

PAYMENTS POLICY

SECTION	SUBJECT
1.1	Network Provider Reimbursement
1.2	Allowable Charges - Non-Network Providers
1.3	Allowable Charges - CHAMPUS Maximum Allowable Charges (CMAC)
1.4	Rebundling Of Procedure Codes
2.1	Reimbursement In Teaching Setting
2.2	National Health Service Corps Physicians Of The Public Health Service
2.5	Reimbursement Of Physician Assistants
2.6	Reimbursement Of Covered Services Provided By Individual Health-Care Professionals And Other Non-Institutional Health-Care Providers
2.7	Economic Interest In Connection With Mental Health Admissions
3.1	Anesthesia
3.1A	Postoperative Pain Management
3.2	Durable Medical Equipment Claims: Basic Program
3.3	Oxygen And Related Supplies
3.4	Laboratory Services
3.5	Ambulance Services
3.6	Legend Drugs And Insulin
3.7	Surgery
3.7A	Assistant Surgeons
3.8	Professional Services: Obstetrical Care
3.9	Birthing Center Reimbursement
3.10	Skilled Nursing Services
4.1	Individual Consideration Cases
4.2	Charges For Provider Administrative Expenses
4.4	Payment For Professional/Technical Components Of Diagnostic Services
5.1	State Agency Billing

SECTION	SUBJECT
5.1	Addendum 1 - Figures
	Figure 13-5.1-1-1- Sample State Agency Billing Agreement
6.1A	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (General)
6.1B	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (General Description Of System)
6.1C	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Basis Of Payment)
6.1D	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Applicability Of The DRG System)
6.1E	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Determination Of Payment Amounts)
6.1F	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (DRG Weighting Factors)
6.1G	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Adjusted Standardized Amounts)
6.1H	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Adjustments To Payment Amounts)
6.1I	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Information Provided By TMA)
6.1J	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Charges To Beneficiaries)
6.2	Hospital Reimbursement - Billed Charges Set Rates
6.3	Hospital Reimbursement - Other Than Billed Charges
6.4	Hospital Reimbursement - Payment When Only SNF Level Of Care Is Required
6.5	Hospital Reimbursement - TRICARE/CHAMPUS Inpatient Mental Health Per Diem Payment System
6.7	Psychiatric Partial Hospitalization Program Reimbursement
6.8	Substance Use Disorder Rehabilitation Facilities Reimbursement
6.9	Hospital Reimbursement - Outpatient Services
7.1	Skilled Nursing Facility (SNF) Reimbursement
8.1	Residential Treatment Center (RTC) Reimbursement
9.1	Ambulatory Surgical Center Reimbursement
9.1	Addendum 1, Section 1 - TRICARE-Approved Ambulatory Surgery Procedures - Integumentary System

SECTION	SUBJECT
9.1	Addendum 1, Section 2 - TRICARE-Approved Ambulatory Surgery Procedures - Musculoskeletal System
9.1	Addendum 1, Section 3 - TRICARE-Approved Ambulatory Surgery Procedures - Musculoskeletal System (Continued)
9.1	Addendum 1, Section 4 - TRICARE-Approved Ambulatory Surgery Procedures - Respiratory System
9.1	Addendum 1, Section 5 - TRICARE-Approved Ambulatory Surgery Procedures - Cardiovascular System
9.1	Addendum 1, Section 6 - TRICARE-Approved Ambulatory Surgery Procedures - Hemic And Lymphatic System
9.1	Addendum 1, Section 7 - TRICARE-Approved Ambulatory Surgery Procedures - Digestive System
9.1	Addendum 1, Section 8 - TRICARE-Approved Ambulatory Surgery Procedures - Urinary System
9.1	Addendum 1, Section 9 - TRICARE-Approved Ambulatory Surgery Procedures - Male Genital System
9.1	Addendum 1, Section 10 - TRICARE-Approved Ambulatory Surgery Procedures - Female Genital System
9.1	Addendum 1, Section 11 - TRICARE-Approved Ambulatory Surgery Procedures - Endocrine System
9.1	Addendum 1, Section 12 - TRICARE-Approved Ambulatory Surgery Procedures - Nervous System
9.1	Addendum 1, Section 13 - TRICARE-Approved Ambulatory Surgery Procedures - Extracranial Nerves, Peripheral Nerves, And Autonomic Nervous System
9.1	Addendum 1, Section 14 - TRICARE-Approved Ambulatory Surgery Procedures - Eye And Ocular Adnexa
9.1	Addendum 1, Section 15 - TRICARE-Approved Ambulatory Surgery Procedures - Auditory System
10.1	Preferred Provider Organization (PPO) Reimbursement
11.1	Cost-Shares And Deductibles
11.1	Table 1 - Benefits And Beneficiary Payments Under The TRICARE Program
12.1	Double Coverage
14.1	Catastrophic Loss Protection
16.1	Waiver Of Liability
16.1	Addendum 1 - Waiver Of Liability - Initial Denial Determinations

