CHAPTER 7
ADDENDUM E

PARTICIPATION AGREEMENT FOR RESIDENTIAL TREATMENT CENTER (RTC)

FACILITY NAME: _____

LOCATION: _____

_____

TELEPHONE: _____

PROVIDER EIN: _____

U. S. Department of Defense
TRICARE Management Activity (TMA)
16401 East Centretech Parkway
Aurora, Colorado 80011-9066

ARTICLE 1

RECITALS

1.1 IDENTIFICATION OF PARTIES

This Participation Agreement is between the United States of America through the Department of Defense, TRICARE Management Activity (hereinafter TMA), a field activity of the Office of the Secretary of Defense, the administering activity for TRICARE/Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and _____, (hereinafter designated the RTC).

1.2 AUTHORITY FOR RESIDENTIAL TREATMENT CENTER CARE

The implementing regulations for the TRICARE/CHAMPUS, Department of Defense Regulation, 32 Code of Federal Regulations (CFR), Part 199, provides for TRICARE/ CHAMPUS cost-sharing of residential treatment center (RTC) care under certain conditions.

1.3 PURPOSE OF PARTICIPATION AGREEMENT

It is the purpose of this participation agreement to recognize the undersigned RTC as a TRICARE/CHAMPUS-authorized provider of residential treatment center care, subject to the terms and conditions of this agreement and applicable federal law and regulation.

ARTICLE 2

DEFINITIONS

2.1 AUTHORIZED TMA REPRESENTATIVES

The authorized representative(s) of the Executive Director, TMA may include, but are not limited to, TMA staff, Department of Defense personnel, and TMA contractors, such as private sector accounting/audit firm(s) and/or utilization review and survey forms. Authorized representatives will be specifically designated as such.

2.2 BILLING NUMBER

The billing number for all residential treatment center services is the RTC's employer's identification number (EIN). This number must be used until the provider is officially notified by TMA or a designee of a change. The RTC's billing number is shown on the face sheet of this agreement.

2.3 ADMISSION AND DISCHARGE

(a) An admission occurs upon the formal acceptance by the RTC of a TRICARE/ CHAMPUS beneficiary for the purpose of occupying a bed with the reasonable expectation that the patient will remain at least 24 hours, and with the registration and assignment of an inpatient number or designation.

(b) A discharge occurs at the time that the RTC formally releases the patient from inpatient status; or when the patient is admitted to any other inpatient setting (e.g., an acute mental or medical hospital).

(c) The day of admission is considered a day of care for payment purposes; the day of discharge is not.

2.4 MENTAL DISORDER

For this agreement, a mental disorder shall be the definition in the TRICARE/ CHAMPUS regulation (32 CFR 199.2: a mental disorder is a nervous or mental condition that involves a clinically significant behavioral or psychological syndrome or pattern that is associated with a painful symptom, such as distress, and that impairs a patient's ability to function in one or more major life activities. Additionally, the mental disorder must be one of those conditions listed in the current edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association).

2.5 RESIDENTIAL TREATMENT CENTER

As defined in 32 CFR 199.6(b)(4)(vii)(A)*(1)*, a residential treatment center (RTC) is a facility or distinct part of a facility that provides to beneficiaries under 21 years of age a medically supervised, interdisciplinary program of mental health treatment. An RTC is appropriate for patients whose predominant symptom presentation is essentially stabilized, although not resolved, and who have persistent dysfunction in major life areas. The extent and pervasiveness of the patient's problems require a protected and highly structured therapeutic environment. Residential treatment is differentiated from:

(a) Acute psychiatric care which requires medical treatment and 24-hour availability of a full range of diagnostic and therapeutic services to establish and implement an effective plan of care which will reverse life-threatening and/or severely incapacitating symptoms;

(b) Partial hospitalization, which provides a less than 24-hour-per-day, seven-day-per-week treatment program for patients who continue to exhibit psychiatric problems but can function with support in some of the major life areas;

(c) A group home, which is a professionally directed living arrangement with the availability of psychiatric consultation and treatment for patients with significant family dysfunction and/or chronic but stable psychiatric disturbances;

(d) Therapeutic school, which is an educational program supplemented by psychological and psychiatric services;

(e) Facilities that treat patients with a primary diagnosis of chemical abuse or dependence;

(f) Facilities providing care for patients with a primary diagnosis of mental retardation or developmental disability.

