

## Substance Use Disorder Rehabilitation Facilities (SUDRFs) Reimbursement

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Authority: [32 CFR 199.14\(a\)\(1\)\(ii\)\(E\)](#) and [\(a\)\(2\)\(ix\)](#)

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### 1.0 APPLICABILITY

**1.1** This policy is mandatory for reimbursement of services provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by the Defense Health Agency (DHA) and specifically included in the network provider agreement.

**1.2** The following reimbursement methodology will be used for payment of all Substance Use Disorder Rehabilitation Facilities (SUDRFs) prior to implementation of the reasonable cost method for Critical Access Hospitals (CAHs) and implementation of Outpatient Prospective Payment System (OPPS). Thereafter, this methodology will only be used in the reimbursement of freestanding SUDRFs and other providers who are exempt from the TRICARE OPPS and provide SUDRF services.

### 2.0 ISSUE

Reimbursement of SUDRFs. This includes reimbursement for both inpatient and partial hospitalization for the treatment of substance use disorder rehabilitation care.

### 3.0 POLICY

**3.1** Inpatient SUDRFs. Admissions to authorized SUDRFs are subject to the Diagnosis Related Group (DRG)-based payment system.

**3.2** Partial hospitalization for the treatment of substance use disorders. Substance use disorder rehabilitation partial hospitalization services are reimbursed on the basis of prospectively determined all-inclusive per diem rates. The per diem payment amount must be accepted as payment in full for all institutional services provided, including board, routine nursing services, ancillary services (includes art, music, dance, occupational and other such therapies), psychological testing and assessments, overhead and any other services for the customary practice among similar providers is included as part of the institutional charges. SUDRFs may provide services they call "Intensive Outpatient Program" or IOP. SUDRFs may provide substance use disorder Partial Hospitalization Program (PHP) services less than five days per week, at least three hours per day but less than six hours per day, with reimbursement occurring at the half-day PHP rate (i.e., three to five hours), in accordance with the [Chapter 7, Section 2](#). See [Chapter 7, Section 2, paragraph 2.6](#) and the TRICARE Policy Manual (TPM), [Chapter 7, Section 3.5, paragraph 3.3.1.2.3](#).

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**3.3** Outpatient professional services will be reimbursed using the appropriate Healthcare Common Procedure Coding System (HCPCS) code or Current Procedural Terminology (CPT) code. Payment is the lesser of the billed charge or the CHAMPUS Maximum Allowable Charge (CMAC).

**3.4** Family therapy provided on an inpatient or outpatient basis will be reimbursed under the CMAC for the procedure code(s) billed.

**3.5** Cost-sharing. The cost-share for Active Duty Dependents (ADDs) for inpatient substance use disorder services is \$20.00 per day for each day of the inpatient admission. The \$20.00 cost-share amount also applies to substance use disorder rehabilitation care provided in a partial hospitalization setting. The inpatient cost-share applies to the associated services billed separately by the individual professional providers. For retirees and their dependents, the cost-share is 25% of the allowed amount. Since inpatient cost-sharing is being applied, no deductible is to be taken for partial hospitalization regardless of sponsor status. The cost-share for ADDs is to be taken from the partial hospitalization facility claim.

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