TABLE OF CONTENTS — PART 199.4

BASIC PROGRAM BENEFITS

(a) General. . . . 1
(1) . . . 1
(i) Scope of benefits. . . . 1
(ii) Impact of TRICARE program. . . . 1
(2) Persons eligible for Basic Program benefits. . . . 1
(3) Authority to act for CHAMPUS. . . . 1
(4) Status of patient controlling for purposes of cost-sharing. . . . 1
(5) Right to information. . . . 1
(6) Physical examinations. . . . 2
(7) Claims filing deadline. . . . 2
(8) Double coverage and third party recoveries. . . . 2
(9) Nonavailability Statements within a 40-mile catchment area. . . . 3
(10) [Reserved]. . . . 4
(11) Quality and Utilization Review Peer Review Organization program. . . . 4
(12) Utilization review, quality assurance and reauthorization for inpatient mental health services and partial hospitalization. . . . 4
(i) In general. . . . 4
(ii) Preadmission authorization. . . . 4
(13) Implementing instructions. . . . 5

(b) Institutional benefits. . . . 5
(1) General. . . . 5
(i) Billing practices. . . . 5
(ii) Successive inpatient admissions. . . . 6
(iii) Related services and supplies. . . . 6
(iv) Inpatient, appropriate level required. . . . 6
(v) General or special education not covered. . . . 6
(2) Covered hospital services and supplies-- . . . 6
(i) Room and board. . . . 6
(ii) General staff nursing services. . . . 6
(iii) ICU. . . . 6
(iv) Operating room, recovery room. . . . 6
(v) Drugs and medicines. . . . 7
(vi) Durable medical equipment, medical supplies, and dressings. . . . 7
(vii) Diagnostic services. . . . 7
(viii) Anesthesia. . . . 7
(ix) Blood. . . . 7
(x) Radiation therapy. . . . 7
(xi) Physical therapy. . . . 7
(xii) Oxygen. . . . 7
(xiii) Intravenous injections. . . . 7
(xiv) Shock therapy. . . . 7
(xv) Chemotherapy. . . . 7
(xvi) Renal and peritoneal dialysis. . . . 7
(xvii) Psychological evaluation tests. . . . 7

DHA Version - April 2005

DHA Version - April 2005

(xviii) Other medical services. . . . 7
(3) Covered services and supplies provided by special medical treatment institutions or facilities, other than hospitals or RTCs-- . . . 8
(i) Room and board. . . . 8
(ii) General staff nursing services. . . . 8
(iii) Drugs and medicines. . . . 8
(iv) Durable medical equipment, medical supplies, and dressings. . . . 8
(v) Diagnostic services. . . . 8
(vi) Blood. . . . 8
(vii) Physical therapy. . . . 8
(viii) Oxygen. . . . 8
(ix) Intravenous injections. . . . 8
(x) Shock therapy. . . . 8
(xi) Chemotherapy. . . . 8
(xii) Psychological evaluation tests. . . . 8
(xiii) Renal and peritoneal dialysis. . . . 8
(xiv) Skilled nursing facility (SNF) services. . . . 8
(xv) Other medical services. . . . 9
(4) Services and supplies provided by RTCs-- . . . 9
(i) Room and board. . . . 9
(ii) Patient assessment. . . . 9
(iii) Diagnostic services. . . . 9
(iv) Psychological evaluation tests. . . . 10
(v) Treatment of mental disorders. . . . 10
(vi) Other necessary medical care. . . . 10
(vii) Criteria for determining medical or psychological necessity. . . . 10
(viii) Preauthorization requirement. . . . 11
(ix) Concurrent review. . . . 11
(5) Extent of institutional benefits-- . . . 12
(i) Inpatient room accommodations-- . . . 12
(A) Semiprivate. . . . 12
(B) Private. . . . 12
(C) Duration of private room stay. . . . 12
(D) Hospital (except an acute care hospital, general or special) or other authorized institutional provider without semiprivate accommodations. . . . 12
(ii) General staff nursing services. . . . 12
(iii) ICU. . . . 13
(iv) Treatment rooms. . . . 13
(v) Drugs and medicines. . . . 13
(vi) Durable medical equipment, medical supplies, and dressings. . . . 13
(vii) Transitional use items. . . . 14
(viii) Anesthetics and oxygen. . . . 14
(6) Inpatient mental health services. . . . 14
(i) Criteria for determining medical or psychological necessity. . . . 14
(ii) Emergency admissions. . . . 14
(iii) Preauthorization requirements. . . . 15
(iv) Concurrent review. . . . 16

