



**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
HEALTH AFFAIRS**

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TRICARE  
MANAGEMENT ACTIVITY

MB&RS

June 25, 1999

FOREWORD

This Manual supercedes the December 1998, edition upon implementation by the Managed Care Contractors at the direction of the Contracting Officer. It provides guidance, policy interpretation and decisions implementing TRICARE and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

The policies and procedures described, herein, apply to the TRICARE/CHAMPUS Program and each TRICARE/CHAMPUS contractor administrating and processing medical claims.

Each TRICARE/CHAMPUS contractor shall implement and be guided by this Manual if so directed by the Contracting Officer. TRICARE/CHAMPUS contractors that have contracts referencing other instructions will continue to use those instructions referenced in their contracts.

Unless otherwise directed, TRICARE/CHAMPUS contractors processing claims for services received in foreign countries shall use the Manual for guidance.

Please note the attached notice that indicates the changes, deletions, and additions to this Manual.

Comments regarding the Manual should be sent to:

Medical Benefits and Reimbursement Systems  
TRICARE Management Activity  
16401 East Centretech Parkway  
Aurora, Colorado 80011-9043

A handwritten signature in black ink, appearing to read "Karen T. Ferguson".

Karen T. Ferguson  
Col, NC, USA  
Director, Program Development

## NOTICE

### CHANGES MADE TO THE POLICY MANUAL:

Prescriptive language and UM parameters have been removed. Outdated policy guidelines that have become the standard of care have been deleted. Deletion of these sections does not mean that the treatment described in the sections is no longer a TRICARE benefit. Medically necessary and appropriate treatment continues to be covered by TRICARE. Several sections have been consolidated into other sections. Several sections have been renumbered. Several sections have been renamed. Several sections have been moved to different Chapters. Chapter 8 has been renamed Program for Persons with Disabilities (PPWD). Chapter 12 has been renamed TRICARE Overseas Program (TOP).

### THE FOLLOWING SECTIONS IN THE DECEMBER 1998 EDITION WERE DELETED:

- Chapter 1, Section 2.4 - Office Visits with Surgery
- Chapter 1, Section 4.6 - Pre and Post Surgical Hospital Visits
- Chapter 1, Section 4.7 - Follow-Up Hospital Visits
- Chapter 1, Section 4.8 - Inpatient Concurrent Care
- Chapter 1, Section 11.1 - Botulinum Toxin A Injections
- Chapter 1, Section 11.2 - Vitamin B-12 Injections
- Chapter 1, Section 12.4 - Outpatient Psychotherapy
- Chapter 1, Section 16.2 - Orthokeratology
- Chapter 1, Section 17.1 - Tinnitus Masker
- Chapter 1, Section 17.2 - Otorhinolaryngologic Services
- Chapter 1, Section 18.1 - Coronary Atherectomy
- Chapter 1, Section 18.5 - Electrocardiogram (ECG)
- Chapter 1, Section 19.2 - Non-Invasive Peripheral Vascular Diagnostic Studies: Extremity Arterial Studies (Including Digits)
- Chapter 1, Section 19.3 - Non-Invasive Vascular Diagnostic Studies: Extremity Venous Studies (Including Digits)
- Chapter 1, Section 20.2 - Intermittent Positive Pressure Treatment
- Chapter 1, Section 22.1 - Intraoperative Neurophysiology Testing
- Chapter 1, Section 22.4 - Electrocorticography
- Chapter 1, Section 22.5 - 24-Hour Ambulatory Electroencephalographic (EEG) Monitoring
- Chapter 1, Section 22.6 - Electroencephalographic (EEG) Video Monitoring
- Chapter 1, Section 26.2 - Diagnostic Sleep Studies
- Chapter 1, Section 26.3 - Premenstrual Syndrome
- Chapter 1, Section 26.7 - Critical Care
- Chapter 3, Section 2.2 - Reconstructive Collagen Implantation
- Chapter 3, Section 2.3 - Dermabrasion
- Chapter 3, Section 2.4 - Blepharoplasty
- Chapter 3, Section 2.5 - Liposuction
- Chapter 3, Section 2.11 - Stereotaxic (Stereotactic) Breast Biopsy
- Chapter 3, Section 3.1 - Mandibular Staple Implant
- Chapter 3, Section 3.3 - Oral Surgery of the Temporomandibular Joint

