

COST-SHARES AND DEDUCTIBLES: TRICARE/CHAMPUS STANDARD

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Authority: [32 CFR 199.4\(f\)](#), PL 100-202

I. ISSUE

Application of deductible and cost-share amounts for Basic Program benefits.

II. POLICY

A. Deductible Amount: Outpatient Care.

1. For care rendered all eligible beneficiaries prior to April 1, 1991, or when the active duty sponsor's pay grade is E-4 or below, regardless of the date of care:

a. Deductible, Individual: Each beneficiary is liable for the first fifty (\$50.00) of the TRICARE/CHAMPUS-determined allowable amount on claims for care provided in the same fiscal year.

b. Deductible, Family: The total deductible amount for all members of a family with the same sponsor during one fiscal year shall not exceed one hundred dollars (\$100.00).

2. For care rendered on or after April 1, 1991, for all TRICARE beneficiaries except family members of active duty sponsors of pay grade E-4 or below, and CHAMPVA beneficiaries.

a. Deductible, Individual: Each beneficiary is liable for the first one hundred and fifty dollars (\$150.00) of the TRICARE/CHAMPUS-determined allowable amount on claims for care provided in the same fiscal year.

b. Deductible, Family: The total deductible amount for all members of a family with the same sponsor during one fiscal year shall not exceed three hundred dollars (\$300.00).

3. TRICARE-approved ambulatory surgery centers, birthing centers or partial hospitalization programs. No deductible shall be applied to allowable amounts for services or items rendered to active duty or authorized NATO family members.

4. Allowable Amount Does Not Exceed Deductible Amount. If fiscal year allowable amounts for two or more beneficiary members of a family total less than \$100.00 (or \$300.00 if

paragraph II.A.2., above applies), and no one beneficiary's allowable amounts exceed \$50.00 (or \$150.00 if paragraph II.A.2., above applies), neither the family nor the individual deductible will have been met and no TRICARE benefits are payable.

5. Notwithstanding the dates specified in paragraph II.A.1. and paragraph II.A.2., in the case of dependents of an active duty member of pay grade E-5 or above, with Persian Gulf conflict service who is, or was, entitled to special pay for hostile fire/imminent danger authorized by 37 USC 310, for services in the Persian Gulf area in connection with Operation Desert Shield or Operation Desert Storm, the deductible shall be the amount specified in paragraph II.A.1., for care rendered prior to October 1, 1991, and the amount specified in paragraph II.A.2., for care rendered after October 1, 1991.

NOTE: The provisions of paragraph II.A.5., above also apply to family members of service members who were killed in the Gulf, or who died subsequent to Gulf service; and to service members who retired prior to October 1, 1991, after having served in the Gulf war, and to their family members.

6. Effective December 8, 1995, the annual TRICARE/CHAMPUS deductible has been waived for family members of selected reserve members called to active duty for 31 days or more in support of Operation Joint Endeavor (the Bosnia peacekeeping mission). Under a nationwide demonstration, TRICARE may immediately begin cost-sharing in accordance with standard TRICARE rules. These beneficiaries will be eligible to use established TRICARE Extra network providers at a reduced cost-share rate. Additionally, in those areas where TRICARE is in full operation, selected reserve members called to active duty for 180 days or more will have the option of enrolling their families in TRICARE Prime.

NOTE: This demonstration is effective December 8, 1995, and is in effect until such time as Executive Order 12982 expires. TRICARE eligible beneficiaries other than family members of reservists called to active duty in support of Operation Joint Endeavor are not eligible for participation. This demonstration is limited to the annual TRICARE Standard and Extra deductible; other TRICARE cost-sharing continues to apply. All current TRICARE rules, unless specifically provided otherwise, will continue to apply.

7. Adjustment of Excess. Any beneficiary identified under paragraph II.A.5. and paragraph II.A.6., above, who paid any deductible in excess of the amounts stipulated is entitled to an adjustment of any amount paid in excess against the annual deductible required under those paragraphs.

NOTE: The contractors need not search their records for deductibles paid in excess, but are authorized to adjust any deductible amounts paid in excess that are brought to their attention and that are verifiable.

