



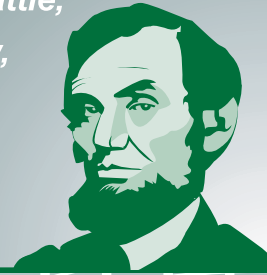
Department of Veterans Affairs
Health Administration Center

CHAMPVA newsletter

Winter 2004 Volume 1 Number 1

*"To care for him who shall
have borne the battle,
and for his widow,
and his orphan"*

Abraham Lincoln



2004

Track Your CHAMPVA Claims Online

Due to the overwhelming number of phone inquiries about the status of CHAMPVA beneficiary claims, the Health Administration Center has implemented a web based application that will allow CHAMPVA beneficiaries to track submitted claims via the world wide web.

This program will allow CHAMPVA beneficiaries like yourself to track current claim submissions, ask questions about pending claims and communicate with us via an e-mail link on the HAC website. To do this you will need to log into our website and establish an account. After you have done that, in about ten days, we will mail you an account name and a password that you can use

in the future to monitor your submitted claims. Please follow the instructions below to begin.

How to use the Interactive Claims Tracking System

Step 1: Go to the Beneficiary Access website at:

[HTTP://WWW.MYCHAMPVA.COM](http://www.mychampva.com)

Step 2: Select "CHAMPVA Program"

Step 3: Select "NEW USERS"

Step 4: Fill in all required fields. These are fields with an * (asterisk) next to them. *(Note that your phone number is optional.)*

Within ten days you will receive a letter in the mail from us that has your

user name and password. Once you get your username and password, to check the status of your account or any pending claims please follow these directions.

Step 1: Return to [HTTP://WWW.MYCHAMPVA.COM](http://WWW.MYCHAMPVA.COM)

Step 2: Select "CHAMPVA Program"

Step 3: Select "EXISTING USERS"

Step 4: Log in with the name and password that we sent you in the mail

Step 5: To receive messages, select "REVIEW QUESTIONS AND RESPONSES"

Step 6: To check a claim, select "REVIEW CLAIMS STATUS"

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New CHAMPVA Benefits Added

Surviving spouses who meet the criteria for a CHAMPVA beneficiary, and were age 55 or older when they remarried, are eligible to apply for CHAMPVA. Those surviving spouses who met this criteria before the effective date of February 4, 2003, will have until December 16, 2004 to apply for CHAMPVA benefits.

Additional immunizations coverage is provided based on the Center for Disease Control (CDC). The new immunizations recommended for children are: hepatitis B, haemophilus influenza type b, varicella vaccine, pneumococcal vaccine, hepatitis A vaccine, and influenza vaccine. For adults, the tetanus and diphtheria

toxoids combined are a covered benefit.

Benefit coverage was expanded to provide the following:

- Genetic testing is covered for breast cancer (some limitations do apply) and also for sickle cell anemia.
- Benefits have been expanded for x-ray mammography. Asymptomatic women age 40 years and older are now allowed one screening mammography every 12 months.
- Pancreas-after-kidney transplantation and pancreas-alone transplantation are covered when preauthorized.
- Benefits have also been added for pulmonary

rehabilitation for pre- and post-lung transplant patients and for severe cardiopulmonary disease (COPD) on an inpatient basis and for moderate and severe COPD on an outpatient basis.

Avoid These Common Errors

If you or your provider is submitting for reimbursement for an ambulance claim, always include a copy of the ambulance trip report.

If you or your provider is submitting a claim for physical therapy, always include doctor's orders/ treatment plan and therapists progress notes.

HAC Director Update



I hope you like the look of our new CHAMPVA newsletter. This change is indicative of all the changes that have taken place with CHAMPVA and VA's Health Administration Center since we started providing benefits to those over age 65 in 2001. We now have over 200,000 enrollees. We have more enrollees over age 65 today than our total enrollees in September 2001 – the month before we started CHAMPVA for Life. During 2001, 2002 and 2003, we notified over 260,000 people of their new eligibility for CHAMPVA. The HAC staff were busy campers!

We've had to learn many new things about our new enrollees. For example, by the time you read this, many of you will have received the 2004 CHAMPVA Handbook. You will notice that the print is larger helping to make the book easier to read. And while it looks bigger, it's only because of the change in print size.

