

VA-TRICARE NETWORK AGREEMENTS

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) Handbook contains guidance for developing Department of Veterans Affairs (VA)-Department of Defense (DoD) TRICARE Network agreements whereby VA health care facilities (HCF) act as a TRICARE network provider to furnish health care services to TRICARE beneficiaries for monetary reimbursement.
- 2. SUMMARY OF MAJOR CHANGES:** This VHA Handbook incorporates directions, clarifications, and revisions necessary due to changes in Departmental policies and VHA reorganizations. Significant changes in this Handbook include: VHA, Office of the Deputy Under Secretary of Health for Operation and Management shall approve TRICARE network agreements if capacity is available. Network agreements under this Handbook shall be negotiated at the VHA Medical Sharing Office level, then executed at the VISN level, and not at the VA HCF level.
- 3. RELATED ISSUES:** VHA Handbook 1660.04, VA-DoD Sharing Agreements 10N Memorandum dated July 29, 2015.
- 4. RESPONSIBLE OFFICE:** The VA-DOD Medical Sharing Office (10P5) is responsible for the contents of this Handbook. Questions should be directed to this office at 202-461-4195.
- 5. RESCISSION:** VHA Handbook 1660.06, dated April 28, 2015, is rescinded.
- 6. RECERTIFICATION:** This VHA Handbook is scheduled for recertification on or before the last working day of May 2020.

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CONTENTS

VA-TRICARE NETWORK AGREEMENTS

1. PURPOSE..... 1

2. SCOPE..... 1

3. ELIGIBILITY AND DUAL ELIGIBILITY 1

4. RESPONSIBILITIES..... 2

5. DEVELOPING NETWORK AGREEMENTS..... 3

6. REGISTRATION, BILLING, AND REIMBURSEMENT 4

7. APPROVAL OF NETWORK AGREEMENTS..... 7

8. TRICARE HEALTH PLANS..... 7

VA-TRICARE NETWORK AGREEMENTS

1. PURPOSE

This Veterans Health Administration (VHA) Handbook establishes procedures that Department of Veterans Affairs (VA) Veterans Integrated Service Networks (VISN) and health care facilities (HCFs) shall use for developing TRICARE network agreements with TRICARE Managed Care Support Contractors (MCSC) to furnish health care to TRICARE beneficiaries eligible for care pursuant to Title 10 United States Code (U.S.C.) §1074 for monetary reimbursement. **AUTHORITY:** 38 U.S.C. 8111.

2. SCOPE

VA-Department of Defense (DoD) health care resources sharing activities covered within the scope of this Handbook include: eligibility for care; VA HCF and VISN responsibilities; development of TRICARE Network agreements; reimbursement and billing; and approval of TRICARE Network agreements. TRICARE Network agreements will not adversely affect the range of services, the quality of care, or the established priorities for care.

3. ELIGIBILITY AND DUAL ELIGIBILITY

a. **Eligibility.** Active duty members of the armed services including Reservists and National Guard members, active duty family members, military retirees, and family members of retirees properly enrolled in TRICARE programs may be furnished care at VA HCFs under Network agreements negotiated between VISNs and TRICARE MCSCs.

b. **Referral.** Eligible TRICARE beneficiaries treated at VA HCFs may be referred by a Military Treatment Facility (MTF), by a TRICARE MCSC, or may self-refer. VA HCFs may elect to have staff identified as Primary Care Managers (PCMs).

c. **Dual Eligibility.** Some TRICARE beneficiaries may be eligible for both VA and TRICARE benefits:

(1) If a dual-eligible beneficiary is seeking care for a service-connected condition in a VA HCF, the beneficiary must receive care using their Veteran benefit. VA shall not bill TRICARE for treatment of a service-connected condition.

(2) If a dual-eligible beneficiary is seeking care for a nonservice-connected condition in a VA HCF, the beneficiary may receive that care under either the Veteran's benefits or TRICARE benefits for that episode of care.