B. Deductible Amount: Inpatient Care: None.

C. Cost-Share Amount: Outpatient Care.

1. Ambulatory Surgery. See Chapter 13, Section 11.8.

a. Active Duty Dependent or Authorized NATO Beneficiary. Effective December 19, 1980, the cost-share amount for ambulatory surgery performed in a TRICARE-approved ambulatory surgery center (freestanding or hospital-based) is \$25 for each episode of

ambulatory surgery performed at least 24 hours apart. If multiple procedures are performed and at least one of them is an approved ambulatory surgical procedure (on [Chapter 13, Section 9.1, Addendum 1, Section 1](#) through Section 15) all procedures are to be cost-shared as ambulatory surgery.

b. **Other Beneficiary.** The cost-share amount for ambulatory surgery performed in a TRICARE-approved ambulatory surgery center (freestanding or hospital-based) for other than active duty or authorized NATO family member beneficiaries, including all related pre- and post-surgical services and supplies, is as follows:

(1) **Facility Charges.** The cost-share is the lesser of twenty-five percent (25%) of the applicable group payment rate or twenty-five percent (25%) of the billed charges. If the claim involves multiple services, some of which are reimbursed based on a group payment rate and some of which are reimbursed based on billed charges, the cost-share for the services reimbursed based on a group payment rate is to be determined as provided in the previous sentence. The cost-share for those services reimbursed based on billed charges is to be twenty-five percent (25%) of the applicable billed charges.

(2) **Professional Charges.** The cost share is twenty-five percent (25%) of the TRICARE/CHAMPUS-determined allowable amount in excess of the annual fiscal year deductible.

2. **Maternity Care.** See [Chapter 13, Section 11.4](#).

3. **Other Outpatient Care: Active Duty Dependent or Authorized NATO Beneficiary.** The cost-share for all other outpatient care is twenty percent (20%) of the TRICARE/CHAMPUS-determined allowable amount in excess of the annual deductible amount. This includes the professional charges of a TRICARE-approved individual professional provider for services rendered in a non-TRICARE-approved ambulatory surgery center or birthing center.

4. **Other Outpatient Care: Other Beneficiary.** The cost-share applicable to all other outpatient care for other than active duty and authorized NATO family member beneficiaries is twenty-five percent (25%) of the TRICARE/CHAMPUS-determined allowable amount in excess of the annual deductible amount. This includes: partial hospitalization for alcohol rehabilitation; professional charges of a TRICARE-approved individual professional provider for services rendered in a non-TRICARE-approved ambulatory surgery.

D. **Cost-Share Amount: Inpatient Care.**

1. **Active Duty Family Member:** Except in the case of mental health services, dependents of active duty members or their sponsors are responsible for the payment of the first \$25 of the allowable institutional costs incurred with each covered inpatient admission to a hospital or other authorized institutional provider, or the amount the beneficiary or sponsor would have been charged had the inpatient care been provided in a Uniformed Service hospital, whichever is greater. (Please reference daily rate chart below.)

Effective for care on or after October 1, 1995, the inpatient cost-sharing for mental health services is \$20 per day for each day of the inpatient admission. This \$20 per day cost-sharing amount applies to admissions to any hospital for mental health services, any

residential treatment facility, any substance use disorder rehabilitation facility, and any partial hospitalization program providing mental health or substance use disorder rehabilitation services. For care prior to October 1, 1995, no changes will be made to the cost-sharing requirements for family members of active duty members.

UNIFORMED SERVICES HOSPITAL DAILY CHARGE AMOUNTS

Use the daily charge (per diem rate) in effect for each day of the stay to calculate a cost-share for a stay which spans periods.

PERIOD	DAILY CHARGE
January 1, 1977 - December 31, 1977	\$4.10
January 1, 1978 - September 30, 1978	\$4.40
October 1, 1978 - September 30, 1979	\$4.65
October 1, 1979 - September 30, 1980	\$5.00
October 1, 1980 - September 30, 1981	\$5.50
October 1, 1981 - September 30, 1982	\$6.30
October 1, 1982 - December 31, 1983	\$6.55
January 1, 1984 - December 31, 1984	\$6.80
January 1, 1985 - September 30, 1985	\$7.10
October 1, 1985 - September 30, 1986	\$7.30
October 1, 1986 - December 31, 1987	\$7.55
January 1, 1988 - December 31, 1988	\$7.85
January 1, 1989 - December 31, 1989	\$8.05
January 1, 1990 - September 30, 1990	\$8.35
October 1, 1990 - September 30, 1991	\$8.55
October 1, 1991 - September 30, 1992	\$8.95
October 1, 1992 - September 30, 1993	\$9.30
October 1, 1993 - September 30, 1994	\$9.30 (No change from FY 93)
October 1, 1994 - September 30, 1995	\$9.50
October 1, 1995 - September 30, 1996	\$9.70
October 1, 1996 - September 30, 1997	\$9.90
October 1, 1997 - September 30, 1998	\$10.20
October 1, 1998 - September 30, 1999	\$10.45

2. Other Beneficiaries: For the cost-share applicable to inpatient care for other than active duty family member beneficiaries, please reference [Chapter 13, Section 11.2](#) (DRG-based payment system) and [Chapter 13, Section 11.5](#) (mental health per diem payment

system). For services exempt from the TRICARE/CHAMPUS DRG-based payment system and the TRICARE/CHAMPUS mental health per diem payment system and services provided by institutions other than hospitals (i.e. RTCs), the cost-share shall be 25% of the TRICARE/CHAMPUS-determined allowable charges.