We changed our phone center to better meet your needs. In early 2001, we were open four hours a day. Today we are open almost 11 hours a day. In early 2001, you may have gotten a busy signal 75% of the time, today you almost never get one. In early 2001, you may have waited up to an hour to talk to a benefits advisor – today the waiting time averages just under two minutes.

For the 50% of you who have access to the internet, we offer e-mail inquiries service that responds in 24 hours. In 2001 if you wrote us a letter, you may have waited 90-120 days to get an answer – today our average turn around time is 10-12 days.

In 2001, we were processing about 70-75% of claims in 30 days, in 2003 we were processing 95-98% in 30 days.

In 2001 it took between 3-6 months to process an application for benefits. Today that time is down to 10 days for the part of the process under our control.

To make these changes and provide the service you deserve, we added staff, bought new phone equipment, started a formal training program for our benefit advisors and generally worked hard to keep and maintain you as the focus of what we do.

So what's in store for the future...more change for sure! Elsewhere in this newsletter you can read about our new interactive web site where you can check the status of your claim. As we expand this capability later in 2004, you will be

able to update your Other Health Insurance information online and if my wildest dreams come true, you will be able to submit your claim via the internet within the next 2-3 years. While we could give you an online claim form today, we don't have the tools and process in place to match up the attachments – but we're working on it!

Later in 2004 and 2005, as TRICARE brings on line its new contractors, there should be some improvement in your ability (and ours) to find CHAMPVA participating providers. With the superb cooperation of the Department of Defense's TRICARE Management Activity, the new TRICARE contractors will be required to ask their network providers to consider accepting CHAMPVA. Those that do will be identified in the TRICARE provider guide. You'll be able to get the guide from TRICARE, from us or view it online. While this won't solve all access problems across the U.S., it will help.

We plan to continue our community briefings in 2004. As I and some of my senior staff travel around the country, we try to conduct

briefings on CHAMPVA in your community. If we come to your town, you will get a post card letting you know when and where the presentation will be held. Having done more than a dozen of these presentations in the last 2 years, I can tell you it's worth your time to come.

This year we will complete our effort to ensure that we can communicate with all our beneficiaries including those who's preferred language is not English, those who cannot hear or those who cannot see. By the time you read this, we will have in stock at the HAC Spanish versions of most CHAMPVA publications. We will be able to provide the CHAMPVA Handbook in virtually any language, but it will take several weeks to get it translated after you call and make your request. And the Handbook will also be available in Braille. If you call the phone center, we can communicate with you in almost any language through a translator service we now have under contract. And if you are hearing impaired, you can use the Federal Relay Service to communicate with us.

And finally, I wanted you to know who you have taking care of you at the HAC. Today, there are 400 staff members. Of these, 44% are veterans and many others are dependents of veterans/military personnel. We have veterans from Vietnam, Panama, Persian Gulf, Bosnia and other conflicts. We have children of former VA employees – where service to our veterans and their families is a tradition. We even have a CHAMPVA beneficiary who is a staff member. We are all committed to one thing – honoring you and your family's sacrifices and service to our country by providing the best service possible. So we salute you and thank you for letting us do our jobs for you.

CHAMPVA Newsletter
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The CHAMPVA Newsletter is an official publication of the VA Health Administration Center and is written for the express purpose to inform CHAMPVA beneficiaries and providers. Questions and comments should be directed to HAC.INQ@MED.VA.GOV

Are You Being Billed Correctly?

What is Balance Billing?

CHAMPVA has a maximum allowable amount for each service you receive from a licensed provider. The allowable amount we determine includes both our payment to the provider and the portion of the bill that is your responsibility (cost share and deductible). If your provider bills you for more than our determined allowable amount, as indicated on the explanation of benefits form (EOB), that action is called balance billing.

Balance billing is inappropriate. Providers must accept the VA allowable amount as payment in full.

What is Your Responsibility When a Provider Bills You?

By Federal regulation the provider must accept the VA allowable amount as payment in full. You are not responsible for paying the difference between the provider's billed amount and our determined allowable amount.

Under CHAMPVA, you are responsible for paying:

- your cost share,
- deductible, and
- for any services that are not covered benefits to include those that are not medically necessary.

We process 95% of the bills in 30 days or less. For the 5% that take a little longer, the provider may send out monthly statements

or reminders for payment. If you receive a monthly reminder, do not pay if the provider indicates the initial bill has already been sent to us. Call us at 1-800-733-8387 to find out the status of payment on the bill.

