



Department of Defense
INSTRUCTION
AD-A272 392

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November 9, 1989
NUMBER 6010.18



ASD(HA)

SUBJECT: CHAMPUS Health Care Finder and Participating Provider Program (HCF&PPP)

- References:
- (a) DoD Directive 5105.46, "Civilian Health and Medical Program of the Uniformed Services," December 4, 1974
 - (b) DoD Instruction 6010.8, "Administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)," October 24, 1984
 - (c) DoD Instruction 6010.12, "Military Civilian Health Services Partnership Program," October 22, 1987
 - (d) Public Law 99-661, "National Defense Authorization Act for Fiscal Year 1987," Section 702, November 14, 1986 (Title 10, United States Code, Section 1073 note)
 - (e) through (h), see enclosure 1

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A. PURPOSE

This Instruction:

1. Establishes policy and assigns responsibilities under reference (a).
2. Prescribes procedures under reference (b) to enable the Military Services to enhance health care services provided CHAMPUS beneficiaries in the civilian community, when needed services are not available in the military treatment facility (MTF), through referral to civilian health care providers who participate in the HCF&PPP program.

B. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Uniformed Services University of the Health Sciences (USUHS), the Defense Agencies, and the DoD Field Activities. The term "Military Services," as used herein, refers to the Army, Navy, Air Force, Marine Corps, and the Coast Guard, under agreement with the Department of Transportation (DoT) when it is not operating as a Military Service in the Navy.

C. DEFINITIONS

1. DoD-Managed Care Initiatives. These are CHAMPUS-related managed care programs such as the Partnership Program (DoD Instruction 6010.12, reference (c)), the CHAMPUS Reform Initiative (CRI) (P.L. 99-661, reference (d)), Catchment Area Management (CAM), and the Fiscal Intermediary Preferred Provider Organization (FIPPO) demonstration project (P.L. 100-180, reference (e)), which are directed by the Department of Defense.

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2. Health Care Finder. A patient information service, normally located in MTFs, whose primary functions are to provide information to assist patients in obtaining needed health services at MTFs or from participating civilian providers when MTF services are not available, and to support effective management of authorized activities by civilian sector providers.

3. Participating Provider. An authorized CHAMPUS provider (under DoD 6010.8-R, reference (f)) who is a party to a participating provider Memorandum of Understanding (MOU). A participating provider may be an institutional or individual provider.

D. POLICY

It is DoD policy to establish a CHAMPUS HCF&PPP to improve services to beneficiaries, complement other managed care activities designed to improve coordination between military MTFs and CHAMPUS, and lay important groundwork for expanding program innovations now being demonstrated, as follows:

1. The HCF&PPP shall improve services for CHAMPUS beneficiaries by increasing the number of providers who agree always to accept CHAMPUS assignments and handle claims filing responsibilities, thereby reducing both out-of-pocket costs and paperwork requirements for beneficiaries.

2. The HCF&PPP shall complement other DoD-managed care initiatives designed to improve coordination between MTFs and CHAMPUS providers.

3. The HCF&PPP shall expand information services to assist patients in obtaining needed health services in the MTF and away from the MTF and for managing the HCF&PPP.

E. RESPONSIBILITIES

1. The Secretaries of the Military Departments shall support and monitor implementation of the HCF&PPP for their respective MTF catchment areas and CHAMPUS beneficiaries.

2. The Surgeons General of the Military Departments shall provide the authority and training to implement the HCF&PPP based on prior approval of their Military Department Secretary.

3. The Director, Office of the Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS), subject to the direction of the Assistant Secretary of Defense (Health Affairs) (ASD(HA)), shall:

a. Manage benefit and financial policy issues for the HCF&PPP.

b. Develop model participating provider program MOUs to contain terms, conditions, and procedures for the program.

c. Provide such information on request, as may be available, for the use and costs of health care services in a specific geographic area.

d. Establish appropriate procedures for CHAMPUS fiscal intermediary (FI) contractors to:

(1) Receive from MTF Commanders lists of participating providers for periodic inclusion into claims processing systems.

(2) Process medical claims from participating providers on an assignment basis.

(3) Produce periodic reports on the claims activity of all participating providers, including information on the number, type, and amount of claims filed by each participating provider, for use by MTF Commanders and other appropriate officials in monitoring the HCF&PPP.

(4) Maintain an up-to-date list of participating providers, by type and specialty, and make that list available to MTFs to inform beneficiaries.

(5) To the extent practicable, enforce negotiated rate agreements by implementing an automatic payment mechanism for participating provider claims.

(6) Provide other appropriate support for implementation of the HCF&PPP.