E. **Cost-Share Amount: Under Discounted Rate Agreements.** Under special programs approved by TMA (e.g., the Health Care Finder and Participating Provider Program), where there is a negotiated (discounted) rate agreed to by the provider, the cost-share shall be based on the provisions found in the [OPM Part Two, Chapter 1, Section VI.C.7](#).

III. POLICY CONSIDERATIONS

The deductible amounts identified in this Section shall be deemed to have been satisfied if the Catastrophic Cap amounts identified in [Chapter 13, Section 14.1](#) have been met for the same fiscal year in which the deductible applies.

IV. EXCEPTIONS

A. **Inpatient cost-share applicable to each separate admission.** A separate cost-share amount is applicable to each separate beneficiary for each inpatient admission EXCEPT:

1. Any admission which is not more than sixty (60) days from the date of the last inpatient discharge shall be treated as one (1) inpatient confinement with the last admission for cost-share amount determination.

2. Certain heart and lung hospitals are excepted from cost-share requirement. See [Chapter 13, Section 20.1](#).

B. **Inpatient Cost-Share: Maternity care.** See [Chapter 13, Section 11.4](#). All admissions related to a single maternity episode shall be considered one (1) confinement regardless of the number of days between admissions. For active duty family members the cost-share will be applied to the first institutional claim received.

C. **Special Cost-Share Provisions.**

1. Effective October 1, 1987, the inpatient cost-share amount from DRG-exempt institutional provider claims in the following categories cannot exceed that which would have been imposed if the service were subject to the TRICARE/CHAMPUS DRG-based payment system. This will not affect family members of active duty members. For all other beneficiaries, the cost-share shall be the lesser of (1) that calculated according to [paragraph II.D.2.](#), above, or (2) that calculated according to [paragraph II.C.1.a.](#), above. Claims processed prior to March 1, 1988, shall be adjusted only upon provider or beneficiary request.

a. **Child bone marrow transplant.** All services related to discharges involving bone marrow transplant for a beneficiary less than 18 years old with ICD-9-CM principal or secondary diagnosis code V42.8 and ICD-9 procedure codes 41.0 and 41.91.

b. **Child HIV Seropositivity.** All services related to discharges involving HIV seropositive beneficiary less than 18 years old with ICD-9-CM principal or secondary diagnosis codes 042 through 044.

c. **Child Cystic Fibrosis.** All services related to discharges involving beneficiary less than 18 years old with ICD-9-CM principle or secondary diagnosis code 277.0 (cystic fibrosis).

d. **Children's Hospital.** All inpatient services in qualified children's hospitals for the period October 1, 1987, through March 31, 1989. See [Chapter 13, Section 6.1D](#) regarding this exemption.

e. **Newborns and Infants.** All services related to discharges involving a newborn or infant who is less than 29 days old upon admission, except for discharges which are grouped into DRG 391 (normal newborn) for the period October 1, 1987, through March 31, 1989.

2. **Cost-Sharing for Family Members of a Member who Dies While on Active Duty.** Section 707(c) of the National Defense Authorization Act for FY 1995 (P.L. 103-337) established the following special cost-sharing provisions for dependents of members who die while on active duty.

a. For family members of active duty members who died on or after January 1, 1993, and before October 1, 1993:

(1) Services for care related to a condition which existed at the time of the member's death are to be cost-shared at the active duty rate. Contractors are not required to develop the claim to determine if the care is related to a pre-existing condition. The contractor may accept a statement by the beneficiary that the care is related to a pre-existing condition.

(2) The active duty cost-sharing applies to services related to the pre-existing conditions for one year from the date of the member's death. After one year retiree cost-sharing will apply.

(3) The services must be provided on or after January 1, 1993.

(4) Cost-sharing for care not related to the pre-existing condition is at the retired cost-sharing rate.

b. For family members of active duty members who died on or after October 1, 1993:

(1) All services provided are to be cost-shared at the active duty rate.

(2) The active duty cost-sharing applies to services for one year from the date of the member's death. After one year retiree cost-sharing will apply.

(3) The services must be provided on or after October 1, 1993.

NOTE: This provision does not preclude loss of eligibility during the one-year period as a result of any condition that routinely results in loss of TRICARE/CHAMPUS eligibility such as reaching age limits, remarriage, etc.

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