



OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

The Honorable Roger F. Wicker
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

APR 20 2026

Dear Mr. Chairman:

The Department's response to both House Report 119-231, page 202, accompanying H.R. 3838, the Streamlining Procurement for Effective Execution and Delivery and National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2026, "Providing Clarity for Annual Hold-Harmless Payments," and Senate Report 119-39, pages 134-135, accompanying S. 2296, the NDAA for FY 2026, "General Temporary Military Contingency Payment Adjustment for Children's Hospitals," is enclosed. This report provides requested clarity on TRICARE's reimbursement methodologies for children's hospitals (CHs), specifically addressing the Outpatient Prospective Payment System (OPPS), annual Hold-Harmless payments, and the General Temporary Military Contingency Payment Adjustment (GTMCPA).

This report provides a detailed explanation of the methodologies used to calculate these payments and describes the formal channels available to CHs for inquiries and data requests. It also addresses the criteria for GTMCPA eligibility and reports on reimbursement data since the policy's implementation. The Defense Health Agency confirms that the transition to the OPPS has aligned TRICARE with Medicare payments, to the extent practicable, as statutorily required. This modernization ensures fair and transparent reimbursement while protecting against financial loss. The report confirms no negative impacts to beneficiary access to care resulting from the reimbursement changes.

Thank you for your continued strong support of the health and well-being of our Service members and their families. I am sending similar letters to the other congressional defense committees.

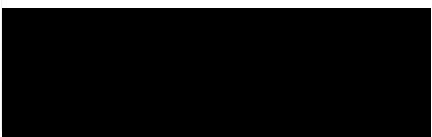
Sincerely,



Sean O'Keefe
Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member





OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

The Honorable Mike D. Rogers
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

APR 20 2026

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The Department's response to both House Report 119-231, page 202, accompanying H.R. 3838, the Streamlining Procurement for Effective Execution and Delivery and National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2026, "Providing Clarity for Annual Hold-Harmless Payments," and Senate Report 119-39, pages 134-135, accompanying S. 2296, the NDAA for FY 2026, "General Temporary Military Contingency Payment Adjustment for Children's Hospitals," is enclosed. This report provides requested clarity on TRICARE's reimbursement methodologies for children's hospitals (CHs), specifically addressing the Outpatient Prospective Payment System (OPPS), annual Hold-Harmless payments, and the General Temporary Military Contingency Payment Adjustment (GTMCPA).

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Sean O'Keefe
Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member





OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

The Honorable Susan Collins
Chair
Committee on Appropriations
United States Senate
Washington, DC 20510

APR 20 2026

Dear Madam Chair:

The Department's response to both House Report 119-231, page 202, accompanying H.R. 3838, the Streamlining Procurement for Effective Execution and Delivery and National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2026, "Providing Clarity for Annual Hold-Harmless Payments," and Senate Report 119-39, pages 134-135, accompanying S. 2296, the NDAA for FY 2026, "General Temporary Military Contingency Payment Adjustment for Children's Hospitals," is enclosed. This report provides requested clarity on TRICARE's reimbursement methodologies for children's hospitals (CHs), specifically addressing the Outpatient Prospective Payment System (OPPS), annual Hold-Harmless payments, and the General Temporary Military Contingency Payment Adjustment (GTMCPA).

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Sincerely,



Sean O'Keefe
Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Patty Murray
Vice Chair





OFFICE OF THE UNDER SECRETARY OF WAR
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

The Honorable Tom Cole
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

APR 20 2026

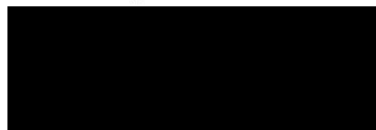
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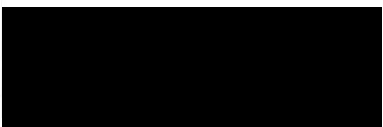
Sincerely,



Sean O'Keefe
Deputy Under Secretary of War for Personnel
and Readiness

Enclosure:
As stated

cc:
The Honorable Rosa L. DeLauro
Ranking Member



Report to the Congressional Defense Committees



Providing Clarity for Annual Hold-Harmless Payments and General Temporary Military Contingency Payment Adjustment for Children's Hospitals

April 2026

The estimated cost of this report or study for the Department of War is approximately \$2,900 in Fiscal Years 2025 - 2026. This includes \$0 in expenses and \$2,900 in DoD labor.
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EXECUTIVE SUMMARY

This report is in response to both House Report 119–231, page 202, accompanying H.R. 3838, the Streamlining Procurement for Effective Execution and Delivery and National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2026, “Providing Clarity for Annual Hold-Harmless Payments,” and Senate Report 119–39, pages 134-135, accompanying S. 2296, the NDAA for FY 2026, “General Temporary Military Contingency Payment Adjustment for Children’s Hospitals.” This report addresses TRICARE reimbursement for children’s hospitals (CHs), focusing on the Outpatient Prospective Payment System (OPPS), annual Hold Harmless (HH) payments, and the General Temporary Military Contingency Payment Adjustments (GTMCPA).

