

## CHAMPVA POLICY MANUAL

CHAPTER: 1  
SECTION: 4.1  
TITLE: CHAMPVA INHOUSE TREATMENT INITIATIVE (CITI)

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AUTHORITY: 38 CFR 17.272(a) and 17.274

RELATED AUTHORITY: 42 CFR 1814(c)

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### I. DESCRIPTION

CHAMPVA Inhouse Treatment Initiative (CITI). CITI is a voluntary program that allows treatment of CHAMPVA beneficiaries at Veterans Affairs (VA) medical care facilities that have elected to participate in the CITI program.

### II. POLICY

CHAMPVA Inhouse Treatment Initiative (CITI).

1. Services are limited to covered medical conditions.
2. The CHAMPVA beneficiary cost share and deductible are waived.
3. Reimbursement to the participating CITI facilities is made by CHAMPVA **on a monthly basis** through the transfer of disbursing authority (TDA) process. The **claims** are processed upon receipt **of the itemized billing statements**. Exceptions to the itemized billing statements are:
  - a. Pharmacy - VA cost plus a \$5.00 dispensing fee **for each line item listed on the claim** or the average wholesale price (AWP) as reflected in Drugs Topic Red Book, plus a \$3.00 dispensing fee, whichever is less.
  - b. Durable medical equipment (DME) – VA actual cost plus 10% processing fee **(not to exceed \$200)**. **Preauthorization is not required for DME provided by the CITI facility.**
  - c. Inpatient Professional fees - included in the CHAMPVA allowable for inpatient services (inpatient services paid at 100% of the allowable for CITI claims).
4. Medicaid eligible beneficiaries may participate in the CITI program. Whenever a CHAMPVA beneficiary is also eligible for Medicaid, CHAMPVA becomes the primary payer (see [Chapter 3, Section 4.1](#), *Other Health Insurance (OHI)*).

### III. POLICY CONSIDERTIONS

A. Existence of Other Health Insurance (OHI). Prior to payment of any claim for services or supplies rendered to a CHAMPVA beneficiary, the CITI facility must determine whether other coverage exists under any other insurance plan, medical service, or health plan. Benefits cannot be paid to the CITI facility until the claim has been filed with the other health insurance and a payment determination issued (explanation of benefits (EOB)) by the other insurer.

B. Waiver of Benefits. CHAMPVA beneficiaries do not have the option of waiving benefits of another insurance plan or health plan in order to place CHAMPVA as the primary payer. If for any reason the beneficiary obtains medical supplies or services outside their insurance carrier providers (i.e., PPOs, HMOs, PCPs), and those benefits are denied by OHI, CHAMPVA will also deny payment on the claim. If the insurance carrier certifies in writing that they would not have paid or covered the services even if they had been obtained through their providers, CHAMPVA will become the primary payer only if the service is a covered benefit.

### IV. EXCLUSION

Medicare eligible beneficiaries cannot be treated in CITI facilities. [42 CFR 1814(c)]

**\*END OF POLICY\***