

## Chapter 8

## Section 5

# Referrals/Preauthorizations/Authorizations

Revision: C-6, October 20, 2017

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### 1.0 REFERRALS

**1.1** A referral is a request from one physician to another to assume responsibility for management of one or more of a patient's specified problems. The contractor shall review the referral request, and if it is determined that the services being requested are not a TRICARE benefit, the beneficiary shall be informed that the services are excluded from coverage, and will not be paid by TRICARE, if obtained. However, a medical necessity or utilization management determination is not required by a network Primary Care Manager (PCM) or specialty care provider prior to obtaining a referral to a specialty care provider that is part of the network of health care providers or institutions of the contractor except as required under Chapter 7, Section 2. For additional information on access standards for enrollees, see 32 CFR 199.17.

**1.2** The TRICARE beneficiary must be "held harmless" in cases where the network provider fails to request a referral and the contractor either denies payment or applies the Point Of Service (POS) option. If the referral involves services rendered by a non-network provider, "hold harmless" cannot apply, as "hold harmless" only applies to network providers. Once the patient is evaluated by the specialist, the contractor may require an authorization before the services are provided or the procedure is performed. In those instances where a contractor requires authorization of services in addition to those listed in Chapter 7, Section 2, such authorization must be available to and appealable by all beneficiaries, whether enrolled or not. Within Prime Service Areas (PSAs), the Military Treatment Facilities (MTFs)/Enhanced Multi-Service Markets (eMSMs) have the Right of First Refusal (ROFR) for all referrals, as determined by the Memorandum of Understanding (MOU) between the contractor and each MTF/eMSM.

### 1.3 Urgent Care Referrals

**1.3.1** TRICARE Prime referral requirement may be waived for urgent care visits for Prime enrollees other than active duty members. The specific number of urgent care visits without a referral will be determined annually prior to the beginning of the open season enrollment period.

**1.3.2** If urgent treatment is required by a TRICARE Prime enrollee after hours, while traveling away from their residence, or whose PCM is otherwise unavailable, the enrollee may contact their Managed Care Support Contractor (MCSC), TRICARE overseas contractor, or Designated Provider (DP) for assistance finding an appropriate facility/provider before receiving non-emergent care from a provider other than the PCM. If they do not coordinate urgent care with their PCM or regional contractor, the care may be covered under the POS option, resulting in higher out-of-pocket costs. If an enrollee is traveling overseas, he or she may call the TRICARE Overseas Program (TOP) Regional Call Center for the region in which he or she is traveling to coordinate urgent care. Exceptions allowed as

described in [Chapter 18, Section 5](#).

## 2.0 PREAUTHORIZATIONS/AUTHORIZATIONS

**2.1** The contractor shall review all requests for authorization to determine that the services being requested are a TRICARE benefit. Issuance of authorizations are not a medical necessity or utilization management determination and shall not be used to restrict freedom of choice of the TRICARE Select beneficiary who chooses to receive care from authorized non-network providers, except as required under [Chapter 7, Section 2](#). However, when a TRICARE Select beneficiary receives services covered by the basic program benefits from an authorized health care provider who is not part of the TRICARE provider network, that care is covered by TRICARE but is subject to higher cost-sharing amounts for out-of-network care.

**2.2** The contractor shall advise beneficiaries, sponsors, providers, and other responsible persons of those benefits requiring authorization before payment may be made and inform them of the procedures for requesting the authorization. Although beneficiaries are required to obtain authorization prior to receiving payment for the care listed at [Chapter 7, Section 2](#), authorization may be requested following the care. Whether the authorization is requested before or after care, all qualified care shall be authorized for payment. The contractor shall emphasize the need for concerned persons to contact a Beneficiary Counseling and Assistance Coordinator (BCAC) or the contractor for assistance.

**2.3** Because of the high risk that many services requiring special authorization may be denied, the contractor shall offer preauthorization for the care to all TRICARE beneficiaries who reside within its jurisdiction. The contractor shall process all requests for such authorization whether submitted by the beneficiary, sponsor or provider requesting authorization on behalf of the beneficiary.