The Defense Health Agency (DHA) is committed to transparency and fiscal responsibility while ensuring access to high-quality care for military families. The transition of CHs to OPPS on October 1, 2023 aligned TRICARE with Medicare, as required by statute (10 U.S.C. § 1079(i)(2)), moving from an outdated billed-charge system to a modern, cost-based methodology. To protect CHs, this transition included a HH provision, guaranteeing CHs are reimbursed at a minimum of 100 percent of their allowable costs for TRICARE-covered services. Hospitals that routinely billed much higher than their costs saw the biggest impacts under the change.

In addition, the narrowly tailored GTMCPA program was designed to provide additional payments to network hospitals deemed essential for military readiness and deployment *in time of contingency operations*. The methodology for calculating all these payments is publicly available in the TRICARE Reimbursement Manual (TRM).

In a September 15, 2025 report titled, “Impacts of the TRICARE Reimbursement Final Rule on Children’s Hospitals,” the Department found no negative impacts to access to care for TRICARE beneficiaries as a result of this change.

ASSESSMENT OF INQUIRIES

This first assessment was requested by House Report 119–231, page 202, accompanying H.R. 3838, the Streamlining Procurement for Effective Execution and Delivery and NDAA for FY 2026, “Providing Clarity for Annual Hold-Harmless Payments,” which requested that the Secretary of Defense provide a report to the congressional defense committees by March 1, 2026, that included:

- (1) a detailed, written explanation of the methodology used to calculate the 2024 annual payment adjustments to serve as a baseline;
- (2) a plan to provide a written explanation of the methodology used to calculate annual payment adjustments on an annual basis to children’s hospitals, including the identification of any barriers to implementing such a plan;
- (3) a plan for establishing a process via which children’s hospitals might appeal the Defense Health Agency’s decision regarding a given hospital’s eligibility for a GTMCPA and Hold Harmless payments and the total payment amount and specific claims determinations on a regular basis, as determined by the Director of the Defense Health Agency;

- (4) a plan to establish a formal channel through which children’s hospitals may submit questions to the Defense Health Agency related to annual payment adjustments and GTMCPAs moving forward, including those related to eligibility, and set a standard for quick response timelines; and
- (5) any other issues the Director considers relevant.

A second assessment was requested by Senate Report 119–39, pages 134-135, accompanying S. 2296, the NDAA for FY 2026, “General Temporary Military Contingency Payment Adjustment for Children’s Hospitals,” which requested that the Secretary of Defense provide a report to the congressional defense committees by March 1, 2026, that included:

- (1) A definition of the term “essential” as defined in DHA rule 2023-06452¹ and criteria for making that determination;
- (2) A list of the criteria that would warrant reimbursement as the rule is written;
- (3) The total number of reimbursement claims submitted since the implementation of the policy;
- (4) The total dollar amount reimbursed under the policy during that period;
- (5) A breakdown of which children’s hospitals have received reimbursements and by geographic region, if available;
- (6) Any identified challenges or inconsistencies in the applications of the reimbursement policy; and
- (7) An assessment of any access to care issues resulting from the revised contingency payment adjustment policy.

Due to the overlaps in subject matter and audience in these requests, the Department elected to consolidate its responses to the requested information above.

BACKGROUND

By law, TRICARE shall, to the extent practicable, align its institutional reimbursement methodologies with Medicare’s (10 U.S.C. § 1079(i)(2)). Pursuant to this statute, DHA transitioned CHs² from an outdated and inefficient billed-charge payment system to the OPSS, effective October 1, 2023. The prior system of paying inflated billed charges, a practice abandoned by nearly all other payers, resulted in payments that often far exceeded the actual cost of care. The lack of transparency in these billed charges allowed providers to mask costs providing opportunities for fraud, waste, and abuse. To illustrate the necessity of this modernization, consider a common scenario under the previous billed-charge system. A CH might bill \$10,000.00 for an emergency room visit that had an actual cost of approximately \$800.00 to provide. For an out-of-network TRICARE Select beneficiary, this could result in a 25 percent cost-share of \$2,500.00, an extreme financial burden. Simultaneously, TRICARE would pay the remainder, resulting in a total payment to the hospital far exceeding its costs. The transition to OPSS, with its HH protection, corrects this imbalance by ensuring hospitals are reimbursed for their actual costs without subjecting military families and taxpayers to inflated charges.