Also, you may receive an invoice from a provider when the provider believes they were paid incorrectly. In that case, the provider should submit the bill to us for reconsideration. The provider must submit the disagreement with the payment to us, along with new and relevant evidence or argument for error to:

Health Administration
Center
ATTN: Appeals
PO Box 460948
Denver, CO 80246

How to Report Fraud

Combating fraud and abuse is a cooperative effort. We ask that you review your explanation of benefit forms (EOB's) and ensure the services billed to the HAC were reported properly by the provider. If a service or supply was billed to us that you did not receive, please let us know by writing to the Health Administration Center, ATTN: Policy & Compliance, PO Box 65023, Denver, CO 80206-9023. Please indicate in your letter that you are filing a fraud complaint and provide the following facts:

- The name and address of the provider,
- The name and SSN of beneficiary who received service or item,
- The claim number,
- The date of service in question,

- The service provided,
- The reason why you believe the claim should not have been paid, and
- Any additional information on the case.

New Pharmacy Options

We receive many claims with *numerous* pharmacy receipts. Although we process these claims as quickly as possible, payment can be delayed as the process is very labor intensive and time consuming. As an alternative, we encourage you to submit claims when you receive your medication to allow for faster processing and payment. If you prefer to wait until you have multiple claims, you can submit a printout from the pharmacy that would eliminate the need to submit your cash register receipts. The printout must include all required information *and be signed and dated by the pharmacist.*

If you have submitted a current CHAMPVA Other Health Insurance Certification that indicates you do not have any other health insurance plan with prescription drug coverage, there are other possible options:

Meds by Mail

For non-urgent, maintenance medication needs, you can submit your prescriptions to our Meds by Mail Center and have your medicine mailed directly to your home. This is

available *at no cost to you!* For more information on the Meds by Mail program, visit our website at [HTTP://WWW.VA.GOV/HAC/CHAMPVA/MEDS/MEDS.ASP](http://WWW.VA.GOV/HAC/CHAMPVA/MEDS/MEDS.ASP).

Medical Matrix Pharmacy Network

Many pharmacies use Medical Matrix, which has over 45,000 pharmacies in its network. The advantage to you is that you need only pay your cost share for the medication (after your outpatient deductible has been met) and there are no claims to file. To obtain a listing of local pharmacies in your area that are part of the Medical Matrix network of pharmacies, you may access our website at WWW.VA.GOV/HAC. For those of you who do not have access to a computer, call Medical Matrix at 1-800-880-1377 or online at WWW.MEDICALMATRIX.COM and ask for names of pharmacies in your area that are part of their network.

If you have any questions, please call us at 1-800-733-8387 Monday-Friday, between 8:15 a.m. and 7:00 p.m. EST.

OHI Reminder!

Failure to provide an Other Health Insurance (OHI) Certification form with current health insurance information could result in denied benefits.

If your OHI information has changed, please send us an updated certification form as soon as possible. Remember that an OHI Certification form is required for each and every beneficiary.

Also, a CHAMPVA ID member card will not be issued if an OHI Certification form is not provided. To obtain a copy of the OHI Certification form, please visit our website at:

[HTTP://WWW.VA.GOV/HAC/CHAMPVA/OHI/OHI.ASP](http://WWW.VA.GOV/HAC/CHAMPVA/OHI/OHI.ASP)

or call us at:

1-800-733-8387 Monday-Friday, between 8:15 a.m. and 7:00 p.m. EST.

or e-mail us at:

HAC.INQ@MED.VA.GOV

Everything You Need to Know About Appeals

You have the right to appeal an initial claim denial regardless of the dollar amount in question. To file an appeal, you must submit it within one year from date of the initial determination letter. An initial determination letter can be in the form of an Explanation of Benefits (EOB) or denial letter. Once we make a decision on your appeal and you still disagree, you may request a second level appeal. Second level appeals must be filed within 90 days from the date of the first level decision letter. Second level appeal determinations are final decisions; therefore, it is imperative that you ensure all relevant facts and supporting medical documentation is provided for review. By law, no exceptions will be made for appeals that are not submitted timely.

Who can Appeal?