**2.4** The contractor shall issue notification of preauthorization/authorization or waiver to the beneficiary or parent/guardian of a minor or incompetent adult, the provider, and to its claims processing staff. Notification may be made in writing by letter, or on a form developed by the contractor. These forms and letters are all referred to as TRICARE authorization forms. The contractor shall not issue an authorization for acute, inpatient mental health care for more than seven calendar days at a time.

**2.5** The contractor shall document authorizations and match authorizations to the Unique Identifier Number (UIN); the UIN consists of the MTF/eMSM Defense Medical Information System (DMIS) plus the date referral was generated in Composite Health Care System (CHCS) and the CHCS consult order number. The contractor must also maintain an automated authorization file or an automated system of flagging to ensure claims are processed consistent with authorizations. The contractor shall verify that the UIN, beneficiary, sponsor, provider, and service or supply information submitted on the claim are consistent with that authorized and that the care was accomplished within the authorized time period.

**2.6** Prime enrollees receiving emergency care or authorized care from non-network, non-participating providers shall be responsible for only the Prime copayment. On such claims, contractors shall allow the amount the provider may collect under TRICARE rules; i.e., if the charges on a claim are subject to the balance billing limit (refer to the TRICARE Reimbursement Manual (TRM), [Chapter 3, Section 1](#) for information on balance billing limit), the contractor shall allow the lesser of the billed charges or the balance billing limit (115% of allowable charge). If the charges on a claim are exempt

from the balance billing limit, the contractor shall allow the billed charges. Refer to the TRM, [Chapter 2, Section 1](#) for information on claims for certain ancillary services.

**2.7** The contractor shall implement National Provider Identifier (NPI) checks or other business processes to ensure that authorizations are not issued to MTF/eMSM providers who are also providing services in the purchased care sector.

**2.8** Service members, who have sustained an amputation, shall be considered for transfer or admission to an appropriate MTF/eMSM Center of Excellence. Prior to authorizing rehabilitative treatment to a purchased care sector provider or facility, the contractor (Managed Care Support Contractor (MCSC), DP and TOP), in coordination with the respective TRICARE Regional Office (TRO)/TRICARE Area Office (TAO) and the assigned MTF/eMSM (or DHA-Great Lakes (DHA-GL) for TRICARE Prime Remote (TPR) enrollees), shall determine whether care is available from any Department of Defense (DoD) Advanced Rehabilitation Center (ARC). The DoD ARCs include the Center for the Intrepid (CFI); San Antonio Military Medical Center (SAMMC), San Antonio, Texas; Military Advanced Training Center (MATC); Walter Reed National Military Medical Center (WRNMMC), Bethesda, Maryland; and the Comprehensive Combat and Complex Casualty Care (C5), Naval Medical Center, San Diego, California. The assigned MTF (or DHA-GL for TPR enrollees) and the ARC will determine appropriateness of the transfer/referral. If care is available and appropriate in one of these facilities, the contractor shall facilitate the transfer or admission of the Service member as soon as practical based on the patient's condition. The contractor shall coordinate with the respective TRO/TAO or DHA-GL for any issues or concerns. See Section J of the contract for reporting requirements.

### **3.0 FAILURE TO COMPLY WITH PREAUTHORIZATION - PAYMENT REDUCTION**

During claims processing, provider payments shall be reduced for failure to comply with the preauthorization requirements for certain types of care. See the TRM, [Chapter 1, Section 28](#), for more information.

### **4.0 PSYCHIATRIC RESIDENTIAL TREATMENT CENTERS (RTCs)**

**4.1** All RTC care requires preauthorization review, regardless of the setting (see [Chapter 7, Section 2](#)). Before any claims for RTC care may be paid, an authorization must be on file. The dates of service on the claim form and the name of the facility plus the Employer Identification Number (EIN) with suffix must correspond with the dates of the approval and the facility indicated on the authorization. If the beneficiary resides outside of the contractor's region, the contractor responsible for payment shall pay the claims at the rate determined by Defense Health Agency (DHA). When the contractor issues an RTC authorization, it shall flag its files to preclude payment of any family or collateral therapy that is billed in the name of the RTC patient. That cost is the responsibility of the RTC, unless, as part of its negotiated agreement, the contractor agrees to a separate payment for such care. Under the DHA-determined rates, family therapists may bill separately from the RTC (outside the all-inclusive rate) only if the therapy is provided to one or both of the parents residing a significant distance from the RTC. In the case of residents of a region, geographically distant family therapy must be certified by the contractor in order for cost-sharing to occur.