4. The Commanders of Military Medical Treatment Facilities (MTFs) shall:

a. Solicit broad provider participation in the HCF&PPP as required or indicated by the demand for services in each catchment area.

b. Ensure that participating provider MOUs are established only with providers who meet appropriate quality standards, are cost effective, and agree to comply with all rules and procedures of the HCF&PPP. Among these rules and procedures is that each participating provider shall:

(1) Be certified as a CHAMPUS provider by the FI, and agree to maintain status as an authorized CHAMPUS provider under DoD 6010.8-R (reference (f)).

(2) Agree to comply with all requirements of law, regulation, and policy in the administration of CHAMPUS.

(3) Agree to accept the CHAMPUS allowable charge or less for covered services as payment in full, including instances when the allowable charge reflects less than usual fees agreed to by the provider. The participating provider shall seek from the beneficiary no more than applicable deductibles and co-payments. If the beneficiary also is covered by primary insurance for the care provided, the provider shall bill the primary insurance first and send a record of primary insurance payment determinations along with any claim for secondary payment to CHAMPUS.

(4) Agree to handle the administrative task of completing and submitting claim forms through established CHAMPUS procedures on payment for services.

(5) Acknowledge that failure to comply with all rules and procedures of the HCF&PPP and any other obligations made in the MOU may result in the provider being terminated as a participating provider.

c. Coordinate HCF&PPP activities with the responsible CHAMPUS FI contractor in accordance with procedures established under paragraph E.3.d., above. This includes:

(1) Submitting to the FI contractor a list of participating providers and periodic updates to the list for inclusion into the claims processing system.

(2) Obtaining from the FI contractor periodic reports on claims activity of participating providers. Those reports shall be used to monitor compliance with rules and procedures of the program, including participating provider MOUs, regarding responsibilities to accept assignment, handle claims filing responsibilities, and, if applicable, discount claims.

d. Maintain an up-to-date list of participating providers, by type, location, specialty, and fees (if applicable) and provide that list for beneficiary use when seeking health care services outside the MTF. Requirements on information to beneficiaries are as follows:

(1) All information provided to beneficiaries on participating providers, including any discounted charges being offered, shall be accurate.

(2) In the case of institutional providers that are participating providers, information given to beneficiaries shall, at a minimum, specify whether the features of the PPP (i.e., accepting assignment, handling claim forms, discounts (if any), etc.) are applicable only to the hospital (or other institutional) care and charges, or to both the hospital portion and all inpatient professional care and charges in that hospital.

e. Terminate HCF&PPP MOUs with participating providers who fail to comply with applicable rules and procedures or other terms (e.g., discounts, if applicable) of the MOU.

f. Take cognizance of other CHAMPUS-related programs operating in the area that may involve special relationships with CHAMPUS-authorized civilian providers, such as the Partnership Program, the CHAMPUS Reform Initiative, and the FIPPO Project, and for which coordination with HCF&PPP activities would promote positive results.

g. Provide other appropriate support for the HCF&PPP.

F. PROCEDURES

1. A participating provider MOU shall be executed and implemented by the Commander of the MTF involved.

2. A participating provider MOU may contain provisions to provide care under a separate managed care initiative or to provide for supplemental care money to be paid for active duty and other non-CHAMPUS beneficiary care to augment treatment initiated by the MTF.

3. A participating provider MOU may be made with an individual provider or with a pre-existing group of providers, such as an existing preferred provider organization (PPO), when authority to enter into such MOUs for all of its providers rests in the organizational structure.

4. A participating provider MOU shall not last longer than 2 years, but may be renewed on its expiration. An MOU may be terminated on written notification by either party to the other. When an MOU is terminated, the FI must be immediately notified of the effective date of the termination.

G. INFORMATION REQUIREMENTS

The Director, OCHAMPUS, shall provide semi-annual reports to the Surgeon General of the Military Department concerned and to the Deputy Assistant Secretary of Defense (Health Program Management) (DASD(HPM)). Those reports shall be catchment area-specific and include information on the numbers of MOUs in place and the medical service discipline or provider category associated with the MOU. Those reports shall be due the last working day of May and November of each year for the 6-month period ending in March and September of that same year. The reports in this Instruction are exempt from licensing in accordance with paragraph E.4.b. of DoD 7750.5-M, (reference (g)).

H. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward one copy of implementing documents to the Assistant Secretary of Defense (Health Affairs) within 120 days.



David Newhall, III
Acting Assistant Secretary of Defense
(Health Affairs)

Enclosures - 2

1. References
2. Participating Provider Program (PPP) Memorandum of Understanding (MOU) Model

REFERENCES, continued

- (e) Public Law 100-180, "National Defense Authorization Act for Fiscal Years 1988 and 1989," Section 731(c)(2)(E) and (F), December 4, 1987 (Title 10, United States Code, Section 1092 note)
- (f) DoD 6010.8-R, "Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)," March 1986, authorized by DoD Instruction 6010.8, October 24, 1984
- (g) DoD 7750.5-M, "DoD Procedures For Management of Information Requirements," November 1986, authorized by DoD Directive 7750.5, August 7, 1986
- (h) Federal Acquisition Regulation (FAR), April 1984

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MODEL
PARTICIPATING PROVIDER PROGRAM (PPP)

MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN THE _____ (enter name of MTF) AND _____ (enter name of provider)
CITY OF _____ STATE _____

A. GENERAL

1. This MOU is entered into by and between _____,
hereinafter referred to as the MTF, and _____,
hereinafter referred to as the "participating provider."

