OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
HEALTH AFFAIRS
SKYLINE FIVE, SUITE 810, 5111 LEESBURG PIKE
FALLS CHURCH, VIRGINIA 22041-3206

TRICARE
MANAGEMENT
ACTIVITY

MAY 5 2004

MEMORANDUM FOR DIRECTOR, TRICARE REGIONAL OFFICE, WEST
ACTING DIRECTOR, TRICARE REGIONAL OFFICE, NORTH
ACTING DIRECTOR, TRICARE REGIONAL OFFICE, SOUTH

SUBJECT: Policy Guidance for Referral Management

Attached is a policy guidance memorandum to the Deputy Surgeons General delineating roles and responsibilities of military treatment facilities (MTFs) for referral management.

This letter has been forwarded to the Deputy Surgeons General for dissemination to the MTF Commanders. Request you ensure the MTFs are made aware of the content of the letter.

Our point of contact on this subject is CAPT Paul Garst, who may be reached at 703-681-2889 or by email at Paul.Garst@tma.osd.mil.

Richard A. Mayo
RADM, MC, USN
Deputy Director

Attachment:
As stated

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MAY 5 2004

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

SUBJECT: Policy Guidance for Referral Management

This guidance implements ASD(HA) policy delineating roles and responsibilities of military treatment facilities (MTFs) for referral management during an interim period of healthcare operations starting in 2004 under a new generation of TRICARE managed care support contracts. This policy guidance establishes: 1) common standards for referral management processes across all three new TRICARE Regions (TRICARE Regions North, South, and West); 2) sets the stage for coordinated maturation of MTF managed care processes and for the most effective future utilization of the Enterprise-Wide Referral and Authorization System (EWRAS); 3) and ensures a standard level of beneficiary service throughout the Military Healthcare System (MHS). This policy guidance will remain in effect until updated in coordination with regional or enterprise-wide implementation of EWRAS. The schedule for that implementation is under review. Attached are the interim referral and authorization flow charts for MTF to Contractor and Contractor to MTF referrals.

a. Communication Between MTFs and Managed Care Support Contractors (MCSCs). Military Treatment Facilities must anticipate using fax transmission as their primary means of sending clinical referrals to regional MCSCs. This policy guidance does not preclude individual MTFs from utilizing alternative mechanisms of referral transmission, in coordination with regional TRICARE Directors, where mutually agreed to by MCSCs at no additional cost to the government. Typing is not an absolute requirement, but all information must be clearly legible when fax transmissions are imaged by the MCSC. In most cases, MTFs should send fax images of information "printed" (to paper or electronic image) from the Composite Health Care System (CHCS). The CHCS electronic version of DD2161 appears well suited to this purpose, but is not specifically required. Individual MTFs will each provide MCSCs with a single point of contact for all referral management issues. Each MTF shall establish a single referral management office. Generally, MCSCs should receive from each MTF one voice phone number and one fax number which they can reliably expect to use for all referral management business including the secure communication of private patient information. If appropriate, the single MTF referral management office may have multiple phone numbers within the office for use by the MCSCs; however, MCSCs will not coordinate directly with multiple clinics or departments within an MTF. Because each MCSC anticipates using postal mail as an important part of their initial communication to patients, referrals faxed to MCSCs

must reflect a current beneficiary mailing address whenever the MCSC is not already known to have that information. Individual MTFs must design their own internal processes to ensure that clinical referrals forwarded to the MCSC for civilian care actually reach the MCSC within one business day of being initiated by the MTF provider.

b. Coding of Referral Content. During this interim period, MTFs are not required to supply numerical procedure or diagnostic coding on clinical referrals sent to MCSCs. When such coding is not supplied, MTFs must ensure that English-language text in the referral is both succinct and precise enough for MCSCs to reliably determine and code the exact service or procedure being requested. When such coding is not supplied, MTFs will not reject payment for referred services solely on the basis of disagreement with the MCSC coding.

c. Patient Clinical Information. Referring MTF providers should summarize important clinical information for the receiving network provider in the "Reason For Referral" text field of CHCS (or in an equivalent other format for faxing to the MCSC). This information will be provided to patients by the MCSC along with referral authorization materials for the patient to have when seen by the network provider. Referring MTF providers should assume that patients will see this information and should take special care in those limited situations when disclosure of healthcare information might be hazardous to the patient. It is the primary responsibility of the referring provider or MTF to coordinate any other provision of clinical information to civilian providers. Individual MTFs and Regional TRICARE Offices (TROs) should collaborate with MCSCs to promote standardization of how important referral information is reflected in this text field.

d. Medical Necessity and Covered Benefit Determinations. The MCSC will have responsibility for all medical necessity and covered benefit determinations (and thus also for associated appeals processes) involving MTF referrals for purchased sector healthcare. This does not alter the shared interest of MTFs and MCSCs to manage healthcare costs, nor does it alter the shared interests of MTFs and MCSCs in optimizing utilization of existing MTF capabilities through Right of First Refusal (ROFR) processes. Individual MTFs should coordinate with MCSCs to ensure that referring MTF providers are appropriately informed of MCSC determinations (via the MTF referral management point of contact) on their patients. TRICARE Prime enrollees will continue to enjoy the benefit of TRICARE coverage without pre-authorization for up to eight outpatient mental health visits per year. In accordance with the above, MCSCs will assess the medical necessity of additional outpatient civilian mental health services.

