

CHAPTER 5

PROGRAM FOR THE HANDICAPPED (PFTH)

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CHAPTER 5
PROGRAM FOR THE **HANDICAPPED (PFTH)**

A. GENERAL

The PFTH is essentially a **program** of financial assistance for military personnel on active **duty whose** spouses or children may be moderately or severely mentally retarded or seriously physically handicapped and in need of specialized institutional care, training, or rehabilitation, and the required services are not available from public institutions or agencies. The PFTH was established by Congress to be a source of financial assistance when an active duty member's handicapped dependents, by virtue of residency laws, have been excluded from appropriate publicly operated programs or institutions for the handicapped. There is, therefore, a requirement that all local resources must be considered and those determined as adequate be utilized first, **before** an application for coverage under the PFTH will be acted on by the Director, **OCHAMPUS**, or a designee. There is a further requirement that all institutional care otherwise authorized be provided in not-for-profit **CHAMPUS-approved institutions**. Coverage for any services or supplies under the PFTH requires prior approval.

1. Physical or mental examinations. The Director, **OCHAMPUS**, or a designee, may request a beneficiary to submit to one or more appropriate medical (including psychiatric) examinations to determine the beneficiary's entitlement to benefits for which application has been made or for **otherwise** authorized services and supplies required in the proposed management plan for the handicapped dependent.. When such an examination has been requested, CHAMPUS will withhold payment of any pending claim or claims or preauthorization requests on that particular beneficiary. If the beneficiary or sponsor does not agree to the requested examination, or unless prevented by a medical reason acceptable to CHAMPUS, the examination is not performed within 90 days of the initial request, all pending claim or claims for services and supplies will **be** denied. A **denial** of payments for such services or supplies provided before and related to the request for a physical examination is not subject to reconsideration. The cost of the examination or examinations will be at the expense of CHAMPUS (including any related beneficiary transportation costs). The examination or examinations may be performed by a physician or physicians in a Uniformed Services medical facility or **by** an appropriate civilian physician, as determined and selected by the Director, **OCHAMPUS**, or a designee, who is responsible for making such arrangements as are necessary.

2. Right to information. As a condition precedent to the provision of benefits hereunder, **OCHAMPUS** or CHAMPUS fiscal intermediaries shall be **en-** titled to receive information from a physician or hospital or other person, institution, or organization (including a local, state, or Federal Government agency) providing services or supplies to the beneficiary for which claims or requests for approval for benefits are submitted. Such information and records may **relate** to the attendance, testing, monitoring, examination, diagnosis of, treatment rendered, or services and supplies furnished to, a beneficiary and **shall be necessary** for the accurate and efficient administration of CHAMPUS benefits. In addition, before a determination on a request for preauthorization or claim of benefits is made, a beneficiary or sponsor must provide particular additional information **relevant** to the requested **deter-** **mination**, when necessary. The recipient of such information shall in every

case hold such records confidential except when (a) disclosure of such information is authorized specifically by the beneficiary; (b) disclosure is necessary to permit authorized governmental officials to investigate and prosecute criminal actions; or (c) disclosure is authorized or required specifically under the terms of the Privacy or Freedom of Information Acts (references (i), (j), and (k)) (refer to section M. of Chapter 1 of this Regulation). For the purposes of determining the applicability of and implementing the provisions of chapters 8, 11 and 12, or any provision of similar purpose of any other medical benefits coverage or entitlement, **OCHAMPUS** or CHAMPUS fiscal intermediaries, without consent or notice to any beneficiary or sponsor, may release to any insurance company or other organization, government agency, provider, or other entity any information with respect to any beneficiary when such release constitutes a routine use duly published in the Federal Register in accordance with the Privacy Act (reference ('k)). Before a beneficiary's or sponsor's claim of benefits **will** be adjudicated, the beneficiary or sponsor must furnish to CHAMPUS that information which reasonably may be expected to be in his or her possession and that is necessary to make the benefit determination. Failure to provide the requested information may result in denial of the claim.

3. Timely filing of claims. All claims submitted for benefits under this chapter must be filed with the appropriate CHAMPUS fiscal intermediary no later than December 31 of the calendar-year following the one in which the covered service or supply was provided. Failure to file a claim timely automatically waives all rights to any benefits for otherwise covered services or supplies (refer to Chapter 7 of this Regulation).