THE FOLLOWING SECTIONS IN THE DECEMBER 1998 EDITION WERE DELETED:

- Chapter 3, Section 3.4 - Ilizarov Bone Lengthening Technique
- Chapter 3, Section 3.5 - Electrical Stimulation of Bone
- Chapter 3, Section 3.6 - Mandibular Bone Grafts
- Chapter 3, Section 3.7 - Pectus Excavatum
- Chapter 3, Section 3.9 - Denis-Browne Splint
- Chapter 3, Section 4.2 - Rhinoplasty
- Chapter 3, Section 4.3 - Transtracheal Oxygen Therapy
- Chapter 3, Section 5.2 - Automatic Implantable Cardioverter-Defibrillator (AICD)
- Chapter 3, Section 5.4 - Extracorporeal Membrane Oxygenation (ECMO)
- Chapter 3, Section 5.5 - Implantable Infusion Pump
- Chapter 3, Section 5.8 - Extracorporeal Immunoabsorption (ECI) with Protein A Columns
- Chapter 3, Section 5.9 - Percutaneous Transluminal Balloon Valvuloplasty
- Chapter 3, Section 8.2 - Surgery for Tongue-Tie (Ankyloglossia)
- Chapter 3, Section 8.3 - Vestibuloplasty Procedures (Surgery on Gums and Jaws)
- Chapter 3, Section 8.6 - Cryotherapy (Cryosurgery) for Liver Metastases
- Chapter 3, Section 9.2 - Lithotripsy
- Chapter 3, Section 9.3 - Bladder Stimulators
- Chapter 3, Section 12.1 - Transcervical Balloon Tuboplasty
- Chapter 3, Section 13.1 - Hemolytic Disease of the Fetus and Newborn
- Chapter 3, Section 13.3 - Amniocentesis
- Chapter 3, Section 13.4 - Chorionic Villus Sampling
- Chapter 3, Section 13.5 - Electronic Fetal Monitoring
- Chapter 3, Section 15.6 - Facet Blocks
- Chapter 3, Section 15.7 - Epidural Narcotics/Steroids
- Chapter 3, Section 15.8 - Percutaneous Lumbar Discectomy (PLD)
- Chapter 3, Section 15.9 - Chemonucleolysis
- Chapter 3, Section 15.10 - Selective Posterior Rhizotomy for Spasticity in Cerebral Palsy
- Chapter 3, Section 15.11 - Electrical Stimulation of the Peripheral Nerve
- Chapter 3, Section 15.12 - Destruction of Nerve by Radiofrequency Thermoneurolysis
- Chapter 3, Section 15.13 - Radiofrequency Facet Rhizolysis
- Chapter 3, Section 15.15 - Pediatric Microsurgery Repair for Obstetric Brachial Plexus Palsy
- Chapter 3, Section 16.2 - Corneal Transplants
- Chapter 3, Section 16.3 - Refractive Keratoplasty
- Chapter 3, Section 16.4 - Radial Keratotomy
- Chapter 3, Section 16.5 - Intraocular Lens Implantation
- Chapter 3, Section 16.6 - Strabismus Surgery
- Chapter 3, Section 16.7 - Scleral Shell Prosthesis
- Chapter 3, Section 16.8 - Nasolacrimal Duct
- Chapter 3, Section 16.9 - Excimer Laser Phototherapeutic Keratectomy for Corneal Dystrophies
- Chapter 3, Section 17.2 - Otoplasty
- Chapter 4, Section 1.1 - Digital Subtraction Angiography
- Chapter 4, Section 1.2 - Thermography
- Chapter 4, Section 1.3 - Diaphanography (Transillumination Light Scanning)
- Chapter 4, Section 2.4 - Gastrointestinal Tract Fluoroscopic Study

THE FOLLOWING SECTIONS IN THE DECEMBER 1998 EDITION WERE DELETED:

