

**Department of
Veterans Affairs**

MEMORANDUM

Date posted _____ Initials _____

June 26, 2003

Chief, Policy and Compliance Division

Transmittal #56 CHAMPVA Policy Manual

See Transmittal Distribution List

1. Explanation of changes and related index updates of the CHAMPVA Policy Manual and filing instructions are in the following summary:

<u>SUMMARY</u>	<u>REMOVE</u>		<u>INSERT</u>	
	<u>C-S</u>	<u>Pages</u>	<u>C-S</u>	<u>Pages</u>
<u>Master Table of Contents, (MTOC)</u> . Adds new policy Chapter 2, Section 15.9, <i>Outpatient Observation Stays</i> , and amends title of Chapter 2, Section 31.5 to read <i>Simultaneous Pancreas-Kidney (SPK), Pancreas After Kidney (PAK), and Pancreas Performed Alone (PTA) Transplantation</i> ; removes Chapter 2, Section 31.6, <i>Pancreas Transplantation</i> ; and reserves Chapter 2, Section 31.6.	MTOC	1-18	MTOC	1-18
<u>Chapter 1, Section 2.4, Spouse</u> . Adds to Policy Considerations a veteran, who is also a CHAMPVA beneficiary, may choose to receive his/her medical benefits through the VA health care system or through CHAMPVA and removes from Exclusions that a veteran/spouse is not entitled to dual coverage.	1-2.4	1-3	1-2.4	1-3
<u>Chapter 2, Table of Contents</u> . Adds new policy Chapter 2, Section 15.9, <i>Outpatient Observation Stays</i> , amends title of Chapter 2, Section 31.5 to read <i>Simultaneous Pancreas-Kidney (SPK), Pancreas After Kidney (PAK), and Pancreas Performed Alone (PTA) Transplantation</i> ; removes Chapter 2, Section 31.6, <i>Pancreas Transplantation</i> ; and reserves Chapter 2, Section 31.6.	TOC-2	1-13	TOC-2	1-13

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	<u>C-S</u>	<u>Pages</u>	<u>C-S</u>	<u>Pages</u>
<u>Chapter 2, Section 15.9</u> , <i>Outpatient Observation Stays</i> . New policy providing the coverage criteria for outpatient observation stays.			2-15.9	1-2
<u>Chapter 2, Section 17.6</u> , <i>Therapeutic Shoes for Diabetics</i> . Removes 38 USC 1713 Authority reference; removes TRICARE Policy Manual reference; and amends HCPCS code range.	2-17.6	1-2	2-17.6	1-2
<u>Chapter 2, Section 17.25</u> , <i>Vacuum-Assisted Closure Device (V.A.C.®)</i> . Revises format.	2-17.25	1-4	2-17.25	1-4
<u>Chapter 2, Section 31.5</u> , <i>Simultaneous Pancreas-Kidney (SPK), Pancreas After Kidney (PAK) and Pancreas Performed Alone (PAK) Transplantation</i> . Amends policy title; removes 38 USC 1713 Authority reference and TRICARE Policy Manual reference; adds coverage for pancreas transplant alone (PTA) and pancreas after kidney (PAK) when following the affirmative patient selection criteria; and that reimbursement for the transplants will be based under the appropriate DRG for admissions on or after October 1, 1999.	2-31.5	1-5	2-31.5	1-5
<u>Chapter 3, Section 5.1</u> , <i>Outpatient/Inpatient Professional Provider Reimbursement</i> . Amends policy by removing language for Metropolitan Statistical Area relating to prevailing charges and replaces with Medicare Economic Index (MEI) and clarifies that when professional or diagnostic tests using CMAC pricing are billed, the claim must have the appropriate CPT coding and modifiers, if necessary, or the claim will be denied.	3-5.1	1-5	3-5.1	1-5
<u>Chapter 3, Section 6.3</u> , <i>Cost-To-Charge (CTC) Payment System</i> . Adds that all services related to pancreas transplant alone (PTA) through September 30, 1999, are subject to the cost-to-charge payment system and effective October 1, 1999, services related to PTA and pancreas after kidney (PAK) will be paid under the appropriate DRG.	3-6.3	1-7	3-6.3	1-7

SUMMARY

	REMOVE		INSERT	
	<u>C-S</u>	<u>Pages</u>	<u>C-S</u>	<u>Pages</u>
<u>Chapter 3, Section 7.1</u> , <i>Ambulatory Surgical Center (ASC) Reimbursement</i> . Removes language for Metropolitan Statistical Area (MSA) and replaces with Medicare Economic Index (MEI).	3-7.1	1-5	3-7.1	1-5
<u>Chapter 3, Section 9.1</u> , <i>Ambulance Services Reimbursement</i> . Removes reference to the TRICARE Policy Manual and adds clarification of the coverage of advanced life support (ALS) transport in areas that offer only ALS ambulance and where local ordinances or regulations mandate ALS-only patient transport.	3-9.1	1-3	3-9.1	1-4
Codes Index . Amends index to add and delete codes referenced in policies.		1-28		1-28
Subject Index . Amended to update and include policies referenced in this transmittal.	M -1 thru O -1 thru P -1 thru R -1 thru T -1 thru	M - 8 O - 2 P - 12 R - 6 T - 6	M -1 thru O -1 thru P -1 thru R -1 thru T -1 thru	M - 8 O - 2 P - 12 R - 6 T - 6

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

Susan Schmetzer
Chief, Policy & Compliance

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