(3) It is the dual-eligible beneficiary's responsibility to declare at each episode of care which benefit is being used prior to receiving that care. During the enrollment (registration) process, VA HCF staff must inform dual-eligible beneficiaries that it is their responsibility, at each episode of care, to identify which benefit (VA or TRICARE) they intend to use. **NOTE:** *TRICARE Policy and Procedure Guide "VA-TRICARE"*

*Information on Dual Eligibles, can be found at http://vaww.va.gov/CBO/apps/policyguides/infomap.asp?address=VHA_PG_1601D.01.2.3. **NOTE:** This is an internal VA Web site that is not available to the public. For VA-DoD Sharing, see VHA Handbook 1660.04, VA-DoD Direct Sharing Agreements.*

4. RESPONSIBILITIES

a. **VHA Deputy Under Secretary for Health for Operation and Management.**

Title 38 U.S.C. 8111 permits VA to enter into TRICARE Network agreements with TRICARE MCSCs covering a broad spectrum of health care resources. Network agreements will be negotiated for each TRICARE Regional Contractor and include all VISNs and VA HCFs located in each TRICARE Region.

b. **Veterans Integrated Service Network Director.**

(1) Since network agreements affect health care resources within a Veterans Integrated Service Network (VISN), VISNs will ensure Veteran demand is met before appointments are made for non-Veteran patients with the VA HCFs.

(2) VISNs may be in more than one TRICARE Region and will be included in each TRICARE Network agreements per MCSC. The VISN Sharing Coordinator works with VA HCF's Finance or Business Office staff on level of participation.

c. **VA-DOD Medical Sharing Office.** The VA-DOD Medical Sharing Office is responsible for developing national agreements between VA and applicable TRICARE MCSCs to establish general terms and conditions to be applicable to the TRICARE Network agreements between VISNs and MCSCs. The VA Central Office (VACO) VA-DoD Liaison and Sharing Office (10P5) shall submit agreements to VHA Deputy Under Secretary for Health for Operations and Management for approval.

d. **VA-TRICARE Regional Office (TRO) Liaison.** The VATRO Liaison is responsible for:

(1) Develop TRICARE network agreements and negotiate rates with each MCSC after coordination with the VHA Chief Business Office. This will constitute a VHA negotiation team.

(2) Acting as liaison with the VA TRO Liaison, regional MCSC, VISNs, VHA, DoD MTFs and Defense Health Agency (DHA), previously TRICARE Management Activity, to resolve issues related to eligibility, authorization, and billing;

(3) Communicating with DoD entities and VA staff concerning VA's role in the TRICARE program;

(4) Formulating proposals in coordination with the TRO and DHA to improve VA HCFs' participation; and

(5) Coordinating provider education on all facets of administering TRICARE benefits.

5. DEVELOPING NETWORK AGREEMENTS

a. **Identify Points of Contact.** VISN Directors and VA HCF Directors shall identify individuals to serve as points of contact (POC) with TRICARE MCSCs. VA POCs shall establish close working relationships with the VA TRO Liaison and TRICARE MCSCs.

b. **Areas of TRICARE Coverage.** Network agreements negotiated between VHA and TRICARE MCSCs may cover only those medical services specified in DoD's contract (TRICARE covered services) with its MCSCs.

c. **Establishing Network Agreements.** Network agreements between VHA and TRICARE MCSCs shall be negotiated where capacity is available. VISNs shall undertake appropriate reviews to determine available health care services capacity and capability and notify MCSCs on a quarterly basis. Period of performance shall be commensurate with the TRICARE MCSC awarded contract or no more than 5 years, whichever is longer.

d. **Items to be Included in TRICARE Agreement Negotiations.** After potential areas for providing services are identified, VISN staff shall discuss projected reimbursement rates, workload, and resources with TROs as appropriate. Discussions must result in a clear understanding of what health information will be provided to TRICARE for the payment of services rendered. **NOTE:** *This information is included in TRICARE boilerplate agreements.* VA TRO Liaison have the authority to negotiate reimbursement rates with the MCSCs and to restrict services, with VISN and VA HCFs input due to lack of capacity. Unlike VA-DoD health care resources sharing agreements, there is no mandated discount reimbursement rate off the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Maximum Allowable Charge (CMAC).