2.6 THERAPEUTIC ABSENCE

A therapeutic absence in the treatment of a mental disorder involves a patient's therapeutically planned absence from the RTC. The patient is not discharged from the facility and may be away for a period of from several hours to several days. The purpose of therapeutic absence is to give the patient an opportunity to test his or her ability to function outside the inpatient setting before actual discharge. Therapeutic absences involving overnight stays or longer must be included in the treatment plan submitted to TMA or a designee, for review of an inpatient mental health admission.

ARTICLE 3

PERFORMANCE PROVISIONS

3.1 GENERAL AGREEMENT

(a) The RTC agrees to render residential treatment center services to eligible TRICARE/CHAMPUS beneficiaries in need of such services, in accordance with this participation agreement and the TRICARE/CHAMPUS regulation (32 CFR 199). These services shall include board, patient assessment, psychological testing, treatment services, social services, educational services, family therapy, and such other services as are required by the TRICARE/CHAMPUS regulation (32 CFR 199).

(b) The RTC agrees that all certifications and information provided to the Executive Director, TMA incident to the process of obtaining and retaining authorized provider status is accurate and that it has no material errors or omissions. In the case of any misrepresentations, whether by inaccurate information being provided or material facts withheld, authorized provider status will be denied or terminated, and the RTC will be ineligible for consideration for authorized provider status for a two-year period. Termination of RTC status will be pursuant to Article 13 of this agreement.

(c) The RTC agrees that it shall not be considered a TRICARE/CHAMPUS authorized provider nor may any TRICARE/CHAMPUS benefits be paid to the facility for any services provided prior to the date the facility is approved by the Executive Director, TMA, or a designee as evidenced by signature on the participation agreement.

3.2 LIMIT ON RATE BILLED

(a) The RTC agrees to limit charges for services to TRICARE/CHAMPUS beneficiaries to the rate set forth in this agreement.

(b) The RTC agrees to charge only for services to TRICARE/CHAMPUS beneficiaries that qualify within the limits of law, regulation, and this agreement.

3.3 ACCREDITATION AND STANDARDS

The RTC hereby agrees to:

(a) Comply with the TRICARE/CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders, as promulgated by the Executive Director, TMA.

(b) Be licensed to provide RTC services within the applicable jurisdiction in which it operates, if licensure is available.

(c) Be specifically accredited by and remain in compliance with standards issued by the Joint Commission on Accreditation of Health Care Organizations under the Accreditation Manual for Mental Health, Chemical Dependency, and Mental Retardation/ Developmental Disabilities Services (formerly the Consolidated Standards Manual).

(d) Accept the TRICARE/CHAMPUS all-inclusive per diem rate, as provided in 32 CFR 199.14(f) as payment in full for services provided.

(e) Comply with all requirements of 32 CFR 199.4 applicable to institutional providers generally concerning preauthorization, concurrent care review, claims processing, beneficiary liability, double coverage, utilization and quality review, and other matters.

(f) Be fully operational and treating patients for a period of at least six months (with at least 30 percent minimum patient census) before it submits an application for approval.

(g) Ensure that all mental health services listed in 32 CFR 199.4(c)(3)(ix) are provided by qualified mental health providers who meet TRICARE/CHAMPUS requirements for individual professional providers. (Exception: RTCs that employ individuals with master's or doctoral level degrees in a mental health discipline who do not meet the licensure, certification, and experience requirements for a qualified mental health provider, but are actively working toward licensure or certification, may provide mental health services within the all-inclusive per diem rate but the individual must work under the documented direct clinical supervision of a fully qualified mental health provider employed by the RTC). All other program services will be provided by trained, licensed staff.

(h) Have a written agreement with at least one backup TRICARE/CHAMPUS-authorized hospital, which specifies that the hospital will accept any and all TRICARE/ CHAMPUS beneficiaries transferred for emergency mental health or medical/surgical care. The RTC must have a written emergency transportation agreement with at least one ambulance company, which specifies the estimated transportation time to each backup hospital.

(i) Not bill the beneficiary for services in excess of the cost-share or services for which payment is disallowed for failure to comply with requirements for preauthorization.

(j) Not bill the beneficiary for services excluded on the basis of 32 CFR 199.4(g)(1)(not medically necessary), (g)(3) (inappropriate level of care), or (g)(7) (custodial care), unless the beneficiary has agreed in writing to pay for the care, knowing the specific care in question has been determined to be noncovered by TRICARE/CHAMPUS. (A general statement signed at admission relative to financial liability does not fill this requirement.)