¹ “TRICARE; Reimbursement of Ambulatory Surgery Centers and Outpatient Services Provided in Cancer and Children’s Hospitals.”

² The Final Rule also applied these reimbursement changes to cancer hospitals. This report only addresses the questions as they relate to CHs, in accordance with the committees’ requests.

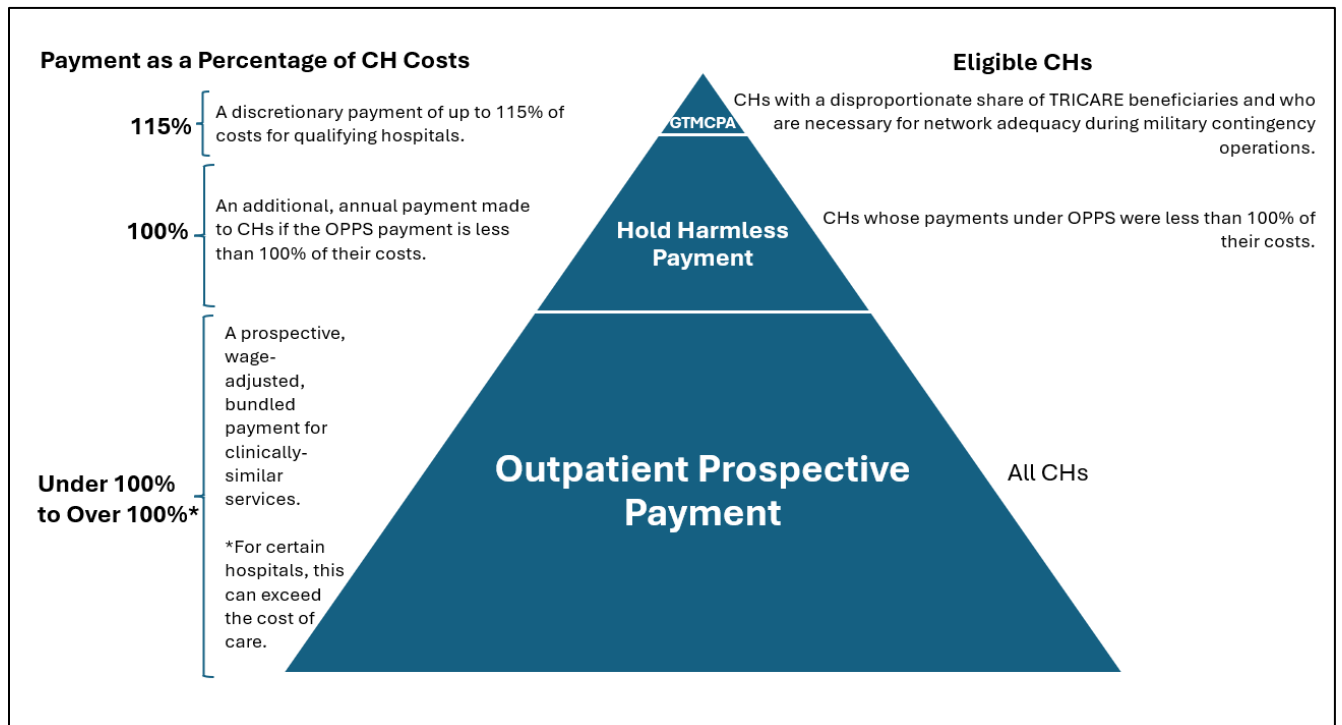
The transition to OPSS sought to align TRICARE with modern reimbursement principles, responsibly steward taxpayer dollars, and reduce cost-shares for beneficiaries, all while ensuring no hospital received less than 100 percent of its costs for TRICARE-covered services. Critically, this change only impacted reimbursement for a portion of CH services. OPSS did not apply to inpatient admissions, it did not apply to professional provider services, and it did not impact reimbursement for those drugs not administered orally. These services, and many others, continued to be reimbursed under prior reimbursement methodologies. Non-covered services are not reimbursed under OPSS.

