzyme inhibitor/angiotensin receptor blocker prescribed at discharge, if documented left ventricular systolic dysfunction
- Acute myocardial infarction –
 - use of beta blockers within 24 hours
 - use of aspirin and beta blockers at discharge

- Surgical infection prevention –
 - prophylactic antibiotics given 1 hour prior to incision
 - prophylactic antibiotics consistent with current recommendations
 - prophylactic antibiotics discontinued within 24 hours of surgery end time

Humana Military's quality management staff will follow up with providers when the chart review indicates deviation from accepted practice guidelines. This affords an opportunity to understand reasons for the perceived deviation and encourage adherence to guidelines.

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From the Desk of the CMO

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The National Guideline Clearinghouse™ (NGC) is a comprehensive database of evidence-based clinical practice guidelines and related documents. NGC is an initiative of the Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services. You can access and search this database at www.guideline.gov.

Centers of Excellence for Bariatric Surgery

Referring beneficiaries to Centers of Excellence (COEs) for bariatric surgery may reduce the risk of postoperative complications and early death after surgery.¹ Surgeons and facilities with higher volumes of bariatric surgery have lower rates of complications.

In May 2006, the Centers for Medicare and Medicaid Services (CMS) implemented a Medicare National Coverage Decision that allows coverage for bariatric surgery only in approved facilities. These facilities are certified by the American College of Surgeons as a Level 1 Bariatric Surgery Center or certified by the American Society for Bariatric Surgery as a Bariatric Surgery Center of Excellence. These facilities are listed at <http://www.cms.hhs.gov/MedicareApprovedFacilities/>. Since March 2006, Humana Military has worked to bring these centers into the TRICARE South network.

Please carefully consider referring candidates for this surgery to certified facilities. For TRICARE beneficiaries in the South Region, bariatric surgery requires prior authorization by Humana Military.

Thank you for your cooperation and participating in the care of TRICARE beneficiaries.

¹ *Relationship between provider volume and postoperative complications for bariatric procedures in New York State. Weller WE, Hannan EL. J Am Coll Surg. 2006 May;202(5):753-61. ■*

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Under the new OPSS, each procedure code will be assessed on a line-by-line basis in determining its appropriate reimbursement. The claims data will be processed through the TRICARE-specific OCE to determine final reimbursement. Procedure codes (HCPCS codes/CPT-4 codes) applied to a particular APC group will be reimbursed at the pre-determined, geographically wage-adjusted fee-for-service payment. Other procedure codes will either be bundled to primary procedure codes (with which they are normally associated), paid separately (under another fee schedule or payment system other than OPSS), or denied. Total claim reimbursement will be the sum of the individual procedure payments (e.g., wage-adjusted APC amounts or CMAC payment rates) less the beneficiary's appropriate deductible and cost-share.

Look to future issues of *TRICARE Provider News* for the latest information about the new TRICARE OPSS. Future articles will include useful information about the common differences between Medicare and TRICARE OPSS and identify provider categories included/excluded in the TRICARE OPSS.

To access additional information regarding the TRICARE OPSS program, please refer to the *TRICARE Reimbursement Manual*, Chapter 13 at <http://manuals.tricare.mil>. ■

Overpayments and Refunds

Humana Military claims processing subcontractor, PGBA, LLC (PGBA), is responsible for collecting refunds from TRICARE providers in the South Region. These refunds can be caused by calculation errors, duplicate payments, provider errors in claim submission, etc. On average, only 1.2 percent of all claims processed require refunds.

Provider Identified Refunds

If you receive an overpayment for a TRICARE Prime, TRICARE Standard or TRICARE Extra beneficiary, TRICARE requests that you send your refund or return our check to the following address:

TRICARE Finance Refunds - South Region
PGBA, LLC
P.O. Box 100279
Columbia, SC 29202-3279

To ensure the refund is credited to the correct claim, when returning payments please include the claim number, sponsor's Social Security number, beneficiary's name, refund calculation and any other pertinent information.

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Inpatient Cost-Shares Increase Slightly for Fiscal Year 2007

Each fiscal year (Oct. 1–Sept. 30), some TRICARE inpatient cost-share rates increase slightly. The following tables highlight the new inpatient rates for fiscal year 2007.