2. The purpose of this MOU is to establish the basis for participation in the Health Care Finder and Participating Provider Program (HCF&PPP) and the provision of services to Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) beneficiaries. All terms of this MOU are in addition to, and not in lieu of, the terms, conditions, and requirements established by law, regulation, and policy for the administration of CHAMPUS.

3. The participating provider is:

- a. Licensed to practice medicine and surgery in the State of _____ and is engaged in the practice of _____ (enter specialty) ; or
- b. An institutional provider licensed in the State of _____ as a _____ (enter type of facility) .

4. The MTF is a U.S. Government health care facility within the Department of Defense operated by the (enter Military Service). The MTF is accountable to the Military Services. The commander of the MTF is the local Military Service representative and is responsible for the operation of the hospital.

B. TERMS OF THIS MOU

1. The MTF commander, or designee, shall:

a. Encourage CHAMPUS beneficiaries who reside in the hospital catchment area to receive health care services from participating providers when they seek services (under CHAMPUS) outside the MTF.

b. Provide information to beneficiaries on the identity of participating providers, including specialty and location, and the advantages, particularly accepting assignment and handling claims processing responsibilities, of using participating providers.

c. Provide to the CHAMPUS fiscal intermediary (FI) contractor up-to-date lists of participating providers to allow the FI contractor to process all participating provider claims on an assignment basis and maintain accurate claims activity information.

2. If this MOU should be executed with an organization of providers, the organization must certify that each individual provider agrees to paragraphs B.2.a. and B.2.b., below, and shall notify the MTF commander within 24 hours of any occurrence that could potentially disqualify an individual provider from continued participation in the CHAMPUS HCF&PPP. If the participating provider is an institutional provider, the provider shall specify, and include in any informational materials to be provided to beneficiaries, a statement specifying whether the terms of this MOU apply to:

- a. Only institutional services and charges; or
- b. Both institutional services and charges and all inpatient professional care and charges.

3. The participating provider shall:

- a. Maintain the provider's status as an authorized CHAMPUS provider.
- b. Solely be responsible for completion and submission of claim forms through CHAMPUS procedures for payment for services, and accept the CHAMPUS-determined allowable charge (or a negotiated reduced payment) as payment in full for all CHAMPUS-authorized services furnished to CHAMPUS-eligible beneficiaries under this MOU. If the beneficiary is covered by primary insurance for the care provided, the provider shall bill the primary insurance first and send a record of primary insurance payment determinations along with any claim for secondary payment to CHAMPUS.
- c. Bill the CHAMPUS beneficiary or sponsor only for the amount of the beneficiary's cost-share and any deductibles based on the allowable charge for such services, and neither bill nor collect from the CHAMPUS beneficiary or sponsor any amounts exceeding the agreed-on allowable charge for the authorized services.
- d. Comply with all requirements of law and regulation in the administration of CHAMPUS and all terms of the HCF&PPP, this MOU, and any collateral terms (such as any negotiated reduced payment, if applicable).

C. OTHER CONSIDERATIONS

1. Neither party shall assign, transfer, or otherwise dispose of this MOU or any interest therein, or the power to execute such MOU, to any other person or entity without the other party's previous written consent.
2. Neither party shall make any representations to beneficiaries on the HCF&PPP or the participating provider's status in the PPP, except factually accurate statements consistent with the terms of this MOU.
3. The participating provider acknowledges that failure to comply with all terms of the HCF&PPP, this MOU, any collateral terms (if applicable), and the requirements of law, regulation, or policy in the administration of CHAMPUS may result in the termination of this MOU.

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4. The parties understand that this MOU is not a contract under the FAR (reference (h)) and other Federal procurement laws, regulations and procedures. Any disputes arising from or relating to this MOU or the HCF&PPP are exclusively within the jurisdiction of OCHAMPUS and appropriate CHAMPUS appeals procedures.

5. The term of this MOU shall be for 2 years unless otherwise terminated. This MOU may be renewed at the end of 2 years provided that:

a. Written notice of intent to renew is issued by the participating provider to the MTF commander and received not less than 90 days before the end of the 2-year period of this MOU.

b. A new MOU is executed between the MTF and the participating provider.

6. This MOU may be terminated without cause by either party upon written notification to the other party.

IN WITNESS WHEREOF, each of the parties hereunto has executed this MOU effective on this _____ day of _____ 19_____.

UNITED STATES OF AMERICA
By _____
Title (MTF Commander)
PARTICIPATING HEALTH CARE PROVIDER

Name

Address