(k) Prior to initiation of this agreement, and annually thereafter, conduct a self assessment of its compliance with the TRICARE/CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders as issued by the Executive Director, TMA, and notify the Executive Director, TMA of any matter regarding which the facility is not in compliance with such standards.

3.4 QUALITY OF CARE

(a) The RTC shall assure that any and all eligible beneficiaries receive residential treatment center services that comply with the standards in Article 3.3 above and the TRICARE/CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders.

(b) The RTC shall provide residential treatment center services in the same manner to TRICARE/CHAMPUS beneficiaries as it provides to all patients to whom it renders services.

(c) The RTC shall not discriminate against TRICARE/CHAMPUS beneficiaries in any manner including admission practices or provisions of special or limited treatment.

3.5 BILLING FORM

(a) The RTC shall use the CMS 1450 UB-04 billing form (or subsequent editions).

(b) RTCs shall identify RTC care on the billing form in the remarks block by stating "RTC care".

(c) RTCs shall identify on the billing form those days that patient was absent from the facility. This includes therapeutic absences as well as unplanned absences.

(d) Charges for geographically distant family therapy must be billed in the RTC patient's name and be authorized by TMA or designee.

3.6 COMPLIANCE WITH TMA UTILIZATION REVIEW ACTIVITIES

Under the terms of this agreement, the RTC shall:

(a) Appoint a single individual within the RTC to serve as the point of contact for conducting utilization review activities with TMA or its designee. This individual must have a clinical background and be capable of directly responding to questions from professionally qualified reviewers. The RTC will inform TMA in writing of the designated individual.

(b) Obtain precertification for all care to be rendered within the RTC. Failure to obtain precertification will subject the facility to payment reductions according to 32 CFR 199.15(b)(4)(iii).

(c) Promptly provide medical records and other documentation required in support of the utilization review process upon request by TMA or its designee. Confidentiality considerations are not valid reasons for refusal to submit medical records on

any TRICARE/CHAMPUS beneficiary. Failure to comply with documentation requirements will result in the denial of certification of care and/or termination of provider status.

(d) Maintain medical records, including progress notes, clinical formulation, and the master treatment plan, in compliance with TRICARE/CHAMPUS standards and regulations.

3.7 PROFESSIONAL STAFF ORGANIZATION

The RTC shall follow a medical model for all services and shall vest ultimate authority for planning, developing, implementing and monitoring all clinical activities in a psychiatrist or licensed doctoral level psychologist. The management of medical care will be vested in a physician. Clinicians providing individual, group, and family therapy meet TRICARE/CHAMPUS requirements as qualified mental health providers as defined in 32 CFR 199.6, and operate within the scope of their licenses.

3.8 PROFESSIONAL STAFF QUALIFICATIONS

The RTC shall comply with requirements for professional staff qualifications stated in the TRICARE/CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders and 32 CFR 199.6.

The Chief Executive Officer (CEO) shall have five years' administrative experience in the field of mental health and shall possess a master's degree in business administration, nursing, social work, or psychology, or meet similar educational requirements as prescribed by the Executive Director, TMA.

ARTICLE 4

PAYMENT PROVISIONS

4.1 RATE STRUCTURE: DETERMINATION OF RATE

The TRICARE/CHAMPUS rate is the per diem rate that TRICARE/CHAMPUS will authorize for all mental health services rendered to a patient and the patient's family as part of the total treatment plan submitted by a TRICARE/CHAMPUS-approved RTC, and approved by TMA or a designee. The per diem rate will be calculated according to 32 CFR 199.14(f).

(a) Effective for care on or after April 1, 1995, the per diem amount may not exceed a cap of the 70th percentile of all established Federal fiscal year 1994 RTC rates nationally, weighted by total TRICARE/CHAMPUS days provided at each rate during the first half of Federal fiscal year 1994, and updated to FY95. For Federal fiscal years 1996 and 1997, the cap shall remain unchanged. For Federal fiscal years after fiscal year 1997, the cap shall be adjusted by the Medicare update factor for hospitals and units exempt from the Medical prospective payment system.

(b) Subject to the applicable RTC cap, adjustments to the RTC rates may be made annually.

(1) For Federal fiscal years through 1995, the adjustment shall be based on the Consumer Price Index-Urban (CPI-U) for medical care as determined applicable by the Executive Director, TMA.

