

## Part 199.4

### Basic Program Benefits

Revision: C-1, September 29, 2017

Rule: Interim Final Rule/FR Vol 82, No 188

---

**(a) General.**

- (1)
  - (i) Scope of benefits.
    - (i) Scope of benefits.
    - (ii) Impact of TRICARE program.
- (2) Persons eligible for Basic Program benefits.
- (3) Authority to act for CHAMPUS.
- (4) Status of patient controlling for purposes of cost-sharing.
- (5) Right to information.
- (6) Physical examinations.
- (7) Claims filing deadline.
- (8) Double coverage and third party recoveries.
- (9) Nonavailability Statements within a 40-mile catchment area.
- (10) [Reserved]
- (11) Quality and Utilization Review Peer Review Organization program.
- (12) [Reserved]
- (13) Implementing instructions.
- (14) Confidentiality of substance use disorder treatment.

**(b) Institutional benefits.**

- (1) General.
  - (i) Billing practices.
  - (ii) Successive inpatient admissions.
  - (iii) Related services and supplies.
  - (iv) Inpatient, appropriate level required.
  - (v) General or special education not covered.
  - (vi) Substance use disorder treatment exclusions.
    - (B) Domiciliary settings.
- (2) Covered hospital services and supplies--
  - (i) Room and board.
  - (ii) General staff nursing services.
  - (iii) ICU.
  - (iv) Operating room, recovery room.
  - (v) Drugs and medicines.
  - (vi) Durable medical equipment, medical supplies, and dressings.
  - (vii) Diagnostic services.
  - (viii) Anesthesia.
  - (ix) Blood.
  - (x) Radiation therapy.
  - (xi) Physical therapy.

- (xii) Oxygen.
  - (xiii) Intravenous injections.
  - (xiv) Shock therapy.
  - (xv) Chemotherapy.
  - (xvi) Renal and peritoneal dialysis.
  - (xvii) Psychological evaluation tests.
  - (xviii) Other medical services.
  - (xix) Medication assisted treatment.
  - (xx) Withdrawal management (detoxification).
- (3) Covered services and supplies provided by special medical treatment institutions or facilities, other than hospitals or RTCs--
- (i) Room and board.
  - (ii) General staff nursing services.
  - (iii) Drugs and medicines.
  - (iv) Durable medical equipment, medical supplies, and dressings.
  - (v) Diagnostic services.
  - (vi) Blood.
  - (vii) Physical therapy.
  - (viii) Oxygen.
  - (ix) Intravenous injections.
  - (x) Shock therapy.
  - (xi) Chemotherapy.
  - (xii) Psychological evaluation tests.
  - (xiii) Renal and peritoneal dialysis.
  - (xiv) Skilled nursing facility (SNF) services.
  - (xv) Other medical services.
  - (xvi) Medication assisted treatment.
  - (xvii) Withdrawal management (detoxification).
- (4) Services and supplies provided by RTCs--
- (i) Room and board.
  - (ii) Patient assessment.
  - (iii) Diagnostic services.
  - (iv) Psychological evaluation tests.
  - (v) Treatment of mental disorders.
  - (vi) Other necessary medical care.
  - (vii) Criteria for determining medical or psychological necessity.
- (5) Extent of institutional benefits--
- (i) Inpatient room accommodations--
    - (A) Semiprivate.
    - (B) Private.
    - (C) Duration of private room stay.
    - (D) Hospital (except an acute care hospital, general or special) or other authorized institutional provider without semiprivate accommodations.
  - (ii) General staff nursing services.
  - (iii) ICU.
  - (iv) Treatment rooms.
  - (v) Drugs and medicines.
  - (vi) Durable medical equipment, medical supplies, and dressings.
  - (vii) Transitional use items.
  - (viii) Anesthetics and oxygen.