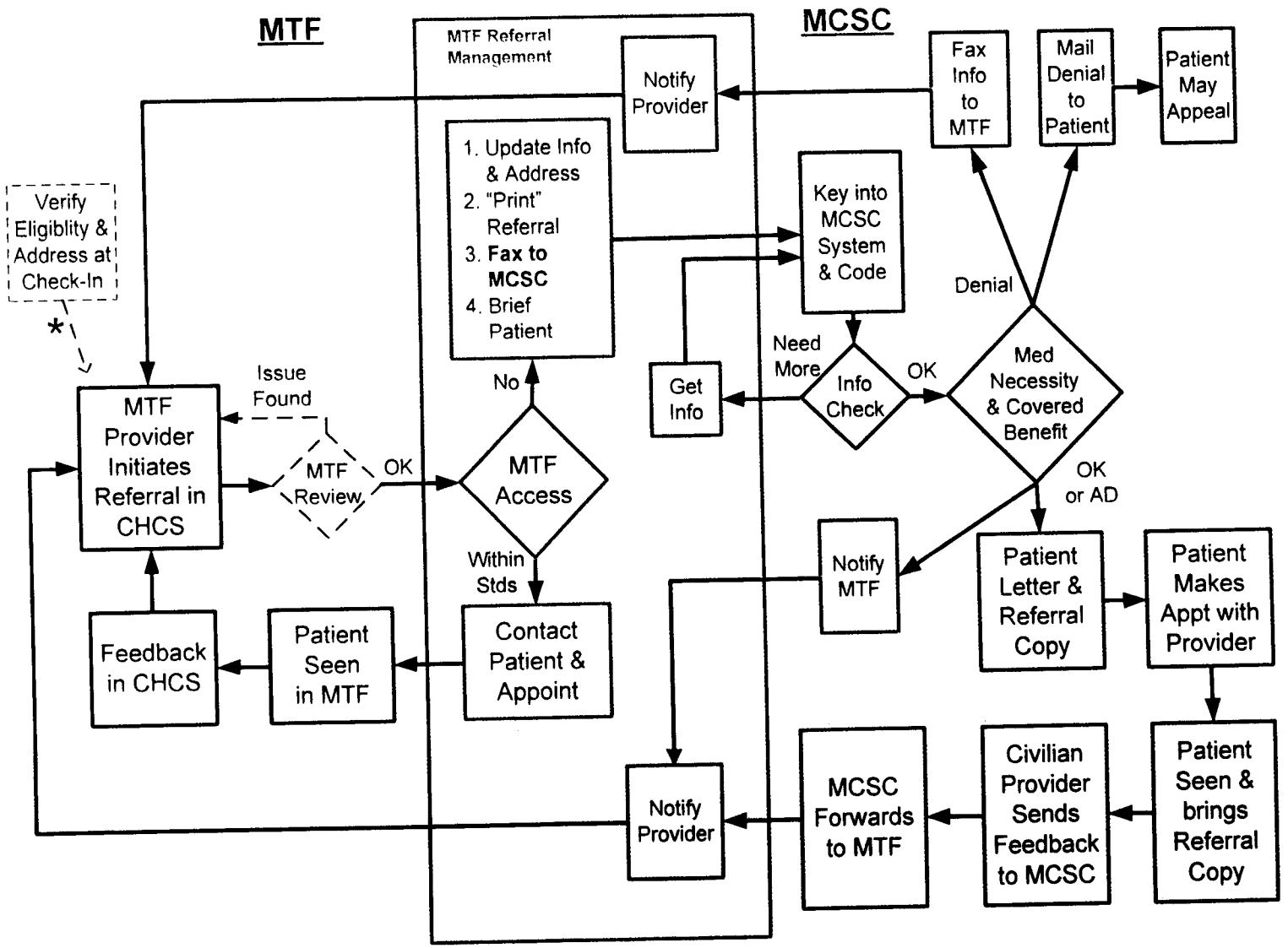
e. Utilizing MTF Capability. Individual MTFs must ensure that MCSCs have accurate listings of MTF capabilities, and should coordinate with MCSCs to make those listings as precise as necessary to support the MTF's interest in receiving those referrals that best suit its unique capabilities and workload needs. When MCSCs receive referrals from civilian providers that match listed MTF capabilities, they will forward those referrals for MTF review by fax to the single MTF referral management point of contact. It is the responsibility of the MTF to review all received referrals and provide feedback to the

MCSC before the close (normally at 1600) of the following business day. During this interim period, MCSCs may separately interpret the lack of MTF response before the close of the following business day as signaling their decline of the referral. Because the practice unnecessarily delays MCSC service to beneficiaries, it is not acceptable for MTFs to routinely utilize "no response" as their signal for referral declination. Declination of an MCSC referral by an MTF does not constitute a "denial of care" but instead merely routes the referral back to the MCSC for action. Acceptance of a referral implies an MTF commitment to make care available within TRICARE access standards. When MTFs accept MCSC referrals, it remains an MTF responsibility to notify the MCSC within one business day of receiving that referral. In normal circumstances, the MCSC will then notify the patient by letter to call the MTF for an appointment. This process does not preclude MTFs from expediting patient contact themselves. After the patient is seen, it is the MTF's responsibility to provide appropriate clinical feedback directly to the referring civilian provider (not via the MCSC) within ten business days. The appropriate format for clinical feedback to civilian providers may vary. In many cases, the faxing of clinical feedback entered into CHCS would be appropriate. Referrals sent to MTFs under this ROFR process by MCSCs should contain all contact information needed for the MTF to appropriately meet its feedback responsibility.

Richard A. Mayo, RADM, MC, USN
Deputy Director

Attachments: As stated

"Interim" Process for MTF Referrals



"Interim" Process for Referrals From Network