(2) For purposes of rates for Federal fiscal years 1996 and 1997:

a For any RTC whose 1995 rate was at or above the thirtieth percentile of all established Federal fiscal year 1995 RTC rates normally weighted by total TRICARE/ CHAMPUS days provided at each rate during the first half of Federal fiscal year 1994, that rate shall remain in effect with no additional update, throughout fiscal years 1996 and 1997.

b For any RTC whose 1995 rate was below the 30th percentile level, the rate shall be adjusted by the lesser of the CPI-U for medical care, or the amount that brings the rate up to the 30th percentile level.

(3) For subsequent Federal fiscal years after fiscal year 1997, RTC rates shall be updated by the Medicare update factor for hospitals and units exempt from the Medicare prospective payment system.

(c) The initial per diem rate under this agreement is specified in Article 18.1.

4.2 RTC SERVICES INCLUDED IN PER DIEM PAYMENT

(a) TMA determined per diem rate encompasses the RTC's daily charge for RTC inpatient care and all mental health treatment determined necessary and rendered as part of the treatment plan established for the RTC patient, and accepted by TMA or a designee. This includes all individual and group psychotherapy rendered to the RTC patient, family therapy rendered to the parents of the RTC patient at or in close proximity to the facility, collateral visits with individuals other than the RTC patient determined necessary in order to gather information or implement treatment goals for the patient, and all other ancillary services provided by the RTC.

(b) The all inclusive per diem rate also includes charges for the routine medical management of a beneficiary while residing in an RTC. Services provided by medical professionals employed by or contracted with the RTC are part of the all-inclusive per diem rate and cannot be billed separately. These routine medical services are made available to all children entering the facility and are designed to maintain the general health and welfare of the patient population. Examples of this type of care are: 1) routine health and physical examinations provided by RTC medical staff; 2) in-house pharmaceutical services; and 3) other ancillary medical services routine provided to the RTC population.

(c) The only charges that will be allowed outside the all-inclusive rate will be for:

(1) Geographically Distant Family Therapy. Family therapy may be billed individually from the RTC all-inclusive rate if it is provided to one or both of the parents residing a minimum of 250 miles from the RTC. Family therapy must be authorized by TMA

or a designee at the time the treatment plan is submitted and approved in order for the cost-sharing to occur.

(2) RTC Education Services. Educational services will be covered if the sponsor and/or RTC can demonstrate that the school district in which the TRICARE/CHAMPUS beneficiary was last enrolled refuses to pay for the educational component of the child's RTC care.

(3) Nonmental Health Services. Otherwise covered medical services related to a nonmental health condition (e.g., treatment of broken leg) and rendered by an independent provider outside the RTC are payable in addition to the all-inclusive per diem rate.

4.3 OTHER PAYMENT REQUIREMENTS

For care provided on or after July 1, 1995, TRICARE/CHAMPUS will not pay for days in which the patient is absent on leave from the RTC. The RTC must identify these days when claiming reimbursement.

4.4 PREREQUISITES FOR PAYMENT

Provided that there shall first have been a submission of claims in accordance with TRICARE/CHAMPUS procedures, the RTC shall be paid on the basis of the allowance of the rate determined in accordance with the controlling TRICARE/CHAMPUS regulation (see Article 4.1) contingent upon certain conditions provided in the TRICARE/CHAMPUS regulation, the TRICARE/CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders, and in particular the following:

(a) The patient seeking admission is suffering from a mental disorder that meets both the diagnostic criteria of the current edition of the Diagnostic and Statistical Manual of the American Psychiatric Association and the TRICARE/CHAMPUS definition of a mental disorder.

(b) The patient seeking admission does not have a primary diagnosis of chemical abuse or dependence.

(c) The patient seeking admission does not have a primary diagnosis of mental retardation or developmental disability.

(d) The patient meets the criteria for admission to an RTC issued by the Executive Director, TMA.

(e) The medical and/or psychological necessity of the patient's admission is determined by a qualified mental health professional who meets TRICARE/CHAMPUS requirements for individual professional providers, and who is permitted by law and by the facility to refer patients for admission.

(f) A qualified mental health professional who meets TRICARE/CHAMPUS requirements for individual professional providers will be responsible for the development,

supervision, implementation, and assessment of a written, individualized, interdisciplinary clinical formulation and plan of treatment.