To ensure financial protection for CH providers, the system was implemented with a HH provision, which guarantees CHs were reimbursed, at a minimum, 100 percent of their allowable costs. Costs, such as those not relating to medical care, would not be included in the HH payments. Hospitals that routinely billed much higher than their costs for TRICARE covered services saw the biggest impacts under the change. Other hospitals, mainly those that billed below the current OPSS reimbursement amounts, saw increases under the rule.

Finally, the GTMCPA program permits the Director, DHA the discretion to approve a GTMCPA payment of up to 115 percent of the hospital's costs for OPSS services if certain, published, quantitative benchmarks are met. Historically, for other hospital types, applications for a GTMCPA that met these published criteria have been universally approved.

The framework for reimbursement of CHs is detailed in Figure 1:

Figure 1: Framework of OPSS Payments to CHs



HOUSE REPORT 119–231, PAGE 202

(1) A detailed, written explanation of the methodology used to calculate the 2024 annual payment adjustments to serve as a baseline.

The HH annual payment adjustment methodology is explicitly detailed in the publicly available TRM found at <https://manuals.health.mil/>. The process ensures that CH's total reimbursement for TRICARE-covered outpatient services is at minimum equal to their costs.

The methodology is governed by 32 CFR § 199.14(a)(6)(ii)(E)(4) and published in the TRM, Chapter 13, Section 3, Paragraph 3.1.5.8. The calculation steps are published in these locations, are performed within 180 days of the end of the CH OPPS year, and are reproduced here:

- Step 1: Calculate Total Allowable Costs. DHA identifies all eligible outpatient claims and multiplies the total billed charges by the hospital's most recent Medicare-determined, hospital-specific outpatient Cost-to-Charge Ratio to determine the hospital's total cost for TRICARE patient care. Claims where TRICARE is not the primary payer and services paid outside of OPPS are excluded (TRM Ch. 13, Sec. 3, Para 3.1.5.8.3).
- Step 2: Calculate Total OPPS Payments and Reconcile. DHA sums all TRICARE payments made for the same set of claims. If total OPPS payments are less than the calculated costs, DHA issues a lump-sum reconciliation payment to the hospital for the shortfall, ensuring the hospital is made whole to 100 percent of its costs for TRICARE covered services.

Note: While the governing regulation specifies the OPPS year ends March 30, the TRM (Ch. 13, Sec. 3, Para 3.1.5.7.2.4) allows for the inclusion of March 31 in the calculation, which was done for this period.

(2) A plan to provide a written explanation of the methodology used to calculate annual payment adjustments on an annual basis to children's hospitals, including the identification of any barriers to implementing such a plan.

The complete methodology is, and will continue to be, published in the TRICARE regulation and manuals. DHA will continue to direct hospitals to these public resources through our Managed Care Support Contractors (MCSCs).

(3) A plan for establishing a process via which children's hospitals might appeal the Defense Health Agency's decision regarding a given hospital's eligibility for a GTMCPA and Hold Harmless payments and the total payment amount and specific claims determinations on a regular basis, as determined by the Director of the Defense Health Agency.

While GTMCPAs are not subject to appeal, we are pleased to report that hospitals already have a process to request data regarding eligibility. This is codified in TRM Ch. 13, Sec. 3, Para. 3.1.5.7.1.12, which states "DHA, upon request, will provide the detailed claims data used to calculate the hospital's PCR and maximum GTMCPA payment, if any, to the requesting hospital

through the contractor”. Additionally, under Paragraph 3.1.5.7.1.2.2.1.2 the MCSCs are required to work with hospitals to resolve discrepancies in the reported data prior to submission of the request to DHA if the hospital’s data show that they qualify, but the contractor’s claims data show that they do not. Historically, for other hospital types, applications for a GTMCPA that met these published criteria have been universally approved. The HH payment is a mathematically driven calculation based on established claims data. While the methodology itself is not subject to appeal, hospitals may submit inquiries regarding potential factual or data errors in their specific calculation through their MCSC for administrative review. These inquiries are in addition to adjustments made for claims not processed to completion.

(4) A plan to establish a formal channel through which children’s hospitals may submit questions to the Defense Health Agency related to annual payment adjustments and GTMCPAs moving forward, including those related to eligibility, and set a standard for quick response timelines.

The established and formal channel for all provider inquiries, including those related to annual payment adjustments and GTMCPAs, is through their regional MCSC. As is current practice, hospitals may also request the detailed claims data used in their payment calculations through this same channel (TRM Ch. 13, Sec. 3, Para. 3.1.5.7.1.12).

