



HEALTH AFFAIRS

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-1200

APR 17 2003

The Honorable John McHugh
Chairman, Subcommittee on Total Force
House Armed Services Committee
House of Representatives
Washington, DC 20515-6035

Dear Mr. Chairman:

This is in response to the request in House Armed Services Committee Report 107-436 (page 323) for a report concerning the crossover claims process for under-65 TRICARE beneficiaries who are Medicare eligible.

As a practical matter, and from a legal standpoint, the under-65 Medicare eligible beneficiaries are distinct from the TRICARE For Life (TFL) group. They have had TRICARE coverage since 1991, can enroll in TRICARE Prime, and receive full TRICARE benefits secondary to their Medicare coverage, although their claims processing service is not as customer-friendly as that of TFL beneficiaries. Unlike TFL beneficiaries, the under-65 population may lose and regain their Medicare eligibility over time, which presents some additional challenges in data matching to facilitate crossover claims.

When the TRICARE Management Activity (TMA) implemented TFL, a special ruling was required to modify existing Managed Care Support (MCS) contracts to add seniors. Since the under-65s were already covered under the contracts (and the MCS contractors are at risk for their care), there was no straightforward way to modify the contracts to revise the way their claims are processed.

In order to bring electronic claims processing to our under-65 Medicare eligible beneficiaries, we included them in our acquisition for Dual Eligible Claims Processing. The Request for Proposal was issued in September 2002. Proposals have been received and are under evaluation at this time. This will resolve the problem outlined by the Committee, beginning with the first transition from current contracts in Summer 2004, with full implementation anticipated by November 2004.

Even before issuance of the procurement for dual eligible claims processing, we began to take steps to address this issue. We have been working with the Centers for Medicare and Medicaid Services (CMS) on a data match for those Medicare eligibles due to disability. The data match agreement is now in the final approval stages at CMS. This is a key step for DoD to receive claims electronically from Medicare for this population.

TMA has determined that TRICARE under-65 Medicare eligibles are not being denied access because of the lack of a crossover claims process. Many providers routinely file the secondary claim for their patients, once Medicare payment is received. Additionally, TMA has added information specifically for this population to the TRICARE Web site, including resources for assistance with claims issues.

Thank you for your continued interest in the Military Health System and our efforts to serve our under-65 Medicare eligible beneficiaries.

Sincerely,

A handwritten signature in black ink that reads "William Winkenwerder, Jr." The signature is written in a cursive style with a large, prominent initial "W".

William Winkenwerder, Jr., MD

cc:
Representative Vic Snyder