(g) All services in 32 CFR 199.4(c)(3)(ix) are provided by or under the supervision of a TRICARE/CHAMPUS-authorized mental health provider (see Article 3.3(h) above).

(h) TMA or a designee has preauthorized all care rendered to the patient.

(i) The patient meets eligibility requirements for TRICARE/CHAMPUS coverage.

4.5 TRICARE/CHAMPUS-DETERMINED RATE AS PAYMENT IN FULL

(a) The RTC agrees to accept the TRICARE/CHAMPUS rate determined pursuant to the TRICARE/CHAMPUS regulation (see Article 4.1, above) as the total charge for services furnished by the RTC to TRICARE/CHAMPUS beneficiaries. The RTC agrees to accept the amount paid by TRICARE/CHAMPUS, combined with the cost-share amount and deductible, if any, paid by or on behalf of the beneficiary, as full payment for the RTC services. The RTC agrees to make no attempt to collect from the beneficiary or beneficiary's family, except as provided in Article 4.6(a) amounts for RTC services in excess of the TRICARE/CHAMPUS rate.

(b) The RTC agrees to submit all claims as a participating provider. TMA agrees to make payment of the TRICARE/CHAMPUS-determined rate directly to the RTC for any care authorized under this agreement.

(c) The RTC agrees to submit claims for services provided to TRICARE/CHAMPUS beneficiaries at least every 30 days (except to the extent a delay is necessitated by efforts to first collect from other health insurance). If claims are not submitted at least every 30 days, the RTC agrees not to bill the beneficiary or the beneficiary's family for any amounts disallowed by TRICARE/CHAMPUS.

(d) The RTC agrees to bill only the TRICARE/CHAMPUS-determined rate.

4.6 TRICARE/CHAMPUS AS SECONDARY PAYOR

(a) The RTC is subject to the provisions of 10 USC, Section 1079(j)(1). The RTC must submit claims first to all other insurance plans and/or medical service or health plans under which the beneficiary has coverage before to submitting a claim to TRICARE/CHAMPUS.

(b) Failure to collect first from primary health insurers and/or sponsoring agencies is a violation of this agreement, may result in the denial or reduction of payment, and may result in a false claim against the United States. It may also result in termination by TMA of this agreement pursuant to Article 13.

4.7 COLLECTION OF COST SHARE

(a) The RTC agrees to collect from the TRICARE/CHAMPUS beneficiary or the parents or guardian of the TRICARE/CHAMPUS beneficiary only those amounts applicable

to the patient's cost-share/copayment, as defined in 32 CFR 199.4, and services and supplies that are not a benefit of TRICARE/CHAMPUS.

(b) The RTC's failure to collect or to make diligent effort to collect the beneficiary's cost-share as determined by TRICARE/CHAMPUS policy is a violation of this agreement, may result in the denial or reduction of payment, and may result in a false claim against the United States. It may also result in termination by TMA of this agreement pursuant to Article 13 of this agreement.

4.8 BENEFICIARY'S RIGHTS

If the RTC fails to abide by the terms of this participation agreement or the TRICARE/CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders, and TMA or its designee either denies the claim or claims and/or terminates the agreement as a result, the RTC agrees to forego its rights, if any, to pursue the amounts not paid by TRICARE/CHAMPUS from the beneficiary or the beneficiary's family.

ARTICLE 5

EDUCATIONAL COSTS

5.1 REIMBURSEMENT OF EDUCATIONAL SERVICES

(a) All educational costs, whether they include routine education or special education costs, are excluded from reimbursement.

(b) In accordance with the TRICARE/CHAMPUS regulation 32 CFR 199.14(f)(4)(iii) the only exception to Article 5.1(a) is when appropriate education is not available from or not payable by the cognizant public entity. Each case must be referred to the Executive Director, TMA, (or a designee) for review and a determination of the applicability of TRICARE/CHAMPUS benefits. If the coverage of educational services meets the exception, payment will be allowed outside the all-inclusive facility rate. The amount paid shall not exceed the RTC's most-favorable rate to any other patient, agency, or organization for special or general educational services whichever is appropriate.

5.2 EXCLUSION FROM PER DIEM RATE

The RTC shall exclude costs for education from its daily rate.

5.3 ACCOUNTING REQUIREMENTS

The RTC's accounting system must be adequate to assure TRICARE/CHAMPUS is not billed for educational costs.