**4.2** If a claim for admission or extension is submitted and no authorization form is on file, the claim shall not be paid. For network claims, the contractor may deny or develop in accordance with its agreements with network providers. For non-network claims, the contractor shall deny the claim.

**4.3** For any claims submitted for inpatient care at other than the RTC, the contractor shall pay the claim if the care was medically necessary. Claims for RTC care during the period of time the beneficiary was receiving care from another inpatient facility shall be denied. If the RTC has been paid and a claim for inpatient hospital care is received and the care was medically necessary, the contractor must pay the inpatient hospital claim and recover the payment from the RTC.

## **5.0 GRANDFATHERED CUSTODIAL CARE CASES**

A list of the beneficiaries who qualified for custodial care benefits prior to June 1, 1977, has been furnished to the contractor with instructions to flag the file for those beneficiaries on the list who are within its region. Claims received for those beneficiaries, for which no authorization is on file, are to be suspended and the contractor shall notify the appropriate TRICARE Regional Office (TRO). Refer to [32 CFR 199.4](#).

## **6.0 REFERRAL AND AUTHORIZATION PROCESS**

The contractor shall process referrals in accordance with the following:

### **6.1 Referrals From The MTF/eMSM To The Contractor**

Referral Management Suite (RMS) is the Department of Defense's (DoD's) system to transmit referrals and authorizations between the Military Health System (MHS) MTFs/eMSMs and contractors. RMS captures and stores the referral and authorization information allowing for the tracking of referrals from the time it is created to the time the referral results are provided to the referring provider or closed for non-use by the patient. RMS is able to transmit Health Insurance Portability and Accountability Act (HIPAA) compliant 278 Health Care Services Review Request for Review and Response transactions. The RMS supports reporting of referral authorization processing times, rejected referrals, and referrals awaiting contractor response, among others. Faxing shall be used only in situations when electronic means is temporarily unavailable (with the exception of transmission of ROFRs and the Coast Guard which does not use the RMS). Referrals from the MTF/eMSM will include the information in the chart below, at a minimum, unless otherwise specified. The MTF/eMSM is not required to provide diagnosis or procedure codes. The contractor shall translate the narrative descriptions into standard diagnosis and procedure codes. The contractor shall ensure that care received outside the MTF/eMSM and referred by the MTF/eMSM (for MTF/eMSM enrollees) is properly entered into the contractor's claims processing system to ensure the appropriate adjudication of claims. To facilitate adjudication of claims, the contractor's claims system shall utilize the UIN, at a minimum, to match claims with referral authorizations.

<b>REQUIRED DATA ELEMENT*</b>	<b>DESCRIPTION/PURPOSE/USE</b>
Request Date/Time	DD MMM YY hhmm
Request Priority	STAT/24-hour/ASAP/Today/72-hour/Routine
Requester	
Referring Provider Name	Name of PCM/MTF/eMSM individual provider making request
Referring Provider NPI	Health Insurance Portability and Accountability Act (HIPAA) NPI - Type 1 (Individual)
Referring MTF/eMSM	Name of MTF/eMSM