For additional information about cost-shares for TRICARE-covered services, visit the TRICARE Web site at www.tricare.mil/tricarecost. You can also visit Humana Military online at www.humana-military.com, or call 1-800-444-5445 for more information. ■

Inpatient Rates at Civilian and Military Treatment Facilities		
Program	Active Duty Family Members	Retirees, Their Families and Other Eligible Beneficiaries
TRICARE Prime	<i>No increase.</i> \$0 per admission	<i>No increase.</i> \$11 per day or \$25 per admission, whichever is greater; no separate copayment for separately billed professional charges.
TRICARE Standard	Increases from \$14.35 to \$14.80 per day or \$25 per admission, whichever is greater. No charge for separately billed professional services.	<i>No increase.</i> \$535 per day, or 25% of the total charge, whichever is less. Plus, 25% of the allowable charge for separately billed professional services.
TRICARE Extra	Increases from \$14.35 to \$14.80 per day or \$25 per admission, whichever is greater. No charge for separately billed professional services.	<i>No increase.</i> \$250 per day or 25% of total charge, whichever is less. Plus, 20% of the allowable charge for separately billed professional services.

Inpatient Rates for Behavioral Health at Civilian and Military Treatment Facilities		
Program	Active Duty Family Members	Retirees, Their Families and Other Eligible Beneficiaries
TRICARE Prime	<i>No increase.</i> \$0 per admission	<i>No increase.</i> \$40 per day. No charge for separately billed professional charges.
TRICARE Standard	<i>No increase.</i> \$20 per day or \$25 per admission, whichever is greater.	High Volume Hospitals— <i>no increase</i> —25% of hospital-specific charges. Low Volume Hospital—increases from \$175 to \$181 per day or 25% of the billed charges, whichever is lower. RTC—25% of the allowed amount. Partial hospitalization—25% of the allowed amount, plus 25% of the allowable charge for separately billed professional services.
TRICARE Extra	<i>No increase.</i> \$20 per day or \$25 per admission, whichever is greater.	<i>No increase.</i> 20% of total charge. Plus, 20% of the allowable charge for separately billed professional services.

Overpayments and Refunds

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Recoupment Letters and Offsets

When an overpayment of a claim is identified by PGBA, the finance department will send a recoupment letter requesting refund of the overpayment. The first letter is sent out when the overpayment is established. A second letter is mailed at 30 days if the refund has not been received.

After 60 days, if the refund is not received, an offset flag is set in PGBA's refund system. This offset will cue the payment system to deduct the amount you were overpaid from the next

payment processed under your provider ID. A note is included at the bottom of the next remittance and will give the following information related to the offset: provider's patient account number, patient name, TRICARE claim number, refund number, date requested (recoupment letter date), amount originally requested, amount offset, collections to date and remaining amount outstanding. In order to keep their books, providers will need to apply the offset to the claim being recouped.

It's important to respond promptly to recoupment requests. If you submit a refund on day 55, mailing and

processing may not have occurred by the time an offset is taken at the 60-day mark. This will lead to a duplicate collection. PGBA will refund the duplicate collection, but a timely refund from you will eliminate the confusion and extra workload for both entities.

Humana Military and PGBA share a continuous improvement philosophy and have targeted many initiatives to improve payment accuracy and to serve our providers better.

For more information about overpayments and refunds, please call Humana Military at 1-800-444-5445. ■

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CONTACTS

Humana Military
1-800-444-5445
www.humana-military.com

PGBA, LLC (claims)
1-800-403-3950

ValueOptions (behavioral health)
1-800-700-8646

Pharmacy Customer Service
1-866-DoD-TRRX (retail)
1-866-DoD-TMOP (mail order)
www.express-scripts.com/TRICARE

National TRICARE Web Sites
www.tricare.mil

Update DEERS
1-800-538-9552
www.tricare.mil/deers/update-info.cfm



Prior Authorizations Required for ADSMs

Active duty service members (ADSMs) using TRICARE Prime or TRICARE Prime Remote (TPR) must have prior authorization for inpatient and outpatient services, except most ancillary services (laboratory and X-ray), from a TRICARE Network or non-network civilian provider.

Note: TPR ADSMs can also obtain primary care outpatient services and clinical preventive care from a local TRICARE-authorized provider without a prior authorization.

If you don't obtain a prior authorization when one is required, or you exceed the scope of an approved prior authorization, you risk not being paid or being assessed a penalty.

Obtaining Prior Authorization from Humana Military

You can request a prior authorization in one of the following three ways:

1. Submit a request online via the Humana Military Web site at www.humana-military.com.

2. Fax a completed Patient Referral Authorization Form to 1-877-548-1547.
3. Call a Health Care Finder at Humana Military's TRICARE Service Line at 1-800-444-5445.

Most authorization requests can be completed while you are on the phone or within 24 hours of receipt of all required information.

You can check the status of your prior authorization request online at www.humana-military.com or by calling the TRICARE Service Line at 1-800-444-5445. Humana Military's Referral/Authorization staff also sends an autofax confirmation to providers to ensure they have received notification of a confirmed authorization for a TRICARE Prime beneficiary. ■

