

**Department of
Veterans Affairs**

MEMORANDUM

Date posted _____ Initials _____

February 20, 2002

Chief, Policy and Compliance Division

Transmittal #42, CHAMPVA Policy Manual

See Transmittal Distribution List

1. With this transmittal, an Introduction for the CHAMPVA Policy Manual is provided. The Introduction provides the applicable Public Law and US Code (USC) references for the CHAMPVA Program. As mandated by Public Law 107-135, the US Code reference was changed from 38 USC 1713 to 38 USC 1781. As the Introduction provides the US Code for the CHAMPVA Program, all policies from this transmittal and forward will have the US Code citation removed.
2. Explanation of changes and related index updates of the CHAMPVA Policy Manual and filing instructions are in the following summary:

SUMMARY

REMOVE		INSERT	
<u>C-S</u>	<u>Pages</u>	<u>C-S</u>	<u>Pages</u>

MTOC	1-19	MTOC	1-19
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[Master Table of Contents.](#)

Chapter 1 changes include removing the policy titled Special Programs and replacing with two policies, *CHAMPVA Inhouse Treatment Initiative (CITI)*, Section 4.1 and *Meds by Mail (MbM)*, Section 4.2. Chapter 2 changes include adding Sections 23.3A-1, *Immunization Injections, Addendum 1* and Section 23.3A-2, *Immunization Injections, Addendum 2*; amending the titles for Section 2.2, *Breast Construction as Result of a Congenital Anomaly*; Section 3.3, *Cryotherapy (Cryosurgery) For Liver Metastases*; Section 7.4, *Continuous Esophageal pH Monitoring (CAEpHM)*; Section 7.6, *Otorhinolaryngologic Services*; Section 11.3, *Transfusion Services For Whole Blood, Blood Components and Blood Derivatives*; Section 14.6, *Electronic Fetal Monitoring*; Section 16.10, *Sexual Dysfunctions, Paraphilias, and Gender*

SUMMARY

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C-S **Pages** **C-S** **Pages**

Master Table of Contents (continued).

Identity Disorders; Section 18.6,
Psychological Testing; Section 18.10,
Preauthorization Requirements For Acute Hospital Psychiatric Care; Section 18.16,
Preauthorization Requirements For Substance Use Disorders Detoxification and Rehabilitation; Section 20.2, *Intraoperative Neurophysiology Testing*; Section 20.17, *Intrathecal Baclofen (ITB™) Therapy*; Section 21.2, *Fetal Fibronectin Enzyme Immunoassay*; Section 23.3, *Immunization Injections*; Section 29.3, *Complications (Unfortunate Sequelae) Resulting From Noncovered Surgery or Treatment*; Section 29.13, *Percutaneous Transluminal Balloon Valvuloplasty*; Section 31.2, *Heart Transplantation*; Section 33.3, *Collagen Implantation For Incontinence*; Section 34.2, *Non-Invasive Peripheral Vascular Diagnostic Studies: Cerebrovascular Arterial Studies*; and Section 34.3, *Non-Invasive Vascular Diagnostic Studies: Extremity Venous Studies (including digits)*.

[Chapter 1, Table of Contents.](#)

TOC-1 1 TOC-1 1

Changes include removing the policy on Special Programs and replacing with Section 4.1, *CHAMPVA Inhouse Treatment Initiative (CITI)* and Section 4.2, *Meds by Mail (MbM)*.

[Chapter 1, Section 4.1](#), The Special Programs policy is removed and is replaced by two separate policies, *CHAMPVA Inhouse Treatment Initiative (CITI)* and *Meds by Mail (MbM)*.

1-4.1 1-2

[Chapter 1, Section 4.1](#), *CHAMPVA Inhouse Treatment Initiative (CITI)*. Provides clarification for TDA (transfer of disbursing authority) process.

1.4.1 1

SUMMARY

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[Chapter 1, Section 4.2](#), *Meds by Mail (MbM)*.
Policy clarifies that beneficiaries may not have other health insurance prescription drug coverage to qualify for MbM and adds that drugs must be FDA approved.

1-4.2 1

[Chapter 2, Table of Contents](#).
Chapter 2 changes include adding Section 23.3A-1, *Immunization Injections, Addendum 1* and Section 23.3A-2, *Immunization Injections, Addendum 2*; amends the titles for Section 2.2, *Breast Reconstruction as Result of a Congenital Anomaly*; Section 3.3, *Cryotherapy (Cryosurgery) For Liver Metastases*; Section 7.4, *Continuous Esophageal pH Monitoring (CAEpHM)*; Section 7.6, *Otorhinolaryngologic Services*; Section 11.3, *Transfusion Services For Whole Blood, Blood Components and Blood Derivatives*; Section 14.6, *Electronic Fetal Monitoring*; Section 16.10, *Sexual Dysfunctions, Paraphilias, and Gender Identity Disorders*; Section 18.6, *Psychological Testing*; Section 18.10, *Preauthorization Requirements For Acute Hospital Psychiatric Care*; Section 18.16, *Preauthorization Requirements For Substance Use Disorders Detoxification and Rehabilitation*; Section 20.2, *Intraoperative Neurophysiology Testing*; Section 21.2, *Fetal Fibronectin Enzyme Immunoassay*; Section 23.3, *Immunization Injections*; Section 29.3, *Complications (Unfortunate Sequelae) Resulting From Noncovered Surgery or Treatment*; Section 29.13, *Percutaneous Transluminal Balloon Valvuloplasty*; Section 31.2, *Heart Transplantation*; and Section 33.3, *Collagen Implantation For Incontinence*.