- Chapter 4, Section 2.5 - X-Ray Pelvimetry in Maternity Care
- Chapter 4, Section 2.6 - Percutaneous Transluminal Angioplasty (PTA)
- Chapter 4, Section 3.2 - Ultrasound-Maternity
- Chapter 4, Section 3.3 - Ultrasound Guided Sclerotherapy
- Chapter 4, Section 4.5 - Brachytherapy/Radiation Therapy
- Chapter 4, Section 5.1 - Radionuclide Imaging Procedures
- Chapter 5, Section 1.1 - End Stage Renal Disease (ESRD)-Laboratory Tests
- Chapter 5, Section 4.1 - Maternal Serum Alpha-Fetoprotein Screen
- Chapter 5, Section 4.2 - Fetal Fibronectin Enzyme Immunoassay
- Chapter 6, Section 2.1 - Admission Kits
- Chapter 6, Section 2.2 - Late Discharge
- Chapter 6, Section 2.3 - Hospital Services in Connection with Noncovered Dental Care
- Chapter 6, Section 2.4 - Custodial Care in a Hospital
- Chapter 7, Section 3.4 - Blood Glucose Level Monitor
- Chapter 7, Section 3.5 - Sound Operated Electrical Patient Call Devices
- Chapter 7, Section 3.6 - Cold Therapy Devices for Home Use
- Chapter 7, Section 3.6A - Hot Therapy Devices for Home Use
- Chapter 7, Section 3.7 - Portable Paraffin Baths
- Chapter 7, Section 3.9 - Lymphedema
- Chapter 7, Section 3.10 - External Infusion Pump
- Chapter 7, Section 3.11 - Percussors
- Chapter 7, Section 3.12 - Continuous Passive Motion (CPM) Devices
- Chapter 7, Section 3.13 - Continuous Positive Airway pressure (CPAP)
- Chapter 7, Section 3.14 - Air Fluidized Bed
- Chapter 7, Section 4.1 - Insulin Injectors Without a Needle
- Chapter 7, Section 4.2 - Transcervical Block Silicone Plug
- Chapter 7, Section 4.3 - Support Hose
- Chapter 7, Section 4.4 - Button Infuser
- Chapter 7, Section 4.5 - Diapers
- Chapter 7, Section 5.5 - Therapeutic Shoes for Diabetics
- Chapter 7, Section 6.1 - Ocular Implantation
- Chapter 7, Section 7.2 - Thrombolytic Agents
- Chapter 7, Section 7.3 - Immunosuppression Therapy
- Chapter 8, Section 1.2 - Orthodontia Related to Scoliosis
- Chapter 8, Section 3.2 - Program for Persons with Disabilities (PFPWD): Hearing Impairment Criteria
- Chapter 8, Section 3.4 - Program for Persons with Disabilities (PFPWD): Visual Impairment
- Chapter 8, Section 5.1 - Private Duty Nursing: Hospital with Specialized ICU
- Chapter 8, Section 5.2 - Private Duty Nursing Care Provided by LPN or LVN
- Chapter 8, Section 10.1 - Questionable Procedures and Tests
- Chapter 8, Section 18.1 - Amino Acid Modified Products for Inborn Errors of Amino Acid Metabolism
- Chapter 8, Section 19.1 - Transtelephonic Monitoring
- Chapter 9, Section 1.1A - Eligibility Requirements for Dependent Spouse

THE FOLLOWING SECTIONS IN THE DECEMBER 1998 EDITION WERE DELETED:

- Chapter 9, Section 1.1B - Former Spouses
- Chapter 9, Section 2.1 - Medicare Eligibility for TRICARE/CHAMPUS Beneficiaries Who Are Federal Employees
- Chapter 9, Section 2.2 - TRICARE/CHAMPUS and Medicare
- Chapter 9, Section 3.1 - Restoration of CHAMPVA Eligibility for Certain Medicare Beneficiaries
- Chapter 9, Section 5.1 - Eligibility of NATO Family Members for the Program for Persons with Disabilities
- Chapter 9, Section 5.2 - Eligibility of NATO Family Members for Basic Program Benefits
- Chapter 9, Section 6.1 - Custodial Provisions and Entitlement to Medicare
- Chapter 9, Section 7.1 - Service-Connected Disabilities
- Chapter 9, Section 8.1A - Eligibility Requirements for Dependent Child
- Chapter 9, Section 8.1B - Eligibility and Services for Children Under Age 10
- Chapter 9, Section 8.1C - Beneficiary Eligibility Requirements When Incapable of Self-Support Due to Mental or Physical Disability
- Chapter 9, Section 9.1 - Parents and Parents-in-Law Not Eligible
- Chapter 9, Section 10.1A- Beneficiary Eligibility Under CHAMPVA
- Chapter 9, Section 10.1B- Beneficiary Eligibility Related to Physical or Emotional Abuse
- Chapter 9, Section 10.1C- Beneficiary Eligibility Related to Deceased Reservists
- Chapter 9, Section 10.1D- Beneficiary Eligibility for Wards
- Chapter 9, Section 11.1 - Eligibility-Transitional Assistance Management Program
- Chapter 9, Section 12.1 - Changes in Status Which May Result in Loss of TRICARE/CHAMPUS Eligibility
- Chapter 9, Section 14.1 - Program for Persons with Disability (PFPWD): Eligibility Adjudication
- Chapter 10, Section 1.5 - Mobile and Freestanding Extracorporeal Shock Wave Lithotripsy Units
- Chapter 10, Section 2.8D- Grace Period for Licensure/Certification of Therapists or Counselors
- Chapter 10, Section 4.1 - Program for Persons with Disability (PFPWD): Professional Services Provider
- Chapter 11, Section 3.1 - Cooperative Care
- Chapter 11, Section 3.2 - Program for Persons with Disabilities (PFPWD): Provider Authorization
- Chapter 11, Section 4.1 - Military Civilian Health Services Partnership Program
- Chapter 11, Section 5.2 - Nursery Charges: Infant of an Unmarried Dependent
- Chapter 11, Section 7.1 - Foreign Claims Prior to October 1, 1996
- Chapter 11, Section 8.1 - Mental Health Treatment Utilization Review System
- Chapter 11, Section 8.2 - Professional Review Organization (PRO) Admission and Quality Review Activities`
- Chapter 11, Section 10.1 - Appeal and Hearing Process
- Chapter 11, Section 10.2 - Appeal and Hearing Process for Inpatient Mental Health and Partial Hospitalization Programs
- Chapter 11, Section 11.6 - Program for Persons with Disabilities (PFPWD): Provider Certification
- Chapter 11, Section 12.1 - RTC Educational Costs
- Chapter 11, Section 13.1 - Health Care Finder and Participating Provider Program

THE FOLLOWING SECTIONS IN THE DECEMBER 1998 EDITION WERE DELETED:

- Chapter 12, Section 1.1 - TRICARE-Overview
- Chapter 12, Section 2.1 - TRICARE-Costs and Uniform HMO Benefit
- Chapter 12, Section 2.2 - TRICARE Prime-Catastrophic Loss Protection
- Chapter 12, Section 3.1 - TRICARE-Pharmacy Benefits
- Chapter 12, Section 5.1 - TRICARE-Utilization Management and Quality Management
- Chapter 12, Section 5.2 - TRICARE Overseas Program (TOP)-Utilization and Quality Management
- Chapter 12, Section 12.1- TRICARE-Program Integrity
- Chapter 12, Section 12.2- TRICARE Overseas Program (TOP)-Program Integrity
- Chapter 13, Section 1.1 - Allowable Charges-General
- Chapter 13, Section 1.2 - Allowable Charges-Application of Criteria
- Chapter 13, Section 1.3 - Allowable Charges-Application of the Maximum Allowable Prevailing Charge
- Chapter 13, Section 2.3 - Medical Groups
- Chapter 13, Section 2.4 - Providers with Offices in More Than One Locality
- Chapter 13, Section 4.3 - Rare or Unusual Procedures
- Chapter 13, Section 4.5 - Psychotherapy Profile
- Chapter 13, Section 4.6 - Payment Levels for Adjustments
- Chapter 13, Section 4.8 - CPT Codes With Time Elements
- Chapter 13, Section 5.1 - Institutional Reimbursement-General
- Chapter 13, Section 6.6 - Pricing of Supplemental Health Care Program (SHCP) Claims
- Chapter 13, Section 11.2- Cost-Shares and Deductibles: TRICARE/CHAMPUS DRG-Based Payment System
- Chapter 13, Section 11.3- Cost-Shares and Deductibles: Former Spouses
- Chapter 13, Section 11.4- Cost-Shares and Deductibles: Maternity
- Chapter 13, Section 11.5- Cost-Shares and Deductibles: TRICARE/CHAMPUS Inpatient Mental Health Per Diem Payment System
- Chapter 13, Section 11.7- Waiver of Cost-Sharing and Deductible
- Chapter 13, Section 11.8- Cost-Shares and Deductibles: Ambulatory Surgery
- Chapter 13, Section 13.1- Health Maintenance Organizations (HMOs)
- Chapter 13, Section 13.2- Managed Care Claims
- Chapter 13, Section 13.3- Pre-Paid Prescription Plans
- Chapter 13, Section 15.1- Emergency Care Related Claims
- Chapter 13, Section 15.2- Organ Transplantation Related Claims
- Chapter 13, Section 17.1- PRO Preadmission Review
- Chapter 13, Section 19.1- VA Changes in Application of Deductibles and Catastrophic Cap Limitations
- Chapter 13, Section 23.1- Provider Coding of Non-Institutional Services Using HCPCS
- Chapter 13, Addendum 2,
  - Table 1 (FY 1989) - Fiscal Year 1989 TRICARE/CHAMPUS Adjusted Standardized Amounts
- Chapter 13, Addendum 2,
  - Table 2 (FY 1989) - Fiscal Year 1989 Rates and Weights to Include Children's Hospitals and Neonatal Services

THE FOLLOWING SECTIONS IN THE DECEMBER 1998 EDITION WERE DELETED:

- Chapter 13, Addendum 2,  
Table 3 (FY 1989) - Diagnosis Related Groups (DRGs), DRG Relative Weights Arithmetic and Geometric Mean Lengths-Of-Stay, and Outlier Cutoffs
- Appendix A-1 - TRICARE-Authorized Residential Treatment Centers-For Payment of Services Provided on or after October 1, 1994
- Appendix A-2 - TRICARE-Authorized Residential Treatment Centers-For Payment of Services Provided on or after April 6, 1995
- Appendix A-3 - TRICARE-Authorized Residential Treatment Centers-For Payment of Services Provided on or after October 1, 1995

THE FOLLOWING NEW SECTIONS HAVE BEEN ADDED:

- Chapter 1, Section 12.10- Mental Health Wraparound Demonstration
- Chapter 1, Section 13.1 - Antepartum Services
- Chapter 7, Section 11.1 - Medical Supplies and Dressings (Consumables)
- Chapter 7, Section 20.2 - Exclusions
- Chapter 8, Section 1.5 - Program for Persons with Disabilities (PFPWD): Eligibility General
- Chapter 8, Section 1.17 - Program for Persons with Disabilities (PFPWD): Providers
- Chapter 9, Section 1.1 - Eligibility Requirements for TRICARE Beneficiaries
- Chapter 11, Section 4.1 - Department of Veterans Affairs and Department of Defense Health Care Resources Sharing
- Chapter 11, Section 10.1 - Transitional Assistance Management Program (TAMP)
- Chapter 11, Section 11.1 - Continued Health Care Benefit Program (CHCBP)
- Chapter 11, Section 12.1 - Department of Defense Cancer Prevention and Treatment Clinical Trials Demonstration
- Chapter 11, Section 13.1 - Medicare Subvention Demonstration Project (The TRICARE Senior Prime Program)
- Chapter 11, Section 15.1 - Specialized Treatment Services (STS) Program
- Chapter 12, Section 6.1 - Overseas Partnership Agreements
- Chapter 13, Section 1.1 - Network Provider Reimbursement
- Chapter 13, Section 1.2 - Allowable Charges-Non-Network Providers
- Chapter 13, Section 3.9 - Birthing Center Reimbursement
- Chapter 13, Section 5.1 - State Agency Billing