(7) Emergency inpatient hospital services. 16
(i) Existence of medical emergency. 16
(ii) Immediate admission required. 16
(iii) Closest hospital utilized. 16
(8) RTC day limit. 16
(ii) Waiver of the RTC day limit. 17
(9) Acute care day limits. 17
(iii) Waiver of the acute care day limits. 18
(10) Psychiatric partial hospitalization services. 18
(i) In general. 18
(ii) Criteria for determining medical or psychological necessity of psychiatric partial hospitalization services. 18
(iii) Preauthorization and concurrent review requirements. 19
(iv) Institutional benefits limited to 60 days. 19
(v) Waiver of the 60-day partial hospitalization program limit. 19
(vi) Services and supplies. 20
(A) Board. 20
(B) Patient assessment. 20
(C) Psychological testing. 20
(D) Treatment services. 20
(vii) Social services required. 20
(viii) Educational services required. 20
(ix) Family therapy required. 20
(x) Professional mental health benefits limited. 21
(xi) Non-mental health related medical services. 21

(c) Professional services benefit-- 21
(1) General. 21
(i) Billing practices. 21
(ii) Services must be related. 21
(2) Covered services of physicians and other authorized profession providers. 21
(i) Surgery. 21
(ii) Surgical assistance. 23
(iii) Inpatient medical services. 23
(iv) Outpatient medical services. 23
(v) Psychiatric services. 23
(vi) Consultation services. 23
(vii) Anesthesia services. 23
(viii) Radiation therapy services. 23
(ix) X-ray services. 23
(x) Laboratory and pathological services. 23
(xi) Physical medicine services or physiatry services. 23
(xii) Maternity care. 23
(xiii) Well-child care. 23
(xiv) Other medical care. 23
(xv) [Reserved] 23
(xvi) Routine eye examinations. 23

DHA Version - April 2005

DHA Version - April 2005

(3) Extent of professional benefits-- . . . 23
(i) Multiple Surgery. . . . 23
(ii) Different types of inpatient care, concurrent. . . . 24
(iii) Need for surgical assistance. . . . 24
(iv) Aftercare following surgery. . . . 24
(v) Cast and sutures, removal. . . . 25
(vi) Inpatient care, concurrent. . . . 25
(vii) Consultants who become the attending surgeon. . . . 25
(viii) Anesthesia administered by the attending physician. . . . 25
(ix) Treatment of mental disorders. . . . 25
(A) Covered diagnostic and therapeutic services. . . . 26
(1) Individual psychotherapy, adult or child. . . . 26
(2) Group psychotherapy. . . . 26
(3) Family or conjoint psychotherapy. . . . 26
(4) Psychoanalysis. . . . 26
(5) Psychological testing and assessment. . . . 26
(6) Administration of psychotropic drugs. . . . 26
(7) Electroconvulsive treatment. . . . 26
(8) Collateral visits. . . . 26
(B) Limitations and review requirements-- . . . 27
(1) Outpatient psychotherapy. . . . 27
(2) Inpatient psychotherapy. . . . 27
(C) Covered ancillary therapies. . . . 27
(D) Review of claims for treatment of mental disorder. . . . 27
(x) Physical and occupational therapy. . . . 27
(xi) Well-child care. . . . 27
(i) History and physical examination and mental health assessment. . . . 28
(ii) Vision, hearing, and dental screening. . . . 28
(iii) Developmental appraisal to include body measurement. . . . 28
(iv) Immunizations as recommenced by the Centers for Disease Control (CDC). . . . 28
(v) Pediatric risk assessment for lead exposure and blood lead level test. . . . 28
(vi) Tuberculosis screening. . . . 28
(vii) Blood pressure screening. . . . 28
(viii) Measurement of hemoglobin and hematocrit for anemia. . . . 28
(ix) Urinalysis. . . . 28
(x) Health guidance and counseling, including breastfeeding and nutrition counseling. . . . 28
(xii) [Reserved] . . . 28
(xiii) Physicians in a teaching setting. . . . 28
(A) Teaching physicians. . . . 28
(1) General. . . . 28
(2) Direct supervision by an attending physician of care provided by physicians in training. . . . 29
(3) Individual, personal services. . . . 29
(4) Who may bill. . . . 29

