
SUBJECT: Reimbursement of Capital and Direct Medical Education Costs

Dear Providers:

TRICARE 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
Mary Bradford
(803) 763-4952
mary.bradford@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,

Ricky D. Simmons
Manager, PGBA Finance



EXPLANATION FOR REIMBURSEMENT OF TRICARE CAPITAL AND DIRECT MEDICAL EDUCATION COST

All information provided on the request must correspond to the information reported on the hospital's Medicare Cost Report.

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| 1. Hospital Name | Name of hospital making request |
| 2. Address | Street Address, City, State and Zip Code |
| 3. TRICARE Provider Number | The hospital's TRICARE Provider Number.
This should correspond to the hospital's tax identification number. |
| 4. Medicare Provider Number | The hospital's 6 digit Medicare Provider Number. |
| 5. Period Covered | The hospital's fiscal year must correspond to the Medicare cost reporting period. |
| 6. Total Inpatient Days | Days provided to all patients in units subject to DRG based payments. Reference Medicare Cost Report, (HCFA 2552-96) Worksheet S-3, Part 1, Line 12, Column 6 (Swing Beds days should not be included except for Critical Access Hospitals.) |
| 7. Total TRICARE | Only include days which were Inpatient days "allowed" for payment. Therefore, days which were determined to be not medically necessary and days which TRICARE made no payment because other health insurance paid the full allowable amounts are not to be included. The discharge date should be within the reporting period. |
| 7A. Total TRICARE Active Duty Days | Days provided to patients who were on Active Duty. |
| 8. Total Allowable Capital Cost | Total allowable capital cost as reported on the Medicare Cost Report. From the Medicare Cost Report, add the figures from Worksheet D, Part I, Columns 3 and 6, Lines 25-28, Lines 29 and 30 if it reflects intensive care cost, plus Line 33 to the figures from Worksheet D, Part II, Columns 1 and 2, Lines 37-63. (Ref. HCFA 2552-92 or 96) If the Medicare Cost Report is prior to 1992 the figures will only be added from Worksheet D, Column 1 on Part I and II. The same line items will be used. Worksheet D, Part 1 and 2, must be Title XVIII. |
| 9. Total Allowable Direct Medical Education Costs | Total Allowable Medical Education Cost as reported on the Medicare Cost Report. From the Medicare Cost Report, add the figures from Worksheet B, Part I, Columns 21 through 24, Lines 25-28, Lines 29 and 30 if it reflects intensive care cost, plus Line 33 and 37-63 (Ref. HCFA 2552-89, 92 or 96). Notes: Medical Education reimbursement can only be included if the hospital has a Medicare approved teaching program. |
| 10. Residents/Interns | Total full-time equivalents for residents/interns, Medicare Cost Report Worksheet S-3, Part 1, Line 12, Column 7. |



TRICARE REQUEST FOR REIMBURSEMENT OF CAPITAL AND DIRECT MEDICAL EDUCATION COSTS

RETURN TO:

PGBA, LLC
Attn: PGBA Finance AG-740
Capital and Direct Medical Education Reimbursement
PO Box 100245
Columbia, SC 29202-3245

1. HOSPITAL NAME: _____

2. HOSPITAL ADDRESS: _____

3. TRICARE PROVIDER NUMBER and NPI#: _____ / _____

4. MEDICARE PROVIDER NUMBER and NPI#: _____ / _____

5. PERIOD COVERED FROM: _____ TO: _____
(Must correspond to Medicare cost-reporting period.)

6. TOTAL INPATIENT DAYS: _____
(Provided to all patients in units subject to DRG-based payment)

7. TOTAL TRICARE INPATIENT DAYS FOR DEP/RETIREEES: _____
(Provided in units subject to DRG-based payment. This is to be only days which were "allowed" for payment. Days which were paid by other health insurance or which were determined to be not medically necessary are not to be included)

7a. TOTAL TRICARE INPATIENT DAYS FOR AD CLAIMS: _____
(Active Duty members)

8. TOTAL ALLOWABLE CAPITAL COSTS: _____
(Must correspond with the applicable pages from the Medicare Cost Report)

9. TOTAL ALLOWABLE DIRECT MEDICAL EDUCATION COSTS: _____
(Must correspond with the applicable pages from the Medicare Cost Report)

10. TOTAL FULL-TIME EQUIVALENTS FOR RESIDENTS/INTERNS: _____

11. TOTAL INPATIENT BEDS: _____

12. REPORTING DATE: _____

I certify the above information is accurate and based upon the hospital's Medicare cost report submitted to HCFA. The cost report filed, together with any documentation are true, correct and complete based upon the books and records of the hospital. Misrepresentation or falsification of any of the information in the cost reports is punishable by fine and/or imprisonment. Any changes which are the result of a desk review, audit or appeal of the hospital's Medicare cost report must be reported to the TRICARE contractor within 30 days of the date the hospital is notified of the change. Failure to report the changes can be considered fraudulent, which may result in criminal/civil penalties or administrative sanctions of suspension or exclusion as an authorized provider.

_____ Initial Request _____ Amended Request

Signature _____ Title _____

Typed Name _____ Phone: _____