- Any CHAMPVA beneficiary, or a parent/guardian of a beneficiary who is under 18 years of age.
- An appointed guardian of a beneficiary who is not competent to act in his or her own behalf.
- A health care provider who has been denied payment on a claim.
- A representative appointed in writing by the beneficiary or provider.

What can be Appealed?

- Denied benefit coverage through the preauthorization process.
- Services that were not submitted within the claim timely filing requirements.
- Second level mental health appeals only. Our mental health contractor, Magellan, reviews first

level mental health appeals.

- Denied applications for CHAMPVA program eligibility.
- Denied services when billed together are found to be incidental or unbundled; reject reason codes 1000-1008 listed on the EOB.
- Benefit coverage decisions that were denied as non-covered, which are not specifically excluded by regulation or program policy.

Decisions that are not Appealable

- Benefits that are specifically excluded by Federal regulation.
- Your cost-share amount.
- You or your family's annual deductible.
- Decisions where a medical provider is sanctioned by the Department of Health and Human Services, Office of Inspector General (HHS-OIG). Providers may be

sanctioned for failure to maintain proper medical credentials, fraud and abuse, default on public loans, or other various reasons. Only the sanctioned provider or appointed representatives can appeal this decision. The appeal also must be directed to the proper sanctioning authority, which in most cases is the HHS-OIG.

- Determinations of a veteran's service-connected disability. Service-connected disability ratings are determined by the local servicing Veterans

Administration Regional Office (VARO) handling the veteran's file.

What is Not Considered a Formal Appeal?

- Claim denials for missing code information (Current Procedural Terminology (CPT), Health Care Common Procedure Coding System (HCPCS), Internal Classification of Diseases (ICD9), National Drug Codes (NDC).
- Decisions on claims where we are requesting more information before an action is taken on your claim. Examples of this may include claim denials requesting medical documentation, operative reports, treatment plans, or a certificate of medical necessity.
- Claim denials requesting an EOB letter from your primary health plan or requests to adjust the amount of the primary health insurance payment, due to miscalculation.
- Billing errors (i.e., incorrect date of service, incomplete or missing procedure codes, and/or billed charges) where a corrected bill is submitted to modify the original claim.

Although these types of claim decisions are not formal appeal issues, you can contact us to provide or obtain additional clarification of the billing issue. To expedite the review, submit a copy of the bill, the CHAMPVA EOB, and any corrections, questions, or additional information (such as OHI information or medical

documentation) to:

Health Administration Center
CHAMPVA
PO Box 65023
Denver, Colorado 80206-9023

Where Do I Send My Formal Appeal?

Health Administration Center
ATTN: APPEALS
PO Box 460948
Denver, Colorado 80246

Where do I send a First Level Mental Health Benefits Appeal?

Magellan Behavioral Health
CHAMPVA
PO Box 3567
Englewood, Colorado 80155

Important Reminders

- Ensure that the appeal is sent to the appropriate address.
- Meet the required appeal filing deadlines.
- Submit a letter requesting an appeal and identify the disputed issue.
- Include the EOB from the appealed claim or the denial letter.
- Provide all relevant facts and supporting medical documentation.
- Retain copies of all paperwork.

Please allow 60 days to receive a determination on your appeal. In the event we cannot make a decision in that time frame, we will notify you in writing or by telephone.

In the event your appeal needs to be expedited, please express the urgency immediately in the content of your appeal letter and annotate "URGENT" in the upper right margin of your letter.

EDI / HIPAA

By now, almost everyone has heard about "HIPAA." Many health care providers have prepared new release of information forms, as part of the new Privacy Regulations. What is this all about? What does it mean to you as a patient or as a provider?

The Health Insurance Portability and Accountability Act, or HIPAA as it has come to be known, is a law passed by Congress in 1996. This law has many provisions, but the part that impacts health care is called the Administrative Simplification provision. HIPAA includes regulations for providers submitting electronic health care claims, payments, eligibility and claim status inquiries; privacy and security of patient information; and unique provider and health plan identifiers.

Why did Congress make this new law? HIPAA regulations were written to improve efficiency by establishing standards for electronic transmission of health information. The benefits of

conducting business using electronic data interchange (EDI) have been

recognized for many years. Many other industries use EDI to send information. When you go to the grocery store and the cashier uses the bar code at the checkout counter to ring up the sale, that is a form of EDI. The same thing is true when you use your credit card at the gas pump. Your purchase is recorded and tracked electronically for your monthly credit card statement.