(B) Physicians in training. 29

(d) Other benefits-- 30
(1) General. 30
(2) Billing practices. 30
(3) Other covered services and supplies-- 30
(i) Blood. 30
(ii) Durable equipment-- 30
(A) Scope of benefit. 30
(B) Cardiorespiratory monitor exception.. 31
(C) Exclusions.. 32
(D) Basis for reimbursement.. 32
(iii) Medical supplies and dressings (consumables). 33
(iv) Oxygen. 33
(v) Ambulance. 33
(vi) Drugs and medicines. 34
(vii) Prosthetics, prosthetic devices, and prosthetic supplies, ... 34
(viii) Orthopedic braces and appliances. 34
(ix) Diabetes Self-Management Training (DSMT).. 35

(e) Special benefit information-- 35
(1) General. 35
(2) Abortion. 35
(3) Family planning. 35
(i) Birth control (such as contraception)-- 35
(A) Benefits provided. 35
(B) Exclusions.. 36
(ii) Genetic testing. 36
(A) Benefits provided. 36
(B) Exclusions.. 36
(4) Treatment of substance use disorders. 36
(i) Emergency and inpatient hospital services.. 36
(ii) Authorized substance use disorder treatment. 37
(A) Rehabilitative care.. 37
(B) Outpatient care. 37
(C) Family therapy.. 37
(iii) Exclusions-- 38
(A) Aversion therapy.. 38
(B) Domiciliary settings. 38
(iv) Confidentiality.. 38
(v) Waiver of benefit limits. 38
(5) Transplants.. 38
(i) Organ transplants. 38
(A) General. 38
(B) [Reserved] 39
(ii) Stem cell transplants.. 39
(6) Eyeglasses, spectacles, contact lenses, or other optical devices. 39
(i) Exception to general exclusion. 39
(ii) Limitations. 40
(7) Transsexualism or such other conditions as gender dysphoria.. 40

DHA Version - April 2005

DHA Version - April 2005

(8) Cosmetic, reconstructive, or plastic surgery. . . . 40
(i) Limited benefits under CHAMPUS. . . . 40
(ii) General exclusions. . . . 41
(iii) Noncovered surgery, all related services and supplies excluded. . . . 41
(iv) Example of noncovered cosmetic, reconstructive, or plastic surgery procedures. . . . 41
(C) Augmentation mammoplasties. . . . 42
(E) Reduction mammoplasties. . . . 42
(9) Care related to non-covered initial surgery or treatment. . . . 42
(10) Dental. . . . 43
(i) Adjunctive dental care: Limited. . . . 43
(ii) General exclusions. . . . 44
(iii) Preauthorization required. . . . 44
(iv) Covered oral surgery. . . . 44
(v) Inpatient hospital stay in connection with non-adjunctive, noncovered dental care. . . . 45
(vi) Anesthesia and institutional costs for dental care for children and certain other patients. . . . 45
(11) Drug abuse. . . . 46
(i) Limitations on who can prescribe drugs. . . . 46
(ii) [Reserved]. . . . 46
(iii) Kinds of prescription drugs that are monitored carefully by CHAMPUS for possible abuse situations-- . . . 46
(A) Narcotics. . . . 46
(B) Nonnarcotic analgesics. . . . 46
(C) Tranquilizers. . . . 46
(D) Barbiturates. . . . 46
(E) Nonbarbituate hypnotics. . . . 46
(F) Stimulants. . . . 46
(iv) CHAMPUS fiscal intermediary responsibilities. . . . 46
(v) Unethical or illegal provider practices related to drugs. . . . 47
(vi) Detoxification. . . . 47
(12) [Reserved] . . . 47
(13) Domiciliary care. . . . 47
(i) Examples of domiciliary care situations. . . . 47
(A) Home care is not available. . . . 47
(B) Home care is not suitable. . . . 47
(C) Family unwilling to care for a person in the home. . . . 47
(ii) Benefits available in connection with a domiciliary care case. . . . 48
(iii) General exclusion. . . . 48
(14) CT scanning--. . . . 48
(i) Approved CT scan services. . . . 48
(ii) Review guidelines and criteria. . . . 48
(15) Morbid obesity. . . . 48
(i) Conditions for coverage. . . . 49
(ii) Treatment of complications. . . . 49
(iii) Exclusions. . . . 49
(16) Maternity care. . . . 49
(i) Benefit. . . . 49
(ii) Cost-share. . . . 49