SECTION	SUBJECT
16.1	Addendum 2 - Waiver Of Liability - MCS Contractor Reconsideration Determinations
16.1	Addendum 3 - Waiver Of Liability - NQMC Reconsideration Determinations
18.1	Accommodation Of Discounts Under Provider Reimbursement Methods
20.1	Legal Obligation To Pay
22.1A	Hospice Reimbursement - General Overview
22.1B	Hospice Reimbursement - Coverage/Benefits
22.1C	Hospice Reimbursement - Conditions For Coverage
22.1D	Hospice Reimbursement - Guidelines For Payment Of Designated Levels Of Care
24.1	Reduction Of Payment For Noncompliance With Utilization Review Requirements
25.1	Supplemental Insurance
26.1	Point Of Service Option
27.1	Reimbursement Of Emergency Inpatient Admissions To Unauthorized Facilities
	Addendum 1 - Health Benefit Program Agreement
	Addendum 2, Table 1 (FY 1998) - Fiscal Year 1998 TRICARE/CHAMPUS Adjusted Standardized Amounts
	Addendum 2, Table 2 (FY 1998) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmetic And Geometric Mean Lengths-Of-Stay, And Outlier Thresholds For Children's Hospitals And Neonates (Effective For Admissions On Or After 10/01/97)
	Addendum 2, Table 3 (FY 1998) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Urban Areas - Effective For Admissions On Or After 10/01/97
	Addendum 2, Table 4 (FY 1998) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Hospitals That Are Reclassified - Effective For Admissions On Or After 10/01/97
	Addendum 2, Table 5 (FY 1998) - Fiscal Year 1998 Wage Index Values And GAFs Listed In The Table Of Wage Index Capital Geographic Adjustment Factor (GAF) For Urban Areas (Revised)
	Addendum 2, Table 6 (FY 1998) - Fiscal Year 1998 Wage Index Values And GAFs Listed In The Table Of Wage Index And Capital Geographic Adjustment Factor (GAF) For Rural Areas (Revised)

SECTION SUBJECT

Addendum 2, Table 7 (FY 1998) - Fiscal Year 1998 Wage Index Values And GAFs Listed In The Table Of Hospitals That Are Reclassified (Revised)

Addendum 2, Table 1 (FY 1999) - Fiscal Year 1999 TRICARE/CHAMPUS Adjusted Standardized Amounts

Addendum 2, Table 2 (FY 1999) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmetic And Geometric Mean Lengths-Of-Stay, And Outlier Thresholds For Children's Hospitals And Neonates (Effective For Admissions On Or After 10/01/98)

Addendum 2, Table 3 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Urban Areas - Effective For Admissions On Or After 10/01/98

Addendum 2, Table 4 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Hospitals That Are Reclassified - Effective For Admissions On Or After 10/01/98

Addendum 2, Table 5 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Urban Areas - Effective For Admissions On Or After 04/01/99 (Revised)

Addendum 2, Table 6 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Rural Areas - Effective For Admissions On Or After 04/01/99 (Revised)

Addendum 2, Table 7 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Hospitals That Are Reclassified - Effective For Admissions On Or After 04/01/99 (Revised)

Addendum 2, Table 1 (FY 2000) - Fiscal Year 2000 TRICARE/CHAMPUS Adjusted Standardized Amounts