(5) Any other issues the Director considers relevant.

The public-facing regulations and manuals provide a complete and transparent framework for reimbursement. The prior system of paying inflated billed charges, a practice abandoned by nearly all other payers, resulted in payments that often far exceeded the actual cost of care, and those charges provided opportunities for fraud, waste, and abuse. The HH provision ensures a CH’s total reimbursement will, at a minimum, cover 100 percent of its allowable costs, thereby preventing any financial loss on care provided to TRICARE beneficiaries. Hospitals that routinely billed much higher than their costs saw the biggest impacts under the change. Other hospitals, that billed below the current OPSS rate, saw increases in reimbursement. For the first full reconciliation period covering April 1, 2024 through March 31, 2025, this methodology functioned as designed. The reconciliation resulted in payments totaling ~\$155M of HH payments to 82 CHs.

We also addressed access to care concerns in the report submitted by DHA on September 15, 2025, titled, “Impacts of the TRICARE Reimbursement Final Rule on Children’s Hospitals.” This report found that the Final Rule did not negatively impact access to care for TRICARE beneficiaries.

SENATE REPORT 119–39, PAGES 134-135

(1) A definition of the term “essential” as defined in DHA rule 2023–06452 and criteria for making that determination.

Section E. of the Final Rule stated that CCH’s may be eligible for GTMCPAs that will ensure network adequacy during military contingency operations. This is determined by meeting the

quantitative benchmarks (see item 2) defined in the Final Rule and the TRICARE Reimbursement Manual (TRM Ch. 13, Sec. 3, Para. 3.1.5.7.2). While hospitals meeting the quantitative benchmarks have historically been approved for a GTMCPA, final approval is neither automatic nor guaranteed. The Director, DHA retains full discretion to approve, modify, or deny any application based on a determination of which facilities are most essential for military readiness and support during contingency operations, particularly in an environment of finite resources.

(2) A list of the criteria that would warrant reimbursement as the rule is written.

We interpret this question to specifically apply to GTMCPA payments for CHs. Per the TRM (Ch. 13, Sec. 3, Paras. 3.1.5.7.1 and 3.1.5.7.2) a hospital meets this requirement if, during the previous OPSS year:

- At least 10 percent of the hospital's total revenue is from TRICARE for the care of active duty Service members and their dependents (ADSMs/ADDs); and
- The hospital had 10,000 or more TRICARE visits that fell under the OPSS for ADSMs/ADDs; and
- The hospital is deemed to be essential by the Director, DHA for TRICARE operations.

(3) The total number of reimbursement claims submitted since the implementation of the policy.

The total number of general reimbursement claims submitted for CHs since the implementation of OPSS (broken down by OPSS year) is:

- October 1, 2023 – March 31, 2024: 2,465,633 claims (partial year due to effective date).
- April 1, 2024 – March 31, 2025: 5,266,269 claims.

No applications for a GTMCPA were received during this time.

(4) The total dollar amount reimbursed under the policy during that period.

The total payments to CHs under the OPSS, inclusive of both standard allowed amounts and subsequent Hold Harmless adjustments, are as follows:

- For the initial period from October 1, 2023, through March 31, 2024, total payments amounted to \$170,252,363.15.
- For the first full OPSS year, from April 1, 2024, through March 31, 2025, total payments amounted to \$328,772,638.70.
- Because no GTMPCA applications were received, no GTMCPA payments were issued to CHs during this period.

(5) *A breakdown of which children’s hospitals have received reimbursements and by geographic region, if available.*

Because no hospitals applied for a GTMCPA, there are no hospitals to report.

More broadly, below we provide the committees with a list of CHs that have received any type of reimbursement under OPPTS (regular OPPTS payment and HH adjustments), by region and year.

