



PGBA, LLC

SUBJECT: Reimbursement of Capital and Direct Medical Education Costs

Dear Providers:

TRICARE/CHAMPUS authorizes Contractors of Managed Care Support Contracts to reimburse hospitals for Allowed Capital and Direct Medical Education costs. Reimbursement is subject to the following regulations as outlined in the TRICARE Reimbursement Manual, effective 10/01/98.

1. Any hospital subject to the TRICARE DRG-based payment system, which wishes to be reimbursed for Allowed Capital and Direct Medical Education costs, must submit a request for reimbursement to the TRICARE Contractor.
2. The initial request must be submitted on or before the last day of the twelfth month following the close of the hospital's cost-reporting period. The request must correspond to the hospital's Medicare cost-reporting period (dates and costs). Hospitals must submit their request forms and applicable pages from their Medicare Cost Reports to the TRICARE Contractor. Those hospitals that are not Medicare participating providers are to use October 1 through September 30 fiscal year for reporting Capital and DME Costs.
3. All amended requests as a result of a subsequent Medicare desk review, audit, or appeal must be submitted along with a copy of the NPR (Notice of Program Report) and the applicable pages from the amended Medicare Cost Report to the TRICARE Contractor within 30 days of the date the hospital is notified of the change. Failure to promptly report the changes resulting from a Medicare desk review, audit, or appeal is considered a misrepresentation of the cost report information. Such a practice can be considered fraudulent, which may result in criminal/civil penalties or administrative sanctions of suspension or exclusion as an authorized provider.
4. For more information, providers may reference the Department of Defense Federal Register.

Properly completed requests will be processed within 30 days, based upon the information submitted on the enclosed form. All providers must submit the applicable pages from their Medicare Cost Report when requesting reimbursement from the Contractor. The request must contain a signature and the title of the signing official. Please refer to the attached line item instructions for the Medicare Cost Report references.

A hospital official must sign the request for reimbursement, certifying that the information is accurate and based upon the Medicare Cost Report. If you have questions, please contact one of the following persons:

North 1
Ines Watson
(803) 763-4908
ines.watson@pgba.com

North 2
Penny Cross
(803) 763-6795
penny.cross@pgba.com

Jacqueline Marvin
(803) 763-6594
Work Leader
jacqueline.marvin@pgba.com

Sincerely,
Robin E. Cooper
Manager, PGBA Finance



PGBA, LLC

10. Residents/Interns Total full-time equivalents for residents/interns, Medicare Cost Report Worksheet S-3, Part 1, Line 12, Column 7.
11. Total Inpatient Beds The number of available beds during the period covered by the Medicare Cost Report, not including beds assigned to healthy newborns, custodial care, and excluding distinct part hospital units. (Reference HCFA 2552-96) Worksheet S-3, Part 1, Line 12, Column 1, minus any amount on line 11.
12. Reporting Date The date the request for Reimbursement is completed.

MAIL REQUEST TO:

PGBA, LLC
ATTN: PGBA Finance, AG-740
CAPITAL AND DIRECT MEDICAL EDUCATION REIMBURSEMENT
P.O. BOX 100245
COLUMBIA, SC 29202-3245

ADDRESS FOR FEDEX,
UPS AND AIRBORNE:

2300 SPRINGDALE DR. BLDG. 2
CAMDEN, SC 29020 -1728

