

CHAMPVA POLICY MANUAL

CHAPTER: 3
SECTION: 5.8
TITLE: **LATE CHARGES AND ADMINISTRATIVE EXPENSES**

AUTHORITY: 38 CFR 17.270(a) and 17.272(b)

RELATED AUTHORITY: 32 CFR 199.4(c)(1)

I. EFFECTIVE DATE

August 26, 1985

II. POLICY

Providers may incur administrative expenses during the course of doing business. Most of these expenses are normal and payment for them is included in the payments made for the medical services rendered by the provider. Others are not covered because they are not medical services related to the treatment of an illness or injury. In either case, separate charges for administrative expenses are not allowed. Such expenses include the following charges:

1. Penalty or interest charges (**late charges**) imposed on a **beneficiary by a** provider because of failure to make timely payment on a bill are not covered.
2. Provider administrative expenses such as charges for claims completion, furnishing medical records, etc., are not covered and are not to be included in the allowable charge determination.

END OF POLICY