What does HIPAA mean to you as a CHAMPVA beneficiary? It means your providers can obtain eligibility information, submit a claim and receive payment electronically. The speed at which these transactions occur are in seconds. What can you do to help in this new way of doing business? Make sure your medical and pharmacy providers have your name and CHAMPVA authorization number in their records as it appears on your CHAMPVA card. This will help us to identify you when your provider contacts us or sends us a claim on your behalf.

What does HIPAA mean to you as a health care provider? You can electronically submit your claims to us through our clearinghouses WebMD and Medical Matrix, Inc. You can also request eligibility, claim status and health care services reviews electronically. On all transactions, please be sure to use the patient's name and authorization number as it appears on their CHAMPVA card.

Finally, we urge all of our providers to consider receiving payments by Electronic Funds Transfer (EFT). EFT is efficient, convenient and secure. For providers who would like to apply for EFT, please contact VA's Financial Management Service at 1-877-353-9791.

For more information about EDI and CHAMPVA, please visit our website at: WWW.VA.GOV/HAC

Have You Tried Meds by Mail?

Meds by Mail is a voluntary service that provides a safe, easy and cost-free way for many CHAMPVA beneficiaries to receive non-urgent, maintenance medications delivered right to your door. There are NO co-payments, NO deductible requirements, and NO claims to file! To be eligible for Meds by Mail, beneficiaries must submit a CHAMPVA Other Health Insurance Certification that shows they have no other health insurance plan with prescription drug coverage.

To place an order for medications, you must have a new prescription from your doctor that is written for at least a 30-day supply or up to a maximum of a 90-day supply plus refills, not to

exceed one (1) year. Send in the original prescription (not a copy) and the Meds by Mail order form to our Servicing Center in Cheyenne, Wyoming. The patient's Social Security Account number must be on the form. The prescription must be signed by the doctor, plus have his/her printed name, telephone number, and mailing address.

There are many kinds of medicines that eligible beneficiaries can receive. Maintenance medications that are taken for longer periods of time such as blood pressure, heart, arthritis, and chronic pain medications are available through Meds by Mail. Certain controlled, maintenance medications such as Valium, Klonopin, Vicodin, and many others are available. All narcotic

medications such as Percocet, Ritalin, and Oxycontin are NOT available and must be filled at a local pharmacy. Over-the-Counter items that do not require a prescription cannot be filled under the Meds by Mail program; however, insulin and insulin supplies are an exception to the rule and can be filled through Meds by Mail.

Registration forms are also available from our website at WWW.VA.GOV/HAC by selecting FORMS from the left panel. For more information, click on the Meds by Mail link from the left panel on the same web page. To request prescription order forms or if you have any other questions, call 1-800-733-8387 or e-mail HAC.INQ@MED.VA.GOV.

Update Your Dependents

One thing is certain . . . change is constant. As you experience changes in your family, it is important to keep us informed of those changes. Update your file as soon as changes occur so that all eligible family members receive the coverage they deserve. It is always frustrating to update information after benefits were needed the most.

Has there been a recent marriage? Has there been a new birth or adoption? Did your child turn 18? Is your child a full-time student between the ages of 18 and 23? These are just a few of the events that can affect a family's eligibility for CHAMPVA benefits.

If you have any questions about updating dependent information or need further assistance, please visit our website at WWW.VA.GOV/HAC, call us at 1-800-733-8387 Monday-Friday, between 8:15 a.m. and 7:00 p.m. EST, or e-mail us at HAC.INQ@MED.VA.GOV.

2004 at the Health Administration Center

As we begin another new year, the VA's Health Administration Center (HAC) is focused on providing additional information and services to efficiently meet or exceed the expectations of beneficiaries and providers. With enrollment this year projected to reach over 231,000, steps are being taken to improve systems and processes.

Telephone Customer Service

Managing call volume remains a priority. As we continue to improve systems and procedures, our targeted call handling time is to answer 80% of calls in 30 seconds or less. Our higher call volume is experienced early in the week (Mondays through Wednesdays). The phone volume generally slows down at the end of the week. Based on telephone statistics, the best days and times to call to reduce waiting time are Thursday or Friday, 8:15 a.m. to 7:00 p.m. Eastern Time. In Spring 2003 the phone hours were extended from 6:00 p.m. to 7:00 p.m. Eastern Standard Time to offer more contact options

to beneficiaries. The hours of operation are now 8:15 a.m. to 7:00 p.m. Eastern Standard Time, Monday through Friday.