TOC-2 1-14 TOC-2 1-14

<u>SUMMARY</u>	REMOVE		INSERT	
	<u>C-S</u>	<u>Pages</u>	<u>C-S</u>	<u>Pages</u>
Chapter 2, Section 1.1 , <i>Acupuncture as Anesthesia</i> . Deletes reference to TRICARE Policy Manual and amends Policy to reflect that acupuncture is not covered in any circumstance.	2-1.1	1	2-1.1	1
Chapter 2, Section 1.3 , <i>Epidural Narcotics/ Steroids</i> . Adds CPT code; amends Description by removing CPT code references; corrects spelling for adjunct in Policy; moves statement from Policy Consideration to Policy that epidural steroids beyond two initial injections may be cost shared; corrects hyperlink for <i>Anesthesia</i> policy; deletes obsolete CPT codes under Policy Considerations; corrects CPT code range for postoperative analgesia services; corrects hyperlink for <i>Evaluation and Management Services (Office Visits) With Surgery</i> policy; and removes the phrase, “subject to the guidelines under paragraph D. above,” under chronic pain analgesia for conditions other than cancer.	2-1.3	1-3	2-1.3	1-3
Chapter 2, Section 1.4 , <i>Hypnotherapy</i> . Amends Policy to reflect that hypnotherapy is not covered in any circumstance.	2-1.4	1	2-1.4	1
Chapter 2, Section 4.2 , <i>Automatic Implantable Cardioverter – Defibrillator (AICD)</i> . Authority line amended; removes reference to TRICARE Policy Manual; adds CPT and HCPCS codes; and removes statement that medical review is required under Policy Considerations.	2-4.2	1-2	2-4.2	1-2
Chapter 2, Section 4.3 , <i>Coronary Atherectomy</i> . Removes reference to TRICARE Policy Manual; amends CPT range; corrects spelling error in Description; under Policy removes reference regarding coronary atherectomy and FDA approved catheters; and removes Policy Considerations.	2-4.3	1-2	2-4.3	1-2

<u>SUMMARY</u>	REMOVE		INSERT	
	<u>C-S</u>	<u>Pages</u>	<u>C-S</u>	<u>Pages</u>
Chapter 2, Section 18.6 , <i>Psychological Testing</i> . Expands the Description for psychological testing, under Exclusion a brief description for Reitan-Indiana battery test is provided; and Appendix 1 is removed from the policy.	2-18.6	1-3	2-18.6	1-2
Chapter 2, Section 23.3 , <i>Immunization Injections</i> . Amends Procedure Code(s) Range and Addenda 1 and 2 are removed from policy.	2-23.3	1-7	2-23.3	1
Chapter 2, Section 23.3A-1 , <i>Immunization Injections, Addendum 1</i> . Addendum is added as a separate document.			2-23.3A-1	1-3
Chapter 2, Section 23.3A-2 , <i>Immunization Injections, Addendum 2</i> . Addendum is added as a separate document.			2-23.3A-2	1-3
Chapter 2, Section 29.3 , <i>Complications (Unfortunate Sequelae) Resulting From Noncovered Surgery or Treatment</i> . Corrects spelling error in title and removes reference to <i>Surgery For Morbid Obesity</i> policy.	2-29.3	1-3	2-29.3	1-3
Chapter 2, Section 30.5 , <i>Biofeedback</i> . Amends Authority and Related Authority lines and urinary incontinence is removed from Exclusions.	2-30.5	1-3	2-30.5	1-3
Chapter 3, Section 6.2 , <i>Hospital Reimbursement – CHAMPVA DRG-Based Payment System</i> . Adds DRG adjustment factor of 12% for capital and medical education costs.	3-6.2	1-9	3-6.2	1-9

SUMMARY

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<u>C-S</u>	<u>Pages</u>	<u>C-S</u>	<u>Pages</u>

Chapter 3, Section 6.3 , <i>Cost-to-Charge (CTC) Payment System</i> . Policy amended to include acquisition costs related to transplants will continue to be paid on a reasonable cost basis and are not included in the DRG; adds cost-to-charge reimbursement consideration for services related to small intestine, combined small intestine/liver and multivisceral transplants; and revises blood clotting factor procedure codes and reimbursement rates.	3-6.3	1-6	3-6.3	1-7
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Related Index Updates

Subject Index. Amended to update and include policies referenced in this transmittal.	C-1 thru C-8 F-1 thru F-2 I-1 thru I-10 M-1 thru M-5 S-1 thru S-6	C-1 thru C-8 F-1 thru F-2 I-1 thru I-10 M-1 thru M-5 S-1 thru S-6
Codes Index. Amends index to add and delete codes referenced in policies. Changes are highlighted in the index for reference purposes.	1-26	1-26

3. File this transmittal memorandum in the front of the CHAMPVA Policy Manual.

Susan Schmetzer
Chief, Policy & Compliance

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