ARTICLE 6

RECORDS AND AUDIT PROVISIONS

6.1 ON-SITE AND OFF-SITE REVIEWS/AUDITS

The RTC grants the Executive Director, TMA or authorized representative(s), the right to conduct on-site or off-site reviews or accounting audits with full access to patients and records. The reviews or audits may be conducted on a scheduled or unscheduled (unannounced) basis. This right to audit/review includes, but is not limited to, the right to:

(a) Examine fiscal and all other records of the RTC that would confirm compliance with this agreement and designation as a TRICARE/CHAMPUS-authorized RTC provider.

(b) Conduct audits of RTC records, including clinical, financial, and census records to determine the nature of the services being provided and the basis for charges and claims against the United States for services provided to TRICARE/CHAMPUS beneficiaries. TMA or a designee shall have full access to records of both TRICARE/CHAMPUS and non-TRICARE/CHAMPUS patients.

(c) Examine reports of evaluations and inspections conducted by federal, state, local government, and private agencies and organizations.

(d) Conduct on-site inspections of the facilities of the RTC and interview employees, members of the staff, contractors, board members, volunteers, and patients, as may be required.

(e) Release copies of final review reports (including reports of on-site reviews) under the Freedom of Information Act.

6.2 RIGHT TO UNANNOUNCED INSPECTION OF RECORDS

(a) TMA and its authorized agents shall have the authority to visit and inspect the RTC at all reasonable times on an unannounced basis.

(b) The RTC's records shall be available and open for review by TMA during normal working hours, from 8 a.m. to 5 p.m., Monday through Friday, on an unannounced basis.

6.3 CERTIFIED COST REPORTS

Upon request, the RTC shall furnish TMA or a designee with audited cost reports certified by an independent auditing agency.

6.4 RECORDS REQUESTED BY TMA

Upon request, the RTC shall furnish TMA or a designee with such records, including medical records and patient census records, that would allow TMA or a designee to determine the quality and cost-effectiveness of care rendered.

6.5 FAILURE TO COMPLY

Failure to allow audits/reviews and/or to provide records constitutes a material breach of this agreement. It may result in the denial or reduction of payment, termination of this agreement pursuant to Article 13 of this agreement, and any other appropriate action by TMA.

ARTICLE 7

NONDISCRIMINATION

7.1 NONDISCRIMINATION

The RTC agrees to comply with the provisions of section 504 of the Rehabilitation Act of 1973 (Public Law 93-112; as amended) regarding nondiscrimination on the basis of handicap, and Title VI of the Civil Rights Act of 1964 (Public Law 88-352), and with the Americans With Disabilities Act of 1990 (Public Law 101-336), as well as all regulations implementing these Acts.

ARTICLE 8

AMENDMENT

8.1 AMENDMENT BY TMA

(a) The Executive Director, TMA, or a designee may amend the terms of this participation agreement by giving 120 days' notice in writing of the amendment(s) except amendments to the TRICARE/CHAMPUS regulation, which shall be considered effective as of the effective date of the regulation change and do not require a formal amendment of this agreement to be effective. When changes or modifications to this agreement result from amendments to the TRICARE/CHAMPUS regulation through rulemaking procedures, the Executive Director, TMA, or designee, is not required to give 120 days' written notice. Amendments to this agreement resulting from amendments to the TRICARE/CHAMPUS regulation shall become effective on the date the regulation amendment is effective or the date this agreement is amended, whichever date is earlier.

(b) The RTC, if it concludes it does not wish to accept the proposed amendment(s), including any amendment resulting from amendment(s) to the TRICARE/CHAMPUS regulation accomplished through rulemaking procedures, may terminate its participation as provided for in Article 13.3, below. However, if the RTC's notice of intent to terminate its participation is not given at least 60 days before the effective date of the proposed amendment(s), then the proposed amendment(s) shall be incorporated into this agreement for RTC care furnished between the effective date of the amendment(s) and the effective date of termination of this agreement.

ARTICLE 9

CHANGE OF OWNERSHIP

9.1 ASSIGNMENT BARRED

This agreement is nonassignable.

9.2 AGREEMENT ENDS

(a) Unless otherwise extended as specified in Article 9.3(c), below, this agreement ends as of 12:01 a.m. on the date following the date that transfer of ownership occurs.

(b) Change of Ownership is defined as follows:

(1) The change in an owner(s) that has/have 50 percent or more ownership constitutes a change of ownership.