West Region:

OPPTS Year October 1, 2023 – March 31, 2024

Children's Hospital Name	Medicare ID
UCSF BENIOFF CHILDREN'S HOSPITAL OAKLAND	053301
BOYS TOWN NATIONAL RESEARCH HOSPITAL	283300
CHILDREN'S MINNESOTA	243302
RADY CHILDREN'S HOSPITAL - SAN DIEGO	053303
VALLEY CHILDREN'S HOSPITAL	053300
CHILDREN'S HOSP OF LOS ANGELES	053302
CHILDREN'S NEBRASKA	283301
SEATTLE CHILDREN'S HOSPITAL	503300
CHILDREN'S HOSPITAL AT MISSION	053306
CHILDREN'S HOSPITAL COLORADO - AURORA	063301
CHILDREN'S HOSPITAL COLORADO - COLORADO SPRINGS	063303
CHILDREN'S HOSPITAL OF ORANGE COUNTY	053304
CHILDRENS MERCY HOSPITAL EAST	263302
CHILDREN'S MERCY HOSPITAL KANSAS	173300
COVENANT CHILDRENS HOSPITAL	453306
EL PASO CHILDREN'S HOSPITAL	453313
GILLETTE CHILDRENS SPECIALTY HOSPITAL	243300
KAPIOLANI MEDICAL CENTER FOR WOMEN & CHILDREN	123300
LUCILE SALTER PACKARD CHILDREN'S HSP AT STANFORD	053305
MARY BRIDGE CHILDREN'S HOSPITAL	503301
MILLER CHILDREN'S & WOMEN'S HOSPITAL LONG BEACH	053309
PHOENIX CHILDREN'S HOSPITAL	033302
PRIMARY CHILDREN'S HOSPITAL	463301
SHRINERS HOSPITAL FOR CHILDREN - SACRAMENTO	053311
SHRINERS HOSPITAL FOR CHILDREN - HONOLULU	123301
SHRINERS HOSPITAL FOR CHILDREN - PORTLAND	383300
SHRINERS HOSPITAL FOR CHILDREN - SPOKANE	503302

OPPS Year April 1, 2024 – March 31, 2025

Children's Hospital Name	Medicare ID
ANN & ROBERT H LURIE CHILDRENS HOSPITAL OF CHICAGO	143300
ARKANSAS CHILDREN'S HOSPITAL	043300
ARKANSAS CHILDREN'S NORTHWEST, INC	043301
UCSF BENIOFF CHILDREN'S HOSPITAL OAKLAND	053301
BOYS TOWN NATIONAL RESEARCH HOSPITAL	283300
CHILDRENS HOSPITAL OF WISCONSIN FOX VALLEY	523302
CHILDRENS HOSPITAL OF WISCONSIN	523300
CHILDREN'S MINNESOTA	243302
CHILDRENS HOSPITAL NEW ORLEANS	193300
RADY CHILDREN'S HOSPITAL - SAN DIEGO	053303
VALLEY CHILDREN'S HOSPITAL	053300
CHILDREN'S HOSP OF LOS ANGELES	053302
CHILDREN'S NEBRASKA	283301
SEATTLE CHILDREN'S HOSPITAL	503300
CHILDREN'S HOSPITAL AT MISSION	053306
CHILDREN'S HOSPITAL COLORADO - AURORA	063301
CHILDREN'S HOSPITAL COLORADO - COLORADO SPRINGS	063303
CHILDREN'S HOSPITAL OF ORANGE COUNTY	053304
CHILDREN'S HOSPITAL OF SAN ANTONIO	453315
CHILDRENS MEDICAL CTR OF DALLAS	453302
CHILDRENS MEDICAL CENTER PLANO	453316
CHILDRENS MERCY HOSPITAL EAST	263302
CHILDREN'S MERCY HOSPITAL KANSAS	173300
COOK CHILDRENS MEDICAL CENTER	453300
COOK CHILDRENS MEDICAL CENTER PROSPER	453317
COVENANT CHILDRENS HOSPITAL	453306
DELL CHILDREN'S MEDICAL CENTER	453310
DRISCOLL CHILDRENS HOSPITAL	453301
EL PASO CHILDREN'S HOSPITAL	453313
GILLETTE CHILDRENS SPECIALTY HOSPITAL	243300
KAPIOLANI MEDICAL CENTER FOR WOMEN & CHILDREN	123300
LUCILE SALTER PACKARD CHILDREN'S HSP AT STANFORD	053305
MARY BRIDGE CHILDREN'S HOSPITAL	503301
MILLER CHILDREN'S & WOMEN'S HOSPITAL LONG BEACH	053309
PHOENIX CHILDREN'S HOSPITAL	033302
PRIMARY CHILDREN'S HOSPITAL	463301
SHRINERS HOSPITALS FOR CHILDREN - GALVESTON	453311
SHRINERS HOSPITALS FOR CHILDREN - ST LOUIS	263304
SHRINERS HOSPITAL FOR CHILDREN - CHICAGO	143302
SHRINERS HOSPITAL FOR CHILDREN - SACRAMENTO	053311
SHRINERS HOSPITAL FOR CHILDREN - HONOLULU	123301
SHRINERS HOSPITAL FOR CHILDREN - PORTLAND	383300
SHRINERS HOSPITAL FOR CHILDREN - SPOKANE	503302
ST LOUIS CHILDRENS HOSPITAL	263301
TEXAS CHILDRENS HOSPITAL	453304
TEXAS SCOTTISH RITE HOSPITAL FOR CHILDREN	453314