e. **TRICARE Pharmacy Services.** VA HCFs may provide eligible TRICARE beneficiaries, receiving treatment at a VA HCF, outpatient prescriptions for the treatment received from VA, as long as the VA HCF Pharmacy dispenses prescriptions in accordance with the TRICARE Pharmacy benefit, <http://www.tricare.mil/Pharmacy.aspx>. TRICARE Pharmacy benefit has different coverages and copayments than VA. Eligible TRICARE beneficiaries may also choose to fill prescription medications at MTF pharmacies, through the TRICARE Mail Order to Pharmacy (TMOP), at TRICARE retail network pharmacies (TRRx), and at non-network pharmacies. Beneficiaries need a written prescription and a valid Uniformed Services identification card to have a prescription filled.

f. **Dental Services.** VA HCFs may participate in DoD's Active Duty Dental Program (ADDP). Interested facilities should contact their TRO VA liaison. The Chief Business Office (CBO) fact sheet (<http://vaww.va.gov/CBO/tricare/guides/regbilladdpfs.asp>) and Policy and Procedure Guide (http://vaww.va.gov/CBO/apps/policyguides/infomap.asp?address=VHA_PG_1601D.01).

[5.1](#)) provide more information on the ADDP and VHA procedures. **NOTE:** *These are internal VA Web sites that are not available to the public.*

6. REGISTRATION, BILLING, AND REIMBURSEMENT

a. **Outpatient and Inpatient Rates.** When negotiating acceptable reimbursement rates with TRICARE MCSCs, the VHA negotiation team shall use, at a minimum, incremental cost as a basis for recovering the additional costs of providing care to TRICARE beneficiaries. It is recommended that prior to negotiations with a TRICARE MCSC; the VHA negotiation team will determine appropriate and acceptable reimbursement rates from internal VA financial reports and resources. Guidance for specific TRICARE billing is developed jointly by CBO (10NB), and 10P5. Information on this can also be found within the VA-TRICARE Guide located at:

http://vaww.va.gov/CBO/apps/policyguides/contents.asp?address=VHA_PG_1601D.01.

NOTE: *This is an internal VA Web site and not available to the public.*

(1) VA HCFs and VISNs must monitor actual costs and revenues on an ongoing basis to ensure that revenues exceed incremental costs and that the Network agreements are financially sound business arrangements. VISNs will notify their VA TRO Liaison on an annually basis on TRICARE reimbursements versus VA healthcare expenditures.

(2) If VA receives an Explanation of Benefits (EOB) that indicates denial of a claim due to Other Health Insurance (OHI), VA HCF in question shall submit the claim to the OHI payer as the primary payer. The TRICARE MCSC must provide complete OHI information to VA.

b. **Traumatic Brain Injury, Spinal Cord Injury/Disorder, and Blind Rehabilitation Care.** For TRICARE beneficiaries that are active duty service members covered under the national VA-DOD Memorandum of Agreement (MOA) for Traumatic brain injury (TBI), Spinal cord injury/disorder (SCI/D), and blind rehabilitation (BR), VISNs and VA HCFs must follow special authorization procedures from the Military Medical Support Office (MMSO), and TMA billing guidance to TRICARE MCSCs for TBI, SCI/D, and BR. The MOA is available on the 10P5 Web site:

http://vaww.DoDcoordination.va.gov/Publications_Forms.asp. **NOTE:** *This is an internal VA Web site that is not available to the public.* Information on obtaining assistive technology can be found at the DoD's Computer/Electronic Accommodation Program Web site: <http://cap.mil/>.

c. **HCF Responsibilities Prior to Furnishing Health Care.** VA HCF Director is responsible for:

(1) Ensuring TRICARE beneficiaries are enrolled in the Defense Enrollment Eligibility Reporting System (DEERS) prior to provision of medical care.

(2) TRICARE beneficiaries may receive VA care only if capacity is available and will not delay or deny care to VA beneficiaries.

(3) Informing TRICARE patients, who are using their TRICARE benefit at the time of registration, that TRICARE copayments and cost shares cannot be waived.

(4) Ensuring each TRICARE patient agrees to pay the fees as a condition of a VA HCF registration.

(a) Informing dual-eligible beneficiaries (both TRICARE and Veteran) that it is their responsibility, at each episode of care, to identify which benefit (VA or TRICARE) they are using. VA is financially responsible for care for a rated service-connected condition while TRICARE pays if a service-connected Veteran chooses to use a TRICARE benefit for a nonservice-connected condition.

