

CHAMPVA POLICY MANUAL

CHAPTER: 2
SECTION: 18.13
TITLE: ECONOMIC INTEREST IN CONNECTION WITH MENTAL HEALTH ADMISSIONS

AUTHORITY: 38 USC 1713; 38 CFR 17.270(a) and 17.272(a)

RELATED AUTHORITY: 32 CFR 199.4(g)(73)

TRICARE POLICY MANUAL: Chapter 13, Section 2.7

I. EFFECTIVE DATE

March 13, 1992

II. POLICY

Inpatient mental health services (including both acute care and RTC services) are excluded for care received when a patient is referred to a provider of such services by a physician (or other health care professional with authority to admit) who has an economic interest in the facility to which the patient is referred, unless a waiver is granted. Requests for waiver shall be considered under the same procedure and based on the same criteria as used for obtaining preadmission authorization (or continued stay authorization for emergency admissions), (see [Chapter 2, Section 18.11](#), *Limit on Acute Inpatient Mental Health Care* and [Chapter 2, Section 18.17](#), *Limit on Residential Treatment Center (RTC) Care*) with the only additional requirement being that the economic interest be disclosed as part of the request. The same reconsideration and appeals procedures that apply to day limit waivers shall also apply to decisions regarding requested waivers of the economic interest exclusion. However, a provider may appeal a reconsidered determination that an economic relationship constitutes an economic interest within the scope of the exclusion to the same extent that a provider may appeal determinations. If a situation arises where a decision is made to exclude CHAMPVA payment solely on the basis of the provider's economic interest, the normal CHAMPVA appeals process will be available.

III. EXCEPTIONS

A. The economic interest provision does not apply to:

1. [Chapter 2, Section 12.1](#), *Well-Child Care* (Hearing Impairment Criteria for a Helpless Child, Visual Impairment for a Helpless Child).
2. [Chapter 2, Section 18.18](#), *Psychiatric Partial Hospitalization Programs-Preauthorization and Day Limits*.

END OF POLICY