- (6) Inpatient mental health services.
  - (i) Criteria for determining medical or psychological necessity.
  - (ii) Emergency admissions.
  - (iii) [Reserved]
  - (iv) [Reserved]
- (7) Emergency inpatient hospital services.
  - (i) Existence of medical emergency.
  - (ii) Immediate admission required.
  - (iii) Closest hospital utilized.
- (8) Residential treatment for substance use disorder--
  - (i) In general.
  - (ii) Criteria for determining medical or psychological necessity of residential treatment for substance use disorder.
  - (iii) Services and supplies.
    - (A) Room and board.
    - (B) Patient assessment.
    - (C) Psychological testing.
    - (D) Treatment services.
  - (iv) Case management required.
  - (v) Professional mental health benefits.
  - (vi) Non-mental health related medical services.
- (9) Psychiatric and substance use disorder partial hospitalization services--
  - (i) In general.
  - (ii) Criteria for determining medical or psychological necessity of psychiatric and SUD partial hospitalization services.
  - (iii) Services and supplies.
    - (A) Board.
    - (B) Patient assessment.
    - (C) Psychological testing. Treatment services.
  - (iv) Case management required.
  - (v) Educational services required.
  - (vi) Family therapy required.
  - (vii) Professional mental health benefits.
  - (viii) Non-mental health related medical services.
- (10) Intensive psychiatric and substance use disorder outpatient services--
  - (i) In general.
  - (ii) Criteria for determining medical or psychological necessity of intensive outpatient services.
  - (iii) Services and supplies.
    - (A) Patient assessment.
    - (B) Treatment services.
  - (iv) Case management.
  - (v) Professional mental health benefits.
  - (vi) Non-mental health related medical services.
- (11) Opioid treatment programs--
  - (i) In general.
  - (iii) Services and supplies.
    - (A) Patient assessment.
    - (B) Treatment services.
  - (iv) Case management.

**(c) Professional services benefit--**

- (1) General.
  - (i) Billing practices.
  - (ii) Services must be related.
  - (iii) Telehealth services.
- (2) Covered services of physicians and other authorized profession providers.
  - (i) Surgery.
  - (ii) Surgical assistance.
  - (iii) Inpatient medical services.
  - (iv) Outpatient medical services.
  - (v) Psychiatric services.
  - (vi) Consultation services.
  - (vii) Anesthesia services.
  - (viii) Radiation therapy services.
  - (ix) X-ray services.
  - (x) Laboratory and pathological services.
  - (xi) Physical medicine services or physiatry services.
  - (xii) Maternity care.
  - (xiii) Well-child care.
  - (xiv) Other medical care.
  - (xv) [Reserved]
  - (xvi) Routine eye examinations.
- (3) Extent of professional benefits--
  - (i) Multiple Surgery.
  - (ii) Different types of inpatient care, concurrent.
  - (iii) Need for surgical assistance.
  - (iv) Aftercare following surgery.
  - (v) Cast and sutures, removal.
  - (vi) Inpatient care, concurrent.
  - (vii) Consultants who become the attending surgeon.
  - (viii) Anesthesia administered by the attending physician.
  - (ix) Treatment of mental disorders, to include substance use disorder.
    - (A) Covered diagnostic and therapeutic services.
    - (B) Therapeutic settings--
    - (C) Covered ancillary therapies.
    - (D) Review of claims for treatment of mental disorder.
  - (x) Physical and occupational therapy.
  - (xi) Well-child care.
  - (xii) [Reserved]
  - (xiii) Physicians in a teaching setting.
    - (A) Teaching physicians.
    - (B) Physicians in training.

**(d) Other benefits--**

- (1) General.
- (2) Billing practices.
- (3) Other covered services and supplies--
  - (i) Blood.
  - (ii) Durable equipment--
    - (A) Scope of benefit.

- (B) Cardiorespiratory monitor exception.
- (C) Exclusions.
- (D) Basis for reimbursement.

**(iii) Medical supplies and dressings (consumables)--**

- (iv) Oxygen.
- (v) Ambulance.
- (vi) Drugs and medicines.
- (vii) Prosthetics, prosthetic devices, and prosthetic supplies,
- (viii) Orthopedic braces and appliances.
- (ix) Diabetes Self-Management Training (DSMT).

**(e) Special benefit information--**

- (1) General.
- (2) Abortion.
- (3) Family planning.
  - (i) Birth control (such as contraception)--
    - (A) Benefits provided.
    - (B) Exclusions.
  - (ii) Genetic testing.
    - (A) Benefits provided.
    - (B) Exclusions.
- (4) [Reserved]
- (5) Transplants.
  - (i) Organ transplants.
    - (A) General.
    - (B) [Reserved]
  - (ii) Stem cell transplants.
- (6) Eyeglasses, spectacles, contact lenses, or other optical devices.
  - (i) Exception to general exclusion.
  - (ii) Limitations.
- (7) [Reserved]
- (8) Cosmetic, reconstructive, or plastic surgery.
  - (i) Limited benefits under CHAMPUS.
  - (ii) General exclusions.
  - (iii) Noncovered surgery, all related services and supplies excluded.
  - (iv) Example of noncovered cosmetic, reconstructive, or plastic surgery procedures.
    - (C) Augmentation mammoplasties.
    - (E) Reduction mammoplasties.
- (9) Care related to non-covered initial surgery or treatment.
- (10) Dental.
  - (i) Adjunctive dental care: Limited.
  - (ii) General exclusions.
  - (iii) Preauthorization required.
  - (iv) Covered oral surgery.
  - (v) Inpatient hospital stay in connection with non-adjunctive, noncovered dental care.
  - (vi) Anesthesia and institutional costs for dental care for children and certain other patients.
- (11) Drug abuse.
  - (i) Limitations on who can prescribe drugs.
  - (ii) [Reserved].