East Region:

OPPS Year October 1, 2023 – March 31, 2024

Children's Hospital Name	Medicare ID
NEMOURS CHILDREN'S HOSPITAL, DELAWARE	083300
JOHNS HOPKINS ALL CHILDREN'S HOSPITAL	103300
ANN & ROBERT H LURIE CHILDRENS HOSPITAL OF CHICAGO	143300
ARKANSAS CHILDREN'S HOSPITAL	043300
ARKANSAS CHILDREN'S NORTHWEST, INC	043301
CHILDRENS HOSPITAL OF THE KINGS DAUGHTERS INC	493301
CHILDRENS HOSPITAL OF WISCONSIN FOX VALLEY	523302
CHILDRENS HOSPITAL OF WISCONSIN	523300
CHILDRENS HOSPITAL NEW ORLEANS	193300
CINCINNATI CHILDREN'S HOSPITAL MEDICAL CENTER	363300
BOSTON CHILDREN'S HOSPITAL	223302
NATIONWIDE CHILDREN'S HOSPITAL	363305
AKRON CHILDREN'S HOSPITAL	363303
CHILDREN'S HOSPITAL NATIONAL MEDICAL CENTER	093300
CHILDREN'S HOSPITAL OF ALABAMA	013300
CHILDREN'S HOSPITAL OF MICHIGAN	233300
CHILDREN'S HOSPITAL OF PHILADELPHIA	393303
UPMC CHILDREN'S HOSPITAL OF PITTSBURGH	393302
CHILDREN'S HOSPITAL OF SAN ANTONIO	453315
DAYTON CHILDRENS HOSPITAL	363306
CHILDRENS MEDICAL CTR OF DALLAS	453302
CHILDRENS MEDICAL CENTER PLANO	453316
CHILDREN'S SPECIALIZED HOSPITAL	313300
CHILDREN'S HEALTHCARE OF ATLANTA AT EGGLESTON	113300
CLEVELAND CLINIC CHILDREN'S HOSPITAL	363304
CONNECTICUT CHILDRENS MEDICAL CENTER	073300
COOK CHILDRENS MEDICAL CENTER	453300
COOK CHILDRENS MEDICAL CENTER PROSPER	453317
DELL CHILDREN'S MEDICAL CENTER	453310
DRISCOLL CHILDRENS HOSPITAL	453301
EAST TENNESSEE CHILDRENS HOSPITAL	443303
NICKLAUS CHILDREN'S HOSPITAL	103301
NATIONWIDE CHILDREN'S HOSPITAL TOLEDO, LLC	363309
NEMOURS CHILDRENS HOSPITAL, FLORIDA	103304
RAINBOW BABIES AND CHILDRENS HOSPITAL	363302
CHILDREN'S HEALTHCARE OF ATLANTA AT SCOTTISH RITE	113301
SHRINERS HOSPITALS FOR CHILDREN - GALVESTON	453311
SHRINERS HOSPITALS FOR CHILDREN - ST LOUIS	263304
SHRINERS HOSPITALS FOR CHILDREN - PHILADELPHIA	393309
SHRINERS HOSPITALS FOR CHILDREN - GREENVILLE	423300
SHRINERS HOSPITALS FOR CHILDREN - CINCINNATI	363308
SHRINERS HOSPITAL FOR CHILDREN - CHICAGO	143302
ST JUDE CHILDRENS RESEARCH HOSPITAL	443302
ST LOUIS CHILDRENS HOSPITAL	263301
TEXAS CHILDRENS HOSPITAL	453304
TEXAS SCOTTISH RITE HOSPITAL FOR CHILDREN	453314
USA HEALTH CHILDREN'S & WOMEN'S HOSPITAL	013301
SHRINERS HOSPITAL FOR CHILDREN - BOSTON	223303
FRANCISCAN CHILDREN'S	223300