(17) Biofeedback Therapy. 50
(i) Benefits Provided. 50
(ii) Limitations. 50
(iii) Exclusions. 50
(iv) Provider Requirements. 50
(v) Implementation Guidelines. 50
(18) Cardiac rehabilitation. 50
(i) Benefits Provided. 51
(ii) Limitations. 51
(iii) Exclusions. 51
(iv) Providers. 51
(v) Payment. 51
(vi) Implementation Guidelines. 51
(19) Hospice care. 51
(i) Benefit coverage. 52
(ii) Core services. 53
(iii) Non-core services. 53
(iv) Availability of services. 53
(v) Periods of care. 53
(vi) Conditions for coverage. 53
(1) Timing of certification. 53
(i) Basic requirement. 54
(ii) Exception. 54
(2) Sources of certification. 54
(vii) Appeal rights under hospice benefit. 56
(20) [Reserved] 56
(21) Home health services. 56
(i) Benefit coverage. 57
(ii) Conditions for Coverage. 57
(22) Pulmonary rehabilitation. 58
(23) A speech generating device (SGD) 58
(24) A hearing aid, ... 58
(25) Rehabilitation therapy. 58
(26) National Institutes of Health clinical trials. 59
(i) Demonstration waiver. 59
(ii) Continuous waiver. 59
(A) General. 59
(B) National Cancer Institute (NCI) sponsored cancer prevention, screening, and early detection clinical trials. 59
(28) Preventive care. 60
(29) Physical examinations. 61
(30) Smoking cessation program. 61
(i) Availability. 61
(ii) Benefits. 61
(A) Pharmaceutical agents. 61
(B) Face-to-face smoking cessation counseling. 62
(C) Toll-free quit line. 62
(D) Web-based resources. 62
(iii) Limitations of smoking cessation program. 62

DHA Version - April 2005

DHA Version - April 2005

(f) Beneficiary or sponsor liability-- . . . 62
(1) General. . . . 62
(2) Dependents of members of the Uniformed Services. . . . 63
(i) Annual fiscal year deductible for outpatient services and supplies.. . . . 63
(1) Individual Deductible: . . . 63
(2) Family Deductible: . . . 63
(1) Individual Deductible: . . . 63
(2) Family Deductible: . . . 63
(D) Allowable Amount does not exceed Deductible Amount. . . . 63
(ii) Inpatient cost-sharing. . . . 64
(A) Inpatient cost-sharing payable with each separate inpatient admission. . . . 64
(B) Multiple family inpatient admissions. . . . 64
(C) Newborn patient in his or her own right. . . . 64
(D) Inpatient cost-sharing for mental health services. . . . 65
(iii) Outpatient cost-sharing.. . . . 65
(iv) Ambulatory surgery. . . . 65
(v) Psychiatric partial hospitalization services. . . . 65
(vi) Transitional Assistance Management Program (TAMP). . . . 65
(3) Former members and dependents of former members. . . . 65
(i) Annual fiscal year deductible for outpatient services or supplies. . . . 65
(ii) Inpatient cost-sharing. . . . 65
(A) Services subject to the CHAMPUS DRG-based payment system. . . . 65
(B) Services subject to the CHAMPUS mental health per diem payment system. . . . 66
(C) Other services. . . . 66
(iii) Outpatient cost-sharing.. . . . 66
(iv) Psychiatric partial hospitalization services. . . . 66
(4) Former spouses. . . . 66
(i) Annual fiscal year deductible for outpatient services or supplies. . . . 66
(ii) Inpatient cost-sharing. . . . 66
(iii) Outpatient cost-sharing.. . . . 66
(5) Cost-Sharing under the Military-Civilian Health Services Partnership Program. . 67
(i) External Partnership Agreement. . . . 67
(ii) Internal Partnership Agreement. . . . 67
(6) [Reserved] . . . 67
(7) [Reserved] . . . 67
(8) Cost-sharing for services provided under special discount arrangements-- . . . 67
(i) General rule. . . . 67
(ii) Specific applications. . . . 67
(9) Waiver of deductible amounts or cost-sharing not allowed-- . . . 67
(i) General rule. . . . 67
(ii) Exception for bad debts.. . . . 67
(iii) Remedies for noncompliance. . . . 67
(10) Catastrophic loss protection for basic program benefits. . . . 68
(i) Dependents of active duty members. . . . 68
(ii) All other beneficiaries. . . . 68
(iii) Payment after cap is met.. . . . 68
(11) Beneficiary or sponsor liability under the Pharmacy Benefits Program. . . . 68
(12) Elimination of cost-sharing for certain preventive services. . . . 68