- (iii) Kinds of prescription drugs that are monitored carefully by CHAMPUS for possible abuse situations--
  - (A) Narcotics.
  - (B) Nonnarcotic analgesics.
  - (C) Tranquilizers.
  - (D) Barbiturates.
  - (E) Nonbarbituate hypnotics.
  - (F) Stimulants.
- (iv) CHAMPUS fiscal intermediary responsibilities.
- (v) Unethical or illegal provider practices related to drugs.
- (vi) Detoxification.
- (12) [Reserved]
- (13) Domiciliary care.
  - (i) Examples of domiciliary care situations.
    - (A) Home care is not available.
    - (B) Home care is not suitable.
    - (C) Family unwilling to care for a person in the home.
  - (ii) Benefits available in connection with a domiciliary care case.
  - (iii) General exclusion.
- (14) CT scanning--
  - (i) Approved CT scan services.
  - (ii) Review guidelines and criteria.
- (15) Morbid obesity.
  - (i) Conditions for coverage.
  - (ii) Treatment of complications.
  - (iii) Exclusions.
- (16) Maternity care.
  - (i) Benefit.
  - (ii) Cost-share.
- (17) Biofeedback Therapy.
  - (i) Benefits Provided.
  - (ii) Limitations.
  - (iii) Exclusions.
  - (iv) Provider Requirements.
  - (v) Implementation Guidelines.
- (18) Cardiac rehabilitation.
  - (i) Benefits Provided.
  - (ii) Limitations.
  - (iii) Exclusions.
  - (iv) Providers.
  - (v) Payment.
  - (vi) Implementation Guidelines.
- (19) Hospice care.
  - (i) Benefit coverage.
  - (ii) Core services.
  - (iii) Non-core services.
  - (iv) Availability of services.
  - (v) Periods of care.
  - (vi) Conditions for coverage.
  - (vii) Appeal rights under hospice benefit.

- (20) [Reserved]
- (21) Home health services.
  - (i) Benefit coverage.
  - (ii) Conditions for Coverage.
- (22) Pulmonary rehabilitation.
- (23) A speech generating device (SGD)
- (24) A hearing aid,
- (25) Rehabilitation therapy
- (26) National Institutes of Health clinical trials.
  - (i) Demonstration waiver.
  - (ii) Continuous waiver.
    - (A) General.
    - (B) National Cancer Institute (NCI) sponsored cancer prevention, screening, and early detection clinical trials.
- (28) Preventive care.
- (29) Physical examinations.
- (30) Smoking cessation program.
  - (i) Availability.
  - (ii) Benefits.
    - (A) Pharmaceutical agents.
    - (B) Face-to-face smoking cessation counseling.
    - (C) Toll-free quit line.
    - (D) Web-based resources.

**(f) Beneficiary or sponsor liability--**

- (1) General.
- (2) Dependents of members of the Uniformed Services.
  - (i) **Annual calendar year deductible for outpatient services and supplies.**
    - (D) Allowable Amount does not exceed Deductible Amount.
  - (ii) Inpatient cost-sharing.
    - (A) Inpatient cost-sharing payable with each separate inpatient admission.
    - (B) Multiple family inpatient admissions.
    - (C) Newborn patient in his or her own right.
  - (iii) Outpatient cost-sharing.
  - (iv) Ambulatory surgery.
  - (v) [Reserved]
  - (vi) Transitional Assistance Management Program (TAMP).
- (3) Former members and dependents of former members.
  - (i) **Annual calendar year deductible for outpatient services or supplies.**
  - (ii) Inpatient cost-sharing.
    - (A) Services subject to the CHAMPUS DRG-based payment system.
    - (B) Services subject to the CHAMPUS mental health per diem payment system.
    - (C) Other services.
  - (iii) Outpatient cost-sharing.
- (4) Former spouses.
  - (i) **Annual calendar year deductible for outpatient services or supplies.**
  - (ii) Inpatient cost-sharing.
  - (iii) Outpatient cost-sharing.