(b) Requesting OHI from TRICARE beneficiaries, and advising as to how the TRICARE MCSC is responsible for providing that information if requested by VA.

(c) Counseling TRICARE For Life (TFL) beneficiaries at registration (enrollment) as to how TFL is administered in a VA HCF. VA HCF personnel are required to have the beneficiary sign a TRICARE For Life Affirmation form for treatment/bill when selecting their TFL benefits. **NOTE:** Refer to the Medical Sharing Office Web site for TFL form letter (<http://vaww.DoDcoordination.va.gov>). **NOTE:** This is an internal VA Web site and is not available to the public.

(5) Ensuring each TRICARE beneficiary provides their Social Security Number (SSN) and DoD photo identification at registration (enrollment). VA HCF personnel must make a copy of the DoD photo identification card, and if the TRICARE beneficiary is enrolled in TRICARE Prime, must also make a copy of the TRICARE Prime card. The front and back of all identification (ID) cards must be copied and placed in the administrative folder.

(6) Assigning the TRICARE beneficiary sponsor's SSN to the appropriate insurance screen when registering, and ensuring that the sponsor's SSN is entered in the appropriate insurance data fields. **NOTE:** Refer to the VA-TRICARE Guide for specific guidance.

(7) Ensuring HCF personnel are trained and aware that active duty service members or active duty family members enrolled to TRICARE PRIME or TRICARE Prime Remote should never pay a copayment. The only exception to this is if the active duty family member was using the Point of Service Option under the TRICARE Prime plan. Active duty service members do not have a point of service option. **NOTE:** Information on current copayment and cost sharing amounts may also be found <http://www.tricare.mil/tma/rates.aspx>.

(8) Utilizing mandated offset programs, including internal Debt Management Center (DMC) and the Treasury Offset Program (TOP), to assess Federal payments to the TRICARE beneficiary's sponsor.

(a) The TRICARE sponsor is responsible for any copayment debt belonging to a beneficiary of a sponsor. This is in addition to any Federal payments the spouse is receiving if the spouse's copayments become delinquent.

(b) Ensuring HCF personnel are trained and aware that a TRICARE beneficiary's failure to make copayments resulting in a debt balance of over \$100 for more than 180 days may result in VA's refusal to treat the TRICARE beneficiary for non-emergency care. If care is terminated, VA shall assist the TRICARE beneficiary in finding alternative care without improper commercial endorsement of any private sector provider.

d. **Revenue Source Codes.** The following revenue source codes shall be used for revenue generated pursuant to a TRICARE agreement:

(1) Code 8028: Medical services agreements for inpatient services, i.e., services which involve an overnight stay.

(2) Code 8029: Medical services agreements for outpatient services, e.g., laboratory work, physicals, etc.

(3) Code 8030: First-party copays, cost shares, and deductibles paid by TRICARE patients. **NOTE:** TRICARE billing guidance may be found at: <http://www.tricare.mil/claims>. VA TRICARE billing guidance can be found at: VHA CBO Webpage at: <http://vaww.va.gov/CBO/apps/policyguides/index.asp?mode=contents&id=IV>. **NOTE:** This is an internal VA Web site that is not available to the public.

e. **Electronic Claims Processing.** Claims are to be transmitted to the appropriate TRICARE fiscal intermediary (FI) for processing utilizing the Electronic Data Interchange (EDI). **NOTE:** TFL Claims must not be submitted using the eMRA process.

(1) An electronic copy of VA's "TRICARE Policy and Procedure Guide," which standardizes administrative and billing processes, can be downloaded from VHA CBO Webpage at <http://vaww.va.gov/CBO/apps/policyguides/index.asp?mode=contents&id=IV>. **NOTE:** This is an internal VA Web site that is not available to the public.

(2) VISNs shall ensure that incremental costs of delivering health care under this program are covered and that these agreements are financially sound business arrangements. Cost benefit analysis documentation shall be retained in the agreement file. VA medical care appropriations shall not be used to subsidize care provided under TRICARE MCSC agreements.

f. **Electronic Payment Processing.** TRICARE utilizes electronic remittance advices (ERAs) and electronic funds transfers (EFTs). In certain instances, paper checks and explanation of benefits may continue to arrive at the VA HCF. Information

regarding TRICARE ERAs and EFTs resides in VistA and can be accessed through the EDI Third Party Lockbox also known as ePayments software.