(g) Exclusions and limitations. 69
(1) Not medically or psychologically necessary. 69
(2) Unnecessary diagnostic tests. 69
(3) Institutional level of care. 69
(4) Diagnostic admission. 69
(5) Unnecessary postpartum inpatient stay, mother or newborn. 69
(6) Therapeutic absences. 69
(7) Custodial care. 69
(8) Domiciliary care. 69
(9) Rest or rest cures. 69
(10) Amounts above allowable costs or charges. 69
(11) No legal obligation to pay, no charge would be made. 70
(12) Furnished without charge. 70
(13) Furnished by local, state, or Federal Government. 70
(14) Study, grant, or research programs. 70
(15) Unproven drugs, devices, and medical treatments or procedures. 70
(iii) Care excluded. 71
(16) Immediate family, household. 72
(17) Double coverage. 72
(18) Nonavailability Statement required. 72
(19) Preauthorization required. 72
(20) Psychoanalysis or psychotherapy, part of education. 72
(21) Runaways. 72
(22) Services or supplies ordered by a court or other government agency. 72
(23) Work-related (occupational) disease or injury. 72
(24) Cosmetic, reconstructive, or plastic surgery. 72
(25) Surgery, psychological reasons. 72
(26) Electrolysis. 72
(27) Dental care. 72
(28) Obesity, weight reduction. 73
(29) Transsexualism or such other conditions as gender dysphoria. 73
(30) Therapy or counseling for sexual dysfunctions or sexual inadequacies. 73
(31) Corns, calluses, and toenails. 73
(32) Dyslexia. 73
(33) Surgical sterilization, reversal. 73
(34) Noncoital reproductive procedures including artificial insemination, in-vitro fertilization, gamete intrafallopian transfer and all other such reproductive technologies. 73
(35) Nonprescription contraceptives. 73
(36) Tests to determine paternity or sex of a child. 73
(37) Preventive care. 73
(38) Chiropractors and naturopaths. 73
(39) Counseling. 73
(40) Acupuncture. 74
(41) Hair transplants, wigs/hair pieces/cranial prosthesis. 74
(i) Benefits provided. 74
(ii) Exclusions. 74
(42) Education or training. 74
(43) Exercise/relaxation/comfort/sporting items or sporting devices. 74
(44) Exercise. 74

DHA Version - April 2005

DHA Version - April 2005

(45) [Reserved]. . . . 75
(46) Vision care. . . . 75
(47) Eye and hearing examinations. . . . 75
(48) Prosthetic devices. . . . 75
(49) Orthopedic shoes. . . . 75
(50) Eyeglasses. . . . 75
(51) Hearing aids. . . . 75
(52) Telephone services. . . . 75
(53) Air conditioners, humidifiers, dehumidifiers, and purifiers. . . . 75
(54) Elevators or chair lifts. . . . 75
(55) Alterations. . . . 75
(56) Clothing. . . . 76
(57) Food, food substitutes. . . . 76
(58) Enuretic. . . . 76
(59) Duplicate equipment. . . . 76
(60) Autopsy and postmortem. . . . 76
(61) Camping. . . . 76
(62) Housekeeper, companion. . . . 76
(63) Noncovered condition/treatment, unauthorized provider. . . . 76
(64) Comfort or convenience. . . . 76
(65) [Reserved] 76
(66) Megavitamin psychiatric therapy, orthomolecular psychiatric therapy. . . . 76
(67) Transportation. . . . 76
(68) Travel. . . . 76
(69) Institutions. . . . 76
(70) [Reserved] 77
(71) [Reserved] 77
(72) Inpatient mental health services. . . . 77
(73) Economic interest in connection with mental health admissions. . . . 77
(74) Not specifically listed. . . . 77

(h) Payment and liability for certain potentially excludable services under the Peer Review Organization program-- 77
(1) Applicability. . . . 77
(2) Payment for certain potentially excludable expenses. . . . 78
(3) Liability for certain excludable services. . . . 78
(4) Criteria for determining that beneficiary knew or could reasonably have been expected to have known that services were excludable. . . . 78
(5) Criteria for determining that provider knew or could reasonably have been expected to have known that services were excludable. . . . 78