Addendum 2, Table 2 (FY 2000) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmetic And Geometric Mean Lengths-Of-Stay, And Short-Stay Outlier Thresholds (Effective For Admissions On Or After 10/01/99)

Addendum 2, Table 3 (FY 2000) - Wage Index For Urban And Rural Areas - Effective For Admissions On Or After 10/01/99

Addendum 2, Table 4 (FY 2000) - Wage Index For Hospitals That Are Reclassified - Effective For Admissions On Or After 10/01/99

Addendum 3, Table 1 (FY 1996 - 1999) - Table Of Maximum Rates For Partial Hospitalization Programs

SECTION SUBJECT

Addendum 3, Table 1 (FY 2000) - Table Of Maximum Rates For Partial Hospitalization Programs For FY 2000

Addendum 4, Table 1 (FY 1998) - Fiscal Year 1998 Rates For Hospice Care

Addendum 4, Table 2 (FY 1998) - Hospice Rate Information - FY 1998 Hospice Wage Indexes For Urban Areas

Addendum 4, Table 3 (FY 1998) - Hospice Rate Information - FY 1998 Hospice Wage Indexes For Rural Areas

Addendum 4, Table 1 (FY 1999) - Fiscal Year 1999 Rates For Hospice Care

Addendum 4, Table 2 (FY 1999) - Hospice Rate Information - FY 1999 Hospice Wage Indexes For Urban Areas

Addendum 4, Table 3 (FY 1999) - Hospice Rate Information - FY 1999 Hospice Wage Indexes For Rural Areas

Addendum 4, Table 1 (FY 2000) - Fiscal Year 2000 Rates For Hospice Care

Addendum 4, Table 2 (FY 2000) - Hospice Rate Information - FY 2000 Hospice Wage Indexes For Urban Areas

Addendum 4, Table 3 (FY 2000) - Hospice Rate Information - FY 2000 Hospice Wage Indexes For Rural Areas

Addendum 4, Exhibit 1 - Participation Agreement For Hospice Program Services For TRICARE/CHAMPUS Beneficiaries

ARTICLE 1 - RECITALS

1.1	Identification of Parties.....	1
1.2	Authority for Hospice Care.....	1
1.3	Intent of Participation Agreement.....	1
1.4	Billing Number.....	1

ARTICLE 2 - PERFORMANCE PROVISIONS

2.1	General Agreement	1
2.2	Coverage/Benefits.....	2
2.3	Conditions For Coverage.....	2
2.4	Certification Requirements.....	3
2.5	Quality of Care	4
2.6	Billing Form	4
2.7	Compliance With TMA Medical Review Activities	4
2.8	Staff Qualifications	4

SECTION	SUBJECT
ARTICLE 3 - PAYMENT PROVISIONS	
3.5	TRICARE/CHAMPUS As Secondary Payor 7
3.6	Collection Of Cost-Share 7
3.7	Beneficiary's Rights 7
ARTICLE 4 - RECORDS AND AUDIT PROVISIONS	
4.1	On-site And Off-site Reviews/Audits 7
4.2	Right To Unannounced Inspection Of Records 8
4.3	Certified Cost Reports 8
4.4	Records Requested by TMA 8
4.5	Failure to Comply 8
ARTICLE 5 - GENERAL ACCOUNTING OFFICE	
5.1	Right To Conduct Audit 8
ARTICLE 6 - TERMINATION AND AMENDMENT	
6.1	Termination Of Agreement By TMA 9
6.2	Termination Of Agreement By The Hospice Program 9
6.3	Amendment By TMA 9
ARTICLE 7 - CHANGE OF OWNERSHIP	
7.1	Change Of Ownership 10
ARTICLE 8 - APPEALS	
8.1	Appeal Actions 10
ARTICLE 9 - RECOUPMENT	
9.1	Recoupment 11
ARTICLE 10 - NONDISCRIMINATION	
10.1	Nondiscrimination 11
ARTICLE 11 - ORDER OF PRECEDENCE	
11.1	Order Of Precedence 11
ARTICLE 12 - DURATION	
12.1	Duration 11
ARTICLE 13 - EFFECTIVE DATE	
13.1	Date Signed 12
ARTICLE 14 - AUTHORIZED PROVIDER	
14.1	Date Recognized 12