(1) Payments received through EFTs are automatically deposited into Treasury, and information is transmitted to FMS based upon VA HCF Taxpayer Identification Number (TIN). This money is deposited into the Medical Care Collections Fund (MCCF) 528704 with revenue source code 8NZZ until it is processed by the staff responsible for processing TRICARE payments. By processing the EFT, the dollars are moved from MCCF Fund 528704 into Medical Services Fund 0160A1.

(2) Collections from TRICARE MCSCs are available in the fiscal year they are received.

7. APPROVAL OF NETWORK AGREEMENTS

a. Approval Process for New Network Agreements.

(1) VISNs and VA HCFs must notify local Veterans' service organizations before Network agreements are signed at the VHA level. TRICARE Network agreements submitted from the VA Regional Office Liaison to the VHA Deputy Under Secretary for Health for Operations and Management for approval must be signed by the TRICARE MCSC.

(2) Proposed Network agreements shall include the following statements:

(a) Notification of local Veterans service organizations has been completed; and

(b) The Network agreement shall not result in the denial of, or delay in, providing care to Veterans. The VISN Director shall forward the certification of (a) and (b) to the VA TRO Liaison for inclusion with the proposed agreement.

(3) Upon its approval, the VA-DOD Medical Sharing Office shall forward the approved agreement to the VISN Director for execution.

b. Renewals, Modifications or Amendments. Once the VHA Deputy Under Secretary for Health for Operations and Management approves a TRICARE Network agreement, VISNs will contact their VA TRO Liaison for processing any modifications, extensions or amendments.

8. TRICARE HEALTH PLANS

TRICARE Standard and TRICARE Extra are available to non-active duty beneficiaries who are not able to, or choose not to, enroll in a TRICARE Prime option. There are no enrollment forms or fees, but the beneficiary will have an annual deductible for outpatient services and cost-shares for most services. A deductible is the total amount the beneficiary will pay each year before TRICARE pays anything. A cost-share is the percentage or portion of costs that the beneficiary pays for inpatient or outpatient care once your deductible is met. Visit

<http://www.tricare.mil/coveredServices/> for coverage details. The key difference between TRICARE Standard and TRICARE Extra is in the choice of provider. With TRICARE Standard, the beneficiary chooses TRICARE-authorized providers outside of the TRICARE network and pay higher cost-shares. With TRICARE Extra, the beneficiary chooses providers within the TRICARE network, where available, and receives discounted cost-shares.

a. **TRICARE For Life.** A TFL beneficiary is one that has Medicare coverage under normal circumstances and TRICARE eligibility, as well as those beneficiaries under age 65 who are eligible for Medicare for certain disabilities or with end-stage renal disease or amyotrophic lateral sclerosis (ALS). Except for active duty family members, beneficiaries eligible for Medicare Part A (for hospitalization payments) must enroll in Medicare Part B (for other provider payments) to become eligible for TFL. See www.tricare.mil/tfl for further information. TRICARE only pays second if the care provided is covered by both Medicare and TRICARE. A TRICARE beneficiary may not elect to cost shift to TRICARE what Medicare would pay in order to use a provider who does not accept Medicare; and VA, by law, cannot bill for reimbursement from Medicare.

b. **TRICARE Reserve Select Program.** The TRICARE Reserve Select (TRS) Program is a premium-based health plan available for purchase by qualified National Guard and Reserve members. See www.tricare.mil/trs for further information.

c. **TRICARE Reserve Retired Program.** The TRICARE Reserve Retired (TRR) Program is a premium-based health plan available for purchase by qualified National Guard and Reserve members. See www.tricare.mil/trr for further information.

d. **TRICARE Young Adult Program.** The TRICARE Young Adult (TYA) Program allows qualified adult children to purchase TRICARE coverage after eligibility for "regular" TRICARE coverage which ends at age 21 (or 23, if enrolled college). TYA eligibility is available until age 26 for an unmarried adult child of an eligible sponsor. See www.tricare.mil/tya for further information.