OPPS Year April 1, 2024 – March 31, 2025

Children's Hospital Name	Medicare ID
NEMOURS CHILDREN'S HOSPITAL, DELAWARE	083300
JOHNS HOPKINS ALL CHILDREN'S HOSPITAL	103300
CHILDRENS HOSPITAL OF THE KINGS DAUGHTERS INC	493301
CINCINNATI CHILDREN'S HOSPITAL MEDICAL CENTER	363300
BOSTON CHILDREN'S HOSPITAL	223302
NATIONWIDE CHILDREN'S HOSPITAL	363305
AKRON CHILDREN'S HOSPITAL	363303
CHILDREN'S HOSPITAL NATIONAL MEDICAL CENTER	093300
CHILDREN'S HOSPITAL OF ALABAMA	013300
CHILDREN'S HOSPITAL OF MICHIGAN	233300
CHILDREN'S HOSPITAL OF PHILADELPHIA	393303
UPMC CHILDREN'S HOSPITAL OF PITTSBURGH	393302
DAYTON CHILDRENS HOSPITAL	363306
CHILDREN'S SPECIALIZED HOSPITAL	313300
CHILDREN'S HEALTHCARE OF ATLANTA AT EGLESTON	113300
CLEVELAND CLINIC CHILDREN'S HOSPITAL	363304
CONNECTICUT CHILDRENS MEDICAL CENTER	073300
EAST TENNESSEE CHILDRENS HOSPITAL	443303
NICKLAUS CHILDREN'S HOSPITAL	103301
NATIONWIDE CHILDREN'S HOSPITAL TOLEDO, LLC	363309
NEMOURS CHILDRENS HOSPITAL, FLORIDA	103304
RAINBOW BABIES AND CHILDRENS HOSPITAL	363302
CHILDREN'S HEALTHCARE OF ATLANTA AT SCOTTISH RITE	113301
SHRINERS HOSPITALS FOR CHILDREN - PHILADELPHIA	393309
SHRINERS HOSPITALS FOR CHILDREN - GREENVILLE	423300
SHRINERS HOSPITALS FOR CHILDREN - CINCINNATI	363308
ST JUDE CHILDRENS RESEARCH HOSPITAL	443302
USA HEALTH CHILDREN'S & WOMEN'S HOSPITAL	013301
SHRINERS HOSPITAL FOR CHILDREN - BOSTON	223303
FRANCISCAN CHILDREN'S	223300
ST CHRISTOPHER CHILDREN'S HOSPITAL	393307

(6) Any identified challenges or inconsistencies in the applications of the reimbursement policy.

Since the transition to OPSS, DHA has not noted any systemic challenges or inconsistencies in the overall reimbursement policy for CHs. Furthermore, DHA has not observed any CHs leaving the TRICARE network because of the updated reimbursement structure. DHA references the September 15, 2025 report to Congress, “Impacts of the TRICARE Reimbursement Final Rule on Children’s Hospitals,” which found that the Final Rule did not negatively impact access to care for TRICARE beneficiaries.

(7) An assessment of any access to care issues resulting from the revised contingency payment adjustment policy.

No access to care issues have been identified as a result of the revised GTMCPA policy. Critically, DHA has not received any reports of TRICARE beneficiaries facing access to care

issues at CHs following the implementation of the overall revised reimbursement policies. DHA references the September 15, 2025 report to Congress, “Impacts of the TRICARE Reimbursement Final Rule on Children’s Hospitals,” which found that the Final Rule did not negatively impact access to care for TRICARE beneficiaries.

CONCLUSION

DHA’s transition to the OPSS for CHs represents a critical step in modernizing TRICARE's reimbursement structure. This transition fulfills our statutory mandate to align reimbursement methods with those made by the Centers for Medicare and Medicaid Services for the Medicare program, moving away from an outdated billed-charge system to a transparent, cost-based methodology. This alignment not only brings TRICARE into compliance with Federal law but also ensures the responsible stewardship of taxpayer dollars.

Crucially, CHs are fully protected from financial loss through the HH provision. This mechanism guarantees that every CH is reimbursed, at a minimum, 100 percent of its allowable costs for OPSS services through an annual reconciliation payment. Furthermore, the GTMCPA remains available as an additional layer of support, allowing qualifying hospitals to receive up to 115 percent of their costs. Eligibility for this discretionary payment is based on clear, published criteria, including quantitative benchmarks and a determination that the hospital is essential for TRICARE operations.

DHA’s reimbursement system is compliant, transparent, and fiscally sound. It balances our legal and fiduciary responsibilities with our unwavering commitment to providing our beneficiaries with uninterrupted access to world-class pediatric care.