SECTION SUBJECT

**Addendum 5, Exhibit 1 - Participation Agreement For Substance Use Disorder
Rehabilitation Facility (SUDRF) Services For TRICARE/CHAMPUS Beneficiaries**

ARTICLE 1 - RECITALS

1.1	Identification Of Parties.....	1
1.2	Authority For Substance Use Disorder Rehabilitation Facility Care.....	1
1.3	Purpose Of Participation Agreement.....	1

ARTICLE 2 - DEFINITIONS

2.1	Authorized TMA Representatives	1
2.2	Billing Number.....	1
2.3	Admission And Discharge	2
2.4	Mental Disorder	2
2.5	Substance Use Disorder Rehabilitation Facility	2

ARTICLE 3 - PERFORMANCE PROVISIONS

3.1	General Agreement	3
3.2	Limit On Rate Billed	3
3.3	Accreditation And Standards	4
3.4	Quality Of Care	5
3.5	Billing Form	5
3.6	Compliance With TMA Utilization Review Activities.....	5
3.7	Professional Staff Organization.....	6
3.8	Professional Staff Qualifications.....	6

ARTICLE 4 - PAYMENT PROVISIONS

4.1	Rate Structure: Determination Of Rate.....	6
4.2	Inpatient SUDRF Services Included In DRG Payment	7
4.3	Partial Hospitalization SUDRF Services Included In Per Diem Payment.....	7
4.4	Other Payment Requirements.....	7
4.5	Prerequisites for Payment	7
4.6	TRICARE/CHAMPUS-Determined Rate As Payment In Full ...	8
4.7	TRICARE/CHAMPUS As Secondary Payor.....	9
4.8	Collection Of Cost-Share	9
4.9	Beneficiary's Rights	9

ARTICLE 5 - RECORDS AND AUDIT PROVISIONS

5.1	On-Site And Off-Site Reviews/ Audits.....	9
5.2	Right To Unannounced Inspection Of Records.....	10
5.3	Certified Cost Reports.....	10
5.4	Records Requested By TMA	10
5.5	Failure to Comply	10

SECTION	SUBJECT
	ARTICLE 6 - NONDISCRIMINATION
6.1	Nondiscrimination 11
	ARTICLE 7 - AMENDMENT
7.1	Amendment By TMA 11
	ARTICLE 8 - CHANGE OF OWNERSHIP
8.1	Assignment Barred 11
8.2	Agreement Ends 12
8.3	New Agreement Required 12
	ARTICLE 9 - REPORTS
9.1	Incident Reports 13
9.2	Disaster Or Emergency Reports 13
9.3	Reports Of SUDRF Changes 13
	ARTICLE 10 - GENERAL ACCOUNTING OFFICE
10.1	Right To Conduct Audit 14
	ARTICLE 11 - APPEALS
11.1	Appeal Actions 14
	ARTICLE 12 - TERMINATION
12.1	Procedure For Termination Of Agreement By TMA 14
12.2	Basis For Termination Of Agreement By TMA 14
12.3	Termination Of Agreement By The SUDRF 15
	ARTICLE 13 - RECOUPMENT
13.1	Recoupment 16
	ARTICLE 14 - ORDER OF PRECEDENCE
14.1	Order Of Precedence 16
	ARTICLE 15 - DURATION
15.1	Duration 16
15.2	Reapplication 16
	ARTICLE 16 - EFFECTIVE DATE
16.1	Effective Date 17
	ARTICLE 17 - AUTHORIZED PROVIDER
17.1	TRICARE/CHAMPUS-Provider Status 17

SECTION SUBJECT

**Addendum 5, Exhibit 2 - TRICARE/CHAMPUS Standards For Inpatient
Rehabilitation And Partial Hospitalization For The Treatment Of Substance Use
Disorders (SUDRFs)**

I.	Organization And Administration.....	1
II.	Treatment Services.....	12
III.	Physical Plant and Environment.....	29
IV.	Evaluation System.....	32