(2) The merger of the RTC corporation (for-profit or not-for-profit) into another corporation, or the consolidation of two or more corporations, resulting in the creation of a new corporation, constitutes a change of ownership. The transfer of corporate stock or the merger of another corporation into the RTC corporation, however, does not constitute change of ownership. The transfer of title to property of the RTC corporation to another corporation(s), and the use of that property for the rendering of residential treatment center care by the corporation(s) receiving it is a change of ownership.

(3) The lease of all or part of a RTC or a change in the RTC's lessee constitutes change of ownership.

9.3 NEW AGREEMENT REQUIRED

(a) If there is a change of ownership of an RTC as specified in Article 9.3(b), then the new owner, in order to be a TRICARE/CHAMPUS-authorized residential treatment center, must enter into a new agreement with TMA. The new owner is immediately subject to any existing plan of correction, expiration date, applicable health and safety standards, ownership and financial interest disclosure requirements, and any other provisions and requirements of this agreement.

(b) An RTC contemplating or negotiating a change of ownership must notify TMA in writing at least 30 days before the effective date of the change. At the discretion of the Executive Director, TMA, or a designee, this agreement may remain in effect until a new participation agreement can be signed to provide continuity of coverage for beneficiaries. An RTC that has provided the required 30 days' advance written notification of a change of ownership may seek an extension of this agreement's effect for a period not to exceed 180 days from the date of the transfer of ownership. Failure to provide 30 days' advance written notification of a change of ownership will result in a denial of a request for an extension of this agreement and the termination of this agreement upon transfer of ownership as specified in Article 9.3(a) above.

(c) Prior to a transfer of ownership of an RTC, the new owners may petition TMA in writing for a new participation agreement. The new owners must document that all required licenses and accreditations have been maintained and must provide documentation regarding any program changes. Before a new participation agreement is executed, the Executive Director, TMA, or a designee will review the RTC to ensure that it is in compliance with TRICARE/CHAMPUS requirements.

ARTICLE 10

REPORTS

10.1 INCIDENT REPORTS

Any serious occurrence involving a TRICARE/CHAMPUS beneficiary, outside the normal routine of the residential treatment center, must be reported to TMA, Operations Directorate, and/or a designee, as follows:

(a) An incident of a life-threatening accident, a patient death, patient disappearances, suicide attempt, incident of cruel or abusive treatment, physical or sexual abuse, or any equally dangerous situation involving a TRICARE/CHAMPUS beneficiary, shall be reported by telephone on the next business day with a full written report within seven days.

(b) The incident and the following report shall be documented in the patient's clinical record.

(c) Notification shall be provided, if appropriate, to the parents, legal guardian, or legal authorities.

(d) When a TRICARE/CHAMPUS beneficiary is absent without leave and is not located within 24 hours, the incident is reported by telephone to TMA on the next business day. If the patient is not located within three days, a written report of the incident is made to TMA within seven days.

10.2 DISASTER OR EMERGENCY REPORTS

Any disaster or emergency situation, natural or man-made, such as fire or severe weather, shall be reported telephonically within 72 hours, followed by a comprehensive written report within seven (7) days to TMA, Operations Directorate.

10.3 REPORTS OF RTC CHANGES

The governing body or the CEO of the RTC shall submit a written report to TMA, Operations Directorate, any significant proposed changes within the RTC no later than 30 days prior to the actual date of change; failure to report such changes may result in termination of this agreement. A report shall be made concerning the following items:

(a) Any change in administrator or primary professional staff.

(b) Any change in purpose, philosophy, or any addition or deletion of services or programs. This includes capacity or hours of operation.

(c) Any licensure, certification, accreditation, or approval status change by a state agency or national organization.

(d) Any anticipated change in location or anticipated closure.

(e) Any suspension of operations for 24 hours or more.

ARTICLE 11

GENERAL ACCOUNTING OFFICE

11.1 RIGHT TO CONDUCT AUDIT

The RTC grants the United States General Accounting Office the right to conduct audits.

ARTICLE 12

APPEALS

12.1 APPEAL ACTIONS

Appeals of TMA actions under this agreement, to the extent they present an appealable issue and are allowed under the TRICARE/CHAMPUS regulation, will be pursuant to 32 CFR 199.10, and 32 CFR 199.15.