You can check the status of a submitted claim by speaking to one of our benefits advisors, through the automated phone menu, or through My CHAMPVA. Call the toll free assistance line at 1-800-733-8387. Press 1 to check claim status, and then select 3 to access the automated system for inquiries on claim status. We have a variety of other services available through the automated system, as well.

Seasonal Information

As this new year begins, remember that the annual (calendar year) outpatient deductible of \$50.00 per beneficiary or \$100.00 per family will come from the first claim submitted before CHAMPVA pays for a covered outpatient medical service or supply.

The catastrophic cap of \$3,000 per each CHAMPVA eligible family starts over with the new

calendar year as well. The catastrophic cap provides financial protection against the impact of a long-term illness. Be sure to check your Explanation of Benefits (EOB's) for accuracy.

To avoid interruption of CHAMPVA medical coverage for school age dependents between the ages of 18 and 23, an updated school certification verifying the beginning and ending dates of school terms is required. A new school certification is needed for each new term.

You may wish to review the CHAMPVA Handbook concerning these issues, and to verify when, and under what conditions, preauthorization for a benefit is required.

Focus on the HAC Mission and Vision

We remain focused on our Center's Mission and Vision of being the VA experts in health plan management and efficiently administering health plans. Our Values of integrity, accountability, trust, challenge, customer

service and humor allow us to assist in improving the quality of life for families of service connected, permanently and totally disabled veterans and veterans who died from a service-connected condition. We look forward to continuing our working relationship with you and meeting the challenges ahead.

CHANGE IN MARITAL STATUS

CHAMPVA eligibility ends at midnight on the effective date of the annulment or divorce to the qualifying sponsor (veteran). It is your responsibility to notify both the Health Administration Center and the local VA Regional Office immediately upon the termination of the marriage. If you fail to disclose this information, it could result in criminal and or civil penalties.

CHAMPVA EN ESPANOL (CHAMPVA in Spanish)

SPANISH

El Departamento de Veteranos (HAC) en Denver ahora escribe el folleto CHAMPVA igual que todos los otros folletos de nuestro programa VAHAC en español. Aunque todos los veteranos tuvieron que aprender a leer y escribir inglés durante su servicio en el ejército, muchos de sus beneficiarios hablan solamente el español. Por esta razón, todos los folletos de CHAMPVA (y los folletos de Spina Bifida, Niños de Mujeres Veteranas de Vietnam y Farmacia por correo) ahora se pueden obtener en español. También se pueden obtener en español en su computadora solo marcando HAC. También, en la línea de beneficios telefónica de VAHAC 800-733-8387 donde también ofrecemos servicio de traducción en cualquier idioma. Igualmente si un beneficiario de HAC necesita un folleto en cualquier idioma o en braille el VAHAC puede producirlo.

ENGLISH

The VA Health Administration Center (VAHAC) in Denver now prints the CHAMPVA handbook and all other HAC program brochures and forms in Spanish. Even though all veterans have had to learn and speak English during military service, many of their dependents are Spanish-only speakers. Because of this, all CHAMPVA printed materials (and the brochures for the Spina Bifida, Children of Women Vietnam Veterans and Meds by Mail programs) are now published in Spanish. They are also available in Spanish on the HAC website. In addition, the VA HAC Benefits Advisor Line (1-800-733-8387) now offers a translation service into any language. Similarly, if a CHAMPVA beneficiary wants the handbook in any language (or in Braille) the VA HAC can produce it.

Medicare & Your Pharmacy Benefits

Prescription drug coverage under CHAMPVA

The CHAMPVA pharmacy benefit provides excellent coverage and wide availability of services through the Meds by Mail program, the Medical Matrix network pharmacies, and your local retail

pharmacy. Fact Sheet 01-24, *Pharmacy Benefits*, provides information on each of these programs. The fact sheet is available on our website at WWW.VA.GOV/HAC. You may also obtain it by writing us at the VA Health Administration Center, CHAMPVA, PO Box 65023, Denver, CO 80206-9023 or by calling us at 1-800-733-8387, Monday – Friday, 8:15 a.m. – 7:00 p.m. Eastern Time. Our e-mail is HAC.INQ@MED.VA.GOV

“it sets up an outpatient prescription drug plan under Medicare Part D that will begin in 2006”

Prescription Drug Benefits under Medicare

Public Law 108-173, *Medicare Prescription Drug, Improvement, and Modernization Act of 2003*, added prescription drug coverage under Medicare and many of you have had questions as to how that will impact your CHAMPVA prescription coverage.