**Addendum 6, Exhibit 1 - Participation Agreement For Residential Treatment
Center (RTC)**

ARTICLE 1 - RECITALS

1.1	Identification Of Parties.....	1
1.2	Authority For Residential Treatment Center Care.....	1
1.3	Purpose Of Participation Agreement.....	1

ARTICLE 2 - DEFINITIONS

2.1	Authorized TMA Representatives.....	1
2.2	Billing Number.....	1
2.3	Admission And Discharge.....	1
2.4	Mental Disorder.....	2
2.5	Residential Treatment Center.....	2
2.6	Therapeutic Absence.....	3

ARTICLE 3 - PERFORMANCE PROVISIONS

3.1	General Agreement.....	3
3.2	Limit On Rate Billed.....	3
3.3	Accreditation And Standards.....	3
3.4	Quality Of Care.....	5
3.5	Billing Form.....	5
3.6	Compliance With TMA Utilization Review Activities.....	5
3.7	Professional Staff Organization.....	6
3.8	Professional Staff Qualifications.....	6

ARTICLE 4 - PAYMENT PROVISIONS

4.1	Rate Structure: Determination Of Rate.....	6
4.2	Rtc Services Included In Per Diem Payment.....	7
4.3	Other Payment Requirements.....	8
4.4	Prerequisites For Payment.....	8
4.5	TRICARE/CHAMPUS-Determined Rate As Payment In Full....	9
4.6	TRICARE/CHAMPUS As Secondary Payor.....	9
4.7	Collection Of Cost Share.....	9
4.8	Beneficiary's Rights.....	10

ARTICLE 5 - EDUCATIONAL COSTS

5.1	Reimbursement Of Educational Services.....	10
-----	--	----

SECTION	SUBJECT
5.2	Exclusion From Per Diem Rate 10
5.3	Accounting Requirements 10
ARTICLE 6 - RECORDS AND AUDIT PROVISIONS	
6.1	On-site And Off-Site Reviews/Audits..... 11
6.2	Right To Unannounced Inspection Of Records 11
6.3	Certified Cost Reports 11
6.4	Records Requested By TMA 11
6.5	Failure To Comply 12
ARTICLE 7 - NONDISCRIMINATION	
7.1	Nondiscrimination 12
ARTICLE 8 - AMENDMENT	
8.1	Amendment By TMA 12
ARTICLE 9 - CHANGE OF OWNERSHIP	
9.1	Assignment Barred 13
9.2	Agreement Ends 13
9.3	New Agreement Required 13
ARTICLE 10 - REPORTS	
10.1	Incident Reports 14
10.2	Disaster Or Emergency Reports 14
10.3	Reports Of RTC Changes 14
ARTICLE 11 - GENERAL ACCOUNTING OFFICE	
11.1	Right To Conduct Audit..... 15
ARTICLE 12 - APPEALS	
12.1	Appeal Actions 15
ARTICLE 13 - TERMINATION	
13.1	Procedure For Termination Of The Agreement By TMA..... 15
13.2	Basis For Termination Of The Agreement By TMA..... 15
13.3	Termination Of Agreement By The RTC 16
ARTICLE 14 - RECOUPMENT	
14.1	Recoupment 17
ARTICLE 15 - ORDER OF PRECEDENCE	
15.1	Order Of Precedence..... 17
ARTICLE 16 - DURATION	
16.1	Duration..... 17
16.2	Reapplication 17

SECTION SUBJECT

ARTICLE 17 - EFFECTIVE DATE	
17.1	Effective Date 18
ARTICLE 18 - AUTHORIZED PROVIDER	
18.1	TRICARE/CHAMPUS-Provider Status..... 18
Addendum 7 - Guidelines For The Calculation Of Individual Residential Treatment Center (RTC) Per Diem Rates	
A.	Data Collection Form 1
B.	Administrative Support..... 1
C.	Review And Analysis Of Submitted Information..... 2
D.	Base Year Calculations 4
E.	Adjustment Of Base Year Rate 5
F.	Calculation Of Rtc Per Diem Rate 7