ARTICLE 13

TERMINATION

13.1 PROCEDURE FOR TERMINATION OF THE AGREEMENT BY TMA

The Executive Director, TMA, or a designee, may terminate this agreement in accordance with procedures for termination of institutional providers as specified in 32 CFR 199.9.

13.2 BASIS FOR TERMINATION OF THE AGREEMENT BY TMA

(a) In addition to any authority under the TRICARE/CHAMPUS regulation to terminate or exclude a provider, the Executive Director, TMA, or a designee may terminate this agreement upon 30 days' written notice, for cause, if the RTC:

(1) Is not in compliance with the requirements of the Dependents Medical Care Act, as amended (10 USC 1071 et seq.), the TRICARE/CHAMPUS regulation (32 CFR 199), the TRICARE/CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders, or with performance provisions stated in Article 3 of this agreement.

(2) Fails to comply with payment provisions set forth in Article 4 of this agreement.

(3) Fails to allow audits/reviews and/or to provide records as required by Article 6 of this agreement.

(4) Fails to comply with nondiscrimination provisions of Article 7 of this agreement.

(5) Changes ownership as set forth in Article 9 of this agreement.

(6) Fails to provide incident reports, disaster or emergency reports, or reports of RTC changes, as set forth in Article 10 of this agreement.

(7) Initiates a change as specified in Article 10.3 of this agreement, without written approval by the Executive Director, TMA or a designee.

(8) Does not admit a TRICARE/CHAMPUS beneficiary during any consecutive 24-month period.

(9) Suspends operations for a period of 120 days or more.

(10) Is determined to be involved in provider fraud or abuse, as established by TRICARE/CHAMPUS regulation (32 CFR 199.9). This includes the submission of falsified or altered TRICARE/CHAMPUS claims or medical records which misrepresent the type, frequency, or duration of services or supplies.

(b) The Executive Director, TMA may terminate this agreement without prior notice in the event that the RTC's failure to comply with the TRICARE/CHAMPUS Standards for Residential Treatment Centers Serving Children and Adolescents with Mental Disorders presents an immediate danger to life, health, or safety.

13.3 TERMINATION OF AGREEMENT BY THE RTC

The RTC may terminate this agreement by giving the Executive Director, TMA, or a designee, written notice of such intent to terminate. The effective date of a voluntary termination under this article shall be 60 days from the date of notification of intent to terminate, or upon written request, as agreed between the RTC and TMA.

ARTICLE 14

RECOUPMENT

14.1 RECOUPMENT

TMA shall have the authority to suspend claims processing or seek recoupment of claims previously paid as specified under the provisions of the Federal Claims Collection Act (31 USC 3701 et seq.), the Federal Medical Care Recovery Act (42 USC 2651-2653), and 32 CFR 199.

ARTICLE 15

ORDER OF PRECEDENCE

15.1 ORDER OF PRECEDENCE

If there is any conflict between this agreement and any Federal statute or Federal regulation, including the TRICARE/CHAMPUS regulation, 32 CFR 199, the statute or regulation controls.

ARTICLE 16

DURATION

16.1 DURATION

This agreement will remain in effect until the expiration date specified in Article 18.1 unless terminated earlier by TMA or the RTC under Article 13. TMA may extend this agreement for sixty days beyond the established date if it is necessary to facilitate a new agreement.

16.2 REAPPLICATION

The RTC must reapply to TMA at least ninety days prior to the expiration date of this agreement if it wishes to continue as a TRICARE/CHAMPUS-authorized RTC. Failure to reapply will result in automatic expiration of this agreement on the date specified in Article 18.1.

ARTICLE 17

EFFECTIVE DATE

17.1 EFFECTIVE DATE

(a) This participation agreement will be effective on the date signed by the Executive Director, TMA, or designee.

(b) This agreement must be signed by the Chief Executive Officer of the RTC.

ARTICLE 18

AUTHORIZED PROVIDER

18.1 TRICARE/CHAMPUS-PROVIDER STATUS

On the effective date of the agreement, TMA recognizes the RTC as an authorized provider for the purpose of providing residential treatment center care to TRICARE/ CHAMPUS-eligible beneficiaries within the framework of the program(s) identified below.

PROGRAM	BEDS	AGES

_____
Residential Treatment Center Name

_____
Expiration Date

_____
TRICARE/CHAMPUS Per-diem Rate

	TMA
_____	_____
By: Signature	By: Signature
_____	_____
Name and Title	Name and Title
Executed on:_____	Executed on:_____