The most significant part of the new law is that it sets up an outpatient prescription drug plan under Medicare Part D that will begin in 2006. In the interim, there is a prescription drug discount card program that is expected to begin in June 2004 and be available until 2006. This card will be available for an annual fee and could cut your drug costs by 10 to 15 percent.

There will be many companies that will offer the Medicare-approved card and benefits and discounts will vary.

We anticipate that if you apply and qualify for the prescription drug discount card under Medicare, the reduction of your prescription cost at the pharmacy will also reduce your cost share (co-payment) for the drug under CHAMPVA.

The potential impact of the Medicare Part D drug plan is not as clear. The law did not provide specific guidance on whether you can have coverage under both Medicare and CHAMPVA drug plans, or if you will need to choose between the two plans. Also, although the law states that those who do not enroll in Medicare Part D at their first opportunity will have to pay a penalty if

they enroll later, it is not clear whether those who were eligible for CHAMPVA and chose not to enroll in the Medicare program will have to pay a penalty if they lose CHAMPVA eligibility and later apply for the Medicare prescription program. Guidance is needed from Medicare on issues such as these. When we have additional guidance, we will be able to provide you details regarding what impact the law will have on your CHAMPVA pharmacy benefits.

For the most complete and updated information about the Medicare drug plan and discount card, contact the Centers for Medicare and Medicaid Services at 1-800-633-4227, or visit [HTTP://WWW.CMS.HHS.GOV/MEDICAREREFORM/DRUGCARD/](http://WWW.CMS.HHS.GOV/MEDICAREREFORM/DRUGCARD/). TTY users should call 1-800-486-2048.

CHAMPVA Preauthorization Requirements

Certain types of care/services require advance approval, commonly known as preauthorization. This approval or preauthorization is extremely important. It lets you know if a service or item is covered by the health benefit plan. When preauthorization is not obtained, it may result in denial of the claim. Please note in the following list, that preauthorization for rental of durable medical equipment items is also required if the total purchase price will exceed \$300. For example, if the rental of durable medical equipment is for three months at \$170 per month (\$510 total), then preauthorization is required.

There are items and services that do not require preauthorization, but do require medical documentation with the claim. The following is a list that provides examples of services that, if provided, the physician should send the medical records/notes with the bill.

- allergy testing
- biofeedback
- home health services
- laser surgery
- outpatient diabetes self-management training
- oxygen and oxygen supplies
- physical therapy services
- skilled nursing services
- surgery for morbid obesity (gastric bypass, gastric stapling or gastroplasty)

If you have questions about the items that require preauthorization for our programs, the coverage criteria or the medical documentation needed for a particular item or service you may access the policy manuals for our programs from our website at WWW.VA.GOV/HAC, contact us by phone at 1-800-733-8387, or e-mail at HAC.INQ@MED.VA.GOV.

Preauthorization is required for:

- Dental care

- Durable medical equipment with a ***purchase*** price or ***total rental*** price of \$300 or more
Exception:
Durable medical equipment provided to you through the VA CITI program does not require preauthorization.
- Hospice services
- Mental health/substance abuse services
Exceptions:
 - Services provided through the VA CITI program do not require preauthorization. However, medical documentation must accompany any claim for services that exceeds the allowed benefit.
 - When Medicare is the primary payer and has authorized the care, mental health services do not require preauthorization.
- Transplants

ATTENTION CHAMPVA PROVIDERS!

Providers, are you receiving payment from the HAC by Treasury check? You have the option of receiving payment by electronic funds transfer (EFT).

The benefits of EFT are:

- **Convenience. No need to cash or deposit paper checks.**
- **EFT is highly dependable and efficient.**
- **The risk of a lost, stolen or forged check is eliminated.**
- **Funds are available on the EFT payment date.**

To apply for EFT, call the VA Financial Services Center toll free at **1-(877) 353-9791**.



CHAMPVA Newsletter
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