



HEALTH AFFAIRS

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

27 Feb 1997

MEMORANDUM FOR: SURGEON GENERAL OF THE ARMY
SURGEON GENERAL OF THE NAVY
SURGEON GENERAL OF THE AIR FORCE

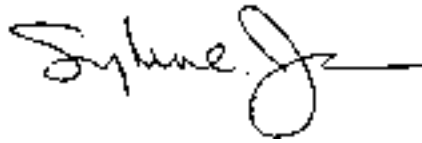
SUBJECT: Policy for Supplemental Care Payments for Active Duty Members

In order to further improve the level of service we are providing to our active duty members, and to better use the managed care improvements inherent in the TRICARE program design, responsibility for the payment of Supplemental Care claims will be transferred to our managed care support contractors in regions where TRICARE has been implemented. Since Supplemental Care funds only account for approximately 3.5 percent of our annual civilian health care costs, this increase in contractor workload will be minimal, but streamlining the authorization and payment processes should reap significant benefits for both our active duty members, and our primary care managers (PCMs), who are responsible for arranging for needed specialty care for TRICARE Prime enrollees.

The process for obtaining civilian specialty and inpatient care for active duty members will be the same as that established for our non-active duty TRICARE Prime enrollees. The PCM is responsible for referring the patient for specialty care, and the Health Care Finder arranges for civilian care in the contractor's TRICARE network if the needed care is not available in the medical treatment facility. The managed care support contractor will then adjudicate the claim in the same fashion as applied to other TRICARE Prime enrollees, except that a copayment will not be applied.

Because a change in health status can affect a military member's condition of service, we will continue to provide military oversight of medical care provided to our active duty members when they receive emergency or out-of-area medical treatment. Accordingly, if the PCM is not directly involved in oversight of the episode of civilian emergency care, we will provide the managed care support contractors with Service points of contact so the Services can begin actions they must take on behalf of the military member.

A [matrix](#) highlighting the appropriate use of Supplemental Care funds is attached. It was developed by the tri-Service workgroup chartered to review the Department's policy on the use of Supplemental Care funds.



Stephen C. Joseph, M.D., M.P.H.

Attachments:
As stated

cc: Lead Agents

HA POLICY 97-031

**MATRIX OF
SUPPLEMENTAL CARE PAYMENT RESPONSIBILITIES**

1. Claims Payment Responsibilities

Transfer referral management and payment responsibility to the managed care support contractor. Specifically, for specialty care requested by the PCM, require the contractor to arrange for the care and adjudicate the claim. The MTF will retain clinical responsibility for the active duty member via the PCM and administrative oversight of supplemental care payment issues will remain a responsibility of the MTF Commander.

2. Payment for civilian outpatient care, including diagnostic tests and procedures, ordered by an MTF provider:

Beneficiary Category	TRICARE Prime Copayment	TRICARE Extra/ Standard Cost Shares & Ded	Supplemental Care
AD TRICARE Prime Enrollee			X
NAD TRICARE Prime Enrollee	X		
Non-Enrolled TRICARE-eligible Beneficiary		X	Note 1
Medicare-eligible and other non-TRICARE eligibles			Note 2

Note 1: Because non-enrolled beneficiaries are only seen on a space-available basis, and have priority for care after all enrolled beneficiaries, the MTF cannot guarantee full clinical responsibility for the entire episode of care, therefore supplemental care funds are not appropriate.

Note 2: Medicare-eligibles should use their Medicare benefit to receive care from civilian sources. Payment for other individuals not eligible to enroll in TRICARE Prime should be at the discretion of the MTF Commander, based on other program and statutory requirements such as SOFA, responsibility for performing physical examinations for those otherwise not eligible for care, etc.

This protects the Prime benefit by applying appropriate cost shares for the health care option selected by the beneficiary. It also eliminates the term "cooperative care" and program requirements (such as completing a DD Form 2161) associated with the cooperative care program. It is replaced with the TRICARE Extra or Standard options.

3. Payment for care when a beneficiary is admitted to a civilian facility:

Beneficiary Category	TRICARE Prime Copayment	TRICARE Extra/ Standard Cost Shares & Ded	Supplemental Care
AD TRICARE Prime Enrollee			X
NAD TRICARE Prime Enrollee	X		
Non-Enrolled TRICARE eligible Beneficiary		X	Note 1
Medicare-eligible and other non-TRICARE eligibles			Note 2

Note 1: Supplemental care funds are not appropriate; for TRICARE-eligible beneficiaries, cost sharing is based on both the beneficiary category and the health care option selected.

Note 2: Medicare-eligibles should use their Medicare benefit to receive care from civilian sources. Payment for other non-TRICARE-eligibles should be at the discretion of the MTF Commander, based on other program and statutory requirements.

4. Payment for care when a beneficiary is an inpatient in a military treatment facility:

Beneficiary Category	TRICARE Prime Copayment	TRICARE Extra/ Standard Cost Shares & Ded	Supplemental Care
AD TRICARE Prime Enrollee			X
NAD TRICARE Prime Enrollee			X
Non-Enrolled TRICARE-eligible Beneficiary			X
Medicare-eligible and other non-TRICARE eligibles			X

Supplemental care payments are authorized in all cases since the MTF maintains full clinical responsibility for the inpatient. Obtaining civilian care while the beneficiary is in an inpatient status is not a common practice, but supplemental care payments are used to pay for tests or procedures, such as an MRI, performed while a patient is an inpatient in a Uniformed Services facility. Since the patient is responsible for inpatient charges, currently \$9.90 per day, applying outpatient copayments/cost shares is not appropriate.