**TRICARE Operations Manual 6010.59-M, April 1, 2015**

Chapter 8, Section 5

Referrals/Preauthorizations/Authorizations

REQUIRED DATA ELEMENT*	DESCRIPTION/PURPOSE/USE
<b>PATIENT INFORMATION</b>	
Sponsor Social Security Number (SSN)	Only if the Electronic Data Interchange Patient Number (EDI_PN) (from DEERS is not available)
Patient ID	EDI_PN
Patient Name	Full Name of Patient (if no EDI_PN available)
Patient Date of Birth (DOB)	DOB (required if patient not in DEERS)
Patient Gender	
Patient Address	Full Address of Beneficiary (including zip)
Patient Telephone Number	If available - Telephone Number (including area code)
<b>CLINICAL INFORMATION</b>	
Patient Primary Provisional Diagnosis	Description
Reason for Request	Sufficient Clinical Info to Perform Medical Necessity Report (MNR)
<b>SERVICE</b>	
Service 1 - Provider	Specialty of Service Provider
Service 1 - Provider Sub-Specialty	Additional Sub-Specialist Info if Needed (Free Text Clarifying Info Entered with Reason for Request) e.g., Pediatric Nephrologist
Service 1 - By Name Provider Request if Applicable - First and Last Name	Optional Info Regarding Preferred Specialist Provider (Free Text)
Service 1 - Service Type	Inpatient, Specialty Referral, Durable Medical Equipment (DME) Purchase/Rental, Other Health Service, et al DME Provider to do Certificates of Medical Necessity (CMN)
Service 1 - Service Quantity	Evaluate or Evaluate and Treat
CHCS Generated Order Number (DMIS-YYMMDD-XXXXX)	UIN. The UIN is the DMIS (of the referring facility identified in the "Referring MTF/eMSM" field on this request) --Date in format indicated-- Consult Order Number from CHCS.
<b>Special Instructions:</b>	
<b>Note 1:</b> *Above data elements are required unless otherwise noted as "Optional."	
<b>Note 2:</b> Use of the NPI is required in accordance with Health and Human Services (HHS) NPI Final Rule of May 23, 2007 or upon service direction and/or direction of the Contracting Officer (CO). Implementation requirements may be found at <a href="#">Chapter 19, Section 4</a> .	
<b>Note 3:</b> When issuing a preauthorization for a Service member while in terminal leave status to obtain medical care from the Department of Veterans Affairs (DVA), as required by <a href="#">Chapter 17, Section 1, paragraph 4.5</a> , the MTF/eMSM shall make special entries for data elements as follows:	
Patient Primary Provisional Diagnosis	Condition of a routine or urgent nature as specified by the patient at a future date.
Reason for Request	Provide preauthorization for outpatient treatment by the DVA for routine or urgent conditions while the active duty patient is in a terminal leave status.
Service 1 - Provider	Any DVA provider.
Service 1 - By Name Provider Request if Applicable - First and Last Name	DVA provider only.
<b>Note 4:</b> When issuing an authorization for the DVA to provide a Compensation and Pension (C&P) examination for a Service member as required by <a href="#">Chapter 17, Section 2, paragraph 3.2.2</a> , the MTF/eMSM shall make special entries for data elements as follows:	

**TRICARE Operations Manual 6010.59-M, April 1, 2015**

## Chapter 8, Section 5

## Referrals/Preauthorizations/Authorizations

REQUIRED DATA ELEMENT*	DESCRIPTION/PURPOSE/USE
Patient Primary Provisional Diagnosis	V68.01 - Disability Examination or Z02.71 - Disability Examination
Reason for Request	DVA only: Integrated Disability Evaluation System (IDES) C&P Examinations for Fitness for Duty Determination
Service 1 - Provider	Any DVA Provider
Service 1 - By Name Provider Request if Applicable - First and Last Name	DVA Provider Only
Service 1 - Service Quantity	Number of C&P Examinations Authorized
This blanket preauthorization is only for routine and urgent outpatient primary medical care provided by the DVA while the patient is in a terminal leave status and/or for C&P examinations through IDES. Terminal leave for this patient concludes at midnight on DD MM YY. The referral in Note 4 shall be considered a blanket authorization for any DVA to conduct the authorized number of C&P exams and ancillary services.	

**6.1.1** Using the UIN, the contractor shall locate related referrals, authorizations, and claims. Contractor generated MTF/eMSM reports shall be modified to accommodate the UIN and NPI. The UIN shall also be used for all related customer service inquiries. UINs and NPIs will be attached to all MTF/eMSM referrals and will be portable across all regions of care. The UIN will be used to match claims to an MTF/eMSM generated referral. The contractor shall provide the MTF/eMSM a monthly adjudicated referral claim report which shall include the UIN against each claim. The contractor shall capture the NPIs from the referral transmission report and forward the NPI and corresponding UIN to the referred to provider on all referrals.

