

CHAPTER 10
SECTION 1.2

EMPLOYER-OPERATED MEDICAL FACILITIES

Issue Date: January 23, 1984

Authority: [32 CFR 199.4\(g\)\(11\)](#) and [\(g\)\(12\)](#)

I. ISSUE

Whether benefits may be extended for care provided by employer-operated medical facilities.

II. BACKGROUND

Medical facilities operated by employers, labor unions or other organizations for the benefit of their employees ordinarily do not impose charges for their services.

III. POLICY

Benefits are provided on the basis of incurred expenses; that is, the beneficiary must actually be billed for a service and have a legal obligation to pay the bill. When no charge is incurred by the patient, TRICARE/CHAMPUS will not cost-share or apply any amounts to satisfy a deductible or cost-share.

IV. POLICY CONSIDERATIONS

A. A "dummy" bill made up by an employer-operated medical facility only for the expressed purpose of submission to TRICARE/CHAMPUS does not represent incurred charges because the facility does not actually expect payment of the charges and is not a legal obligation to pay.

B. Under some circumstances, an employer-operated medical facility may charge a percentage of the actual cost of services provided. Benefits may be extended for that percentage of the covered medical care the patient is actually obligated to pay if similar charges would be made to other patients in the absence of TRICARE/CHAMPUS. Double coverage guidelines would apply. (See the [Chapter 13, Section 2.1](#))

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