- (5) Cost-Sharing under the Military-Civilian Health Services Partnership Program.
  - (i) External Partnership Agreement.
  - (ii) Internal Partnership Agreement.
- (6) [Reserved]
- (7) [Reserved]
- (8) Cost-sharing for services provided under special discount arrangements--
  - (i) General rule.
  - (ii) Specific applications.
- (9) Waiver of deductible amounts or cost-sharing not allowed--
  - (i) General rule.
  - (ii) Exception for bad debts.
  - (iii) Remedies for noncompliance.
- (10) Catastrophic loss protection for basic program benefits.
  - (i) Dependents of active duty members.
  - (ii) All other beneficiaries.
  - (iii) Payment after cap is met.
- (11) Beneficiary or sponsor liability under the Pharmacy Benefits Program.
- (12) Elimination of cost-sharing for certain preventive services.
- (13) Special transition rule for the last quarter of calendar year 2017.

**(g) Exclusions and limitations.**

- (1) Not medically or psychologically necessary.
- (2) Unnecessary diagnostic tests.
- (3) Institutional level of care.
- (4) Diagnostic admission.
- (5) Unnecessary postpartum inpatient stay, mother or newborn.
- (6) Therapeutic absences.
- (7) Custodial care.
- (8) Domiciliary care.
- (9) Rest or rest cures.
- (10) Amounts above allowable costs or charges.
- (11) No legal obligation to pay, no charge would be made.
- (12) Furnished without charge.
- (13) Furnished by local, state, or Federal Government.
- (14) Study, grant, or research programs.
- (15) Unproven drugs, devices, and medical treatments or procedures.
  - (iii) Care excluded.
- (16) Immediate family, household.
- (17) Double coverage.
- (18) Nonavailability Statement required.
- (19) Preauthorization required.
- (20) Psychoanalysis or psychotherapy, part of education.
- (21) Runaways.
- (22) Services or supplies ordered by a court or other government agency.
- (23) Work-related (occupational) disease or injury.
- (24) Cosmetic, reconstructive, or plastic surgery.
- (25) Surgery, psychological reasons.
- (26) Electrolysis.
- (27) Dental care.
- (28) Obesity, weight reduction.



- (29) Sex gender changes.
- (30) Therapy or counseling for sexual dysfunctions or sexual inadequacies.
- (31) Corns, calluses, and toenails.
- (32) Dyslexia.
- (33) Surgical sterilization, reversal.
- (34) Noncoital reproductive procedures including artificial insemination, in-vitro fertilization, gamete intrafallopian transfer and all other such reproductive technologies.
- (35) Nonprescription contraceptives.
- (36) Tests to determine paternity or sex of a child.
- (37) Preventive care.
- (38) Chiropractors and naturopaths.
- (39) Counseling.
- (40) Acupuncture.
- (41) Hair transplants, wigs/hair pieces/cranial prosthesis.
  - (i) Benefits provided.
  - (ii) Exclusions.
- (42) Education or training.
- (43) Exercise/relaxation/comfort/sporting items or sporting devices.
- (44) Exercise.
- (45) [Reserved].
- (46) Vision care.
- (47) Eye and hearing examinations.
- (48) Prosthetic devices.
- (49) Orthopedic shoes.
- (50) Eyeglasses.
- (51) Hearing aids.
- (52) Telephone services.
- (53) Air conditioners, humidifiers, dehumidifiers, and purifiers.
- (54) Elevators or chair lifts.
- (55) Alterations.
- (56) Clothing.
- (57) Food, food substitutes.
- (58) Enuretic.
- (59) Duplicate equipment.
- (60) Autopsy and postmortem.
- (61) Camping.
- (62) Housekeeper, companion.
- (63) Noncovered condition/treatment, unauthorized provider.
- (64) Comfort or convenience.
- (65) [Reserved]
- (66) Megavitamin psychiatric therapy, orthomolecular psychiatric therapy.
- (67) Transportation.
- (68) Travel.
- (69) Institutions.
- (70) [Reserved]
- (71) [Reserved]
- (72) [Reserved]
- (73) Economic interest in connection with mental health admissions.
- (74) Not specifically listed.

**(h) Payment and liability for certain potentially excludable services under the Peer Review**

**Organization program--**

- (1) Applicability.
- (2) Payment for certain potentially excludable expenses.
- (3) Liability for certain excludable services.
- (4) Criteria for determining that beneficiary knew or could reasonably have been expected to have known that services were excludable.
- (5) Criteria for determining that provider knew or could reasonably have been expected to have known that services were excludable.