**6.1.2** The contractor where care is rendered shall apply their best business practices when authorizing care for referrals to their network and shall retain responsibility for managing requests for additional services or inpatient concurrent stay reviews associated with the original referral as well as changes to the specialty provider identified to deliver the care. The contractor authorizing the care shall forward the referral/authorization information, including the range of codes authorized (i.e., Episode Of Care (EOC)) and the name, the NPI, and demographic information of the specialty provider to the contractor for the region to which the patient is enrolled. If the patient is enrolled overseas, the contractor shall provide the same service and information required above to the TOP contractor. If a CONUS Prime retiree/retiree family member receives authorization to obtain care overseas from a contractor, the contractor shall forward the authorization information to the TOP contractor to ensure appropriate adjudication of the claim. Claims submitted by the provider shall be processed by the contractor or the TOP contractor according to [Chapter 8, Section 2](#).

**6.1.3** The contractor shall screen the information provided and return incomplete requests within one business day to the MTF/eMSM by HIPAA-compliant 278 response. If the contractor's system is temporarily not available, then the contractor shall send the information to the MTF's/eMSM's single POC via fax or other electronic means acceptable to the MTF/eMSM and the contractor. The return of a referral to the MTF/eMSM is considered processed to completion.

**6.1.4** The contractor shall verify that the services are a TRICARE benefit through appropriate medical review and screening to ensure that the service requested is reimbursable through TRICARE. The contractor's medical review shall be in accordance with the contractor's best business practices. This process does not alter the TRICARE Operations Manual (TOM), TRICARE Policy Manual (TPM), or TRICARE Systems Manual (TSM) provisions covering active duty personnel or TRICARE For Life (TFL) beneficiaries.



**6.1.5** The contractor shall advise the patient, referring MTF/eMSM, and receiving provider of all approved referrals. The MTF/eMSM single Point of Contact (POC) shall be advised via HIPAA-compliant 278 response. (The MTF/eMSM single POC may be an individual or a single office with more than one telephone number.) The notice to the beneficiary shall contain the UIN and information necessary to support obtaining ordered services or an appointment with the referred to provider within the access standards. The notice shall also provide the beneficiary with instructions on how to change their provider, if desired. If the contractor is informed that the beneficiary changed the provider listed on the referral, the contractor shall make appropriate modifications to MTF/eMSM issued referral (to revise the provider the beneficiary was referred to by the MTF/eMSM). The revised referral shall contain the same level of data as the initial MTF/eMSM referral. The revised referral shall be issued to the current provider, with an updated HIPAA-compliant 278 response to the MTF/eMSM. If the contractor's system is temporarily not available, then the contractor shall send the information to the MTF's/eMSM's single POC via fax or other electronic means acceptable to the MTF/eMSM and the contractor. For same day, 24-hour, and 72-hour referrals, no beneficiary notification shall be issued. The contractor shall notify the provider to whom the beneficiary is being referred of the approved services, to include clinical information furnished by the referring provider.

**6.1.6** If services are denied, the contractor shall notify the patient and shall advise the patient of their right to appeal consistent with the TOM. The contractor shall also notify the referring single MTF/eMSM POC by HIPAA-compliant 278 response of the initial denial. If the contractor's or the MTF's/eMSM's system is temporarily not available, then the contractor shall send the information to the MTF's/eMSM's single POC via fax or other electronic means acceptable to the MTF/eMSM and the contractor.

**6.1.7** For services beyond the initial authorization, the contractor shall use its best practices in determining the extent of additional services to authorize. The contractor shall not request a referral from the MTF/eMSM but shall provide the MTF/eMSM, by HIPAA-compliant 278 response, the updated authorization and clinical information that served as the basis for the new authorization. If the contractor's or the MTF's/eMSM's system is temporarily not available, then the contractor shall send the information to the MTF's/eMSM's single POC via fax or other electronic means acceptable to the MTF/eMSM and the contractor.

**6.1.8 Directed Referrals (CONUS Only)**

**6.1.8.1** The contractor shall establish and maintain an adequate network ([Chapter 5](#), and TRM, [Chapter 1, Section 1](#)) to produce the best quality and outcome for TRICARE beneficiaries. MTF/eMSM-directed referrals could impede the contractor's ability to maintain and manage the network. Directed referrals are any provider generated by-name requests for services. Directed referrals are expected to be rare; however, a description of appropriate circumstances is outlined in the MOU and the process for submitting directed referrals for services within the PSA will be contained within the MOUs between the MTFs/eMSMs, TROs, and contractor.

**6.1.8.2** MTF/eMSM directed referrals for initial services to a non-network provider greater than 100 miles from the MTF/eMSM where specialized treatment, surgical procedure, and/or inpatient admission is expected or being requested require justification from the MTF/eMSM to the contractor and coordination between the contractor and TRO prior to approval by the contractor. This coordination process is contained within the MOUs between the MTFs/eMSMs, TRO, and contractor. The MOU will also contain guidance on types of MTF/eMSM directed referrals excluded from this policy. The contractor shall accomplish benefit review and medical necessity review as required by policy and then coordinate with the TRO prior to completing the referral/authorization. The contractor may ask the TRO

for guidance on any MTF/eMSM or network provider-directed referral that meets the intent of this policy.

**6.1.8.3** The contractor shall make and document appropriate determinations considering the justification provided by the MTF/eMSM for directed referrals to non-network providers. The contractor shall track and report MTF/eMSM-directed referrals to the TRO as specified in Section J of the contract.

## **6.2 Referrals From The Contractor To The MTF/eMSM**

Referrals subject to the ROFR provision from the civilian sector shall be processed in accordance with the following procedures.

**6.2.1** The contractor shall send ROFRs to the MTF/eMSM via a HIPAA-compliant 278, or other process as identified by the Government. The request shall contain the minimum data set described in [paragraph 6.1](#) (with the exception of the UIN) plus the referring civilian provider's fax number, telephone number, and mailing address. This data set shall be provided to the MTF/eMSM in plain text with or without diagnosis or procedure codes. This transmission shall take place within 90 minutes from date/time of receipt of referral for "urgent priority" ROFRs and within two business days from date/time of receipt for "routine priority" ROFRs. If the contractor's system is temporarily not available, then the contractor shall send the information to the MTF's/eMSM's single POC via fax or other electronic means acceptable to the MTF/eMSM and the contractor.

**6.2.2** The MTF/eMSM will respond to the contractor via HIPAA-compliant 278, or other process as identified by the Government, within 90 minutes from receipt of the request for "urgent priority" ROFRs and two business days, as defined in [paragraph 6.2.1](#), from receipt of the request for "routine priority" ROFRs. When no response is received from the MTF/eMSM in response to the ROFR request as defined above, the contractor shall process the referral request as if the MTF/eMSM declined to see the patient. The contractor shall provide each MTF/eMSM with a report of the number and specialty types of ROFR referrals forwarded to the MTF/eMSM, the number of accepted and declined ROFRs by the MTF/eMSM, and the accuracy of the types of ROFRs forwarded to the MTF/eMSM compared to the MTF's/eMSM's capability and capacity report. All referrals for care indicated on the MTF/eMSM capabilities table shall be forwarded to the MTF/eMSM by the contractor. The only exception will be for continuity of care. Continuity of care is operationally defined as follow on care from a specific specialist as part of a specific procedure or service that was performed within the previous six months.

**6.2.3** The ROFR will be forwarded for Prime beneficiaries for whom the MTF/eMSM has indicated the desire to receive referral requests based on specialty or selective diagnosis codes or procedure codes, and/or enrollment category. ROFR requests shall be provided prior to the contractor's medical necessity and covered benefit review to afford the MTF/eMSM the opportunity to see the patient prior to any decision.

**6.2.4** In instances where the MTF/eMSM elects to accept the patient, the MTF/eMSM will advise the contractor from date/time of receipt for "routine priority" ROFRs, as defined in [paragraph 6.2.1](#). The contractor shall notify the beneficiary of the MTF's/eMSM's acceptance and provide instructions for contacting the MTF/eMSM to obtain an appointment. The contractor shall enforce the POS if the patient chooses to not go to the MTF/eMSM once the MTF/eMSM has accepted the ROFR.



**TRICARE Operations Manual 6010.59-M, April 1, 2015**

Chapter 8, Section 5

Referrals/Preauthorizations/Authorizations

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**6.3** The contractor shall provide reports on unactivated behavioral health referrals, referrals received by specialty, and purchased care MTF/eMSM Prime enrolled inpatients, according to Contract Data Requirement List (CDRL) requirements.

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