4. Eligibility for benefits

a. Eligibility criteria. Eligibility criteria for CHAMPUS generally are contained in Chapter 3 of this Regulation. However, coverage under the PFTH includes and is further limited to:

(1) The dependents, as defined in Chapter 3 but excluding former spouses, of a member of one of the Uniformed Services **who** is under call or order to active duty that does not specify a period of 30 days or **less**, who are moderately or severely mentally retarded or who **have** a serious physical handicap; or

(2) The dependents of a deceased active duty service member who died after January 1, 1967, while eligible for receipt of hostile fire pay or from a disease or injury incurred while eligible for such pay, who are under **21** years of age, and who otherwise meet the criteria of subparagraph **A.4.a.** (1), above, and were receiving benefits under the PFTH at the time of said member's death.

b. Sponsor ceases to be active duty member. When the sponsor ceases to be an active duty member because of death, benefits under the PFTH may be continued through the last day of the calendar month following the month in which the sponsor's death occurred. When the sponsor ceases to be an active duty member for any other reason, such as retirement, separation, or deserter status, benefits under the PFTH cease as of 12:01 a.m. of the day following the day the status of the sponsor changes. Exception is made only for those spouses and children under 21 years of age of deceased members

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qualifying for continued benefits under the provisions of subparagraph **A.4.a.** (2), above. Any support or aid for the handicapped dependent after CHAMPUS benefits cease is the responsibility of the sponsor (or parent or guardian).

c. Scope of benefits. Subject to the conditions and limitations set forth in this Regulation, the **PFTH** provides financial assistance toward the purchase of services or supplies necessary for the following:

(1) Diagnosis.

(2) Inpatient, outpatient, and home treatment.

(3) Training, rehabilitation, and special education.

(4) Institutional care in private not-for-profit or public and state institutions and facilities.

(5) When appropriate, transportation to and from such institutions and facilities.

B. COST-SHARING

The sponsor is required to pay a portion of the costs for each month in which the dependent receives benefits under the PFTH. The amount the sponsor pays is based upon the pay grade. The amounts required of members in each pay grade are as follows:

<u>Member's Pay Grade</u>	<u>Share Amount (dollars)</u>
E-1 through E-5	25
E-6	30
E-7 and O-1	35
E-8 and O-2	40
E-9, W-1, W-2, and O-3	45
W-3, W-4, and O-4	50
O-5	65
O-6	75
O-7	100
O-8	150
O-9	200
O-10	250

Except as specifically set forth in subsection **B.3.**, below, the Government's share of the cost of any benefits provided under the PFTH cannot exceed \$1,000 per month. Any amount remaining after the Government's maximum share has been reached is again the responsibility of the active duty member. In ascertaining the total charges against which the sponsor's and the Government's shares will be computed, certain considerations are made:

1. Charges or costs must be reasonable. The charges or costs must be reasonable for the services or supplies provided. The cost-share computations will be made on the amount determined to be allowable under the method used in the operation of the Basic program (refer to Chapter 6 of this Regulation) and equivalent to a monthly billing unit.

2. CHAMPUS share limit. The CHAMPUS share of the allowable charges or costs of all benefits provided the handicapped beneficiary in a given month will not exceed \$1,000 per month, except when there are two or more handicapped dependents in the same family as described in subsection B.3., below.

3. Two or more handicapped dependents-. When an active duty member has two or more dependents incurring expenses in a given month, the active duty member's monthly obligation will not be greater than he or she would be required to pay if he or she had but one such dependent receiving benefits under the PFTH. Such active duty member will be charged on the basis of the handicapped dependent incurring the least expense under the PFTH in any given month. The active duty member is obligated, however, to pay at least the amount indicated for his or her applicable pay grade shown in this section B., above. When the cost for one dependent is less than the amount shown for the applicable pay grade, the active duty member is obligated to pay such additional amount as is required to meet the cost for his or her pay grade towards satisfying the bill of the second dependent receiving benefits under the PFTH.

4. No prepayment of services. In no case will payment be made in advance for services not yet rendered.

5. Absence from an institution, cost-sharing implications. As a general rule, CHAMPUS will not cost-share any costs incurred during a period the handicapped dependent is absent from an institution with the following exceptions:

a. Illness or injury requiring hospitalization. When the handicapped dependent requires hospitalization, benefits under the PFTH may be continued up to the last day of the calendar month following the calendar month in which the hospital inpatient stay began.

b. Emergency situations. Benefits under the PFTH may be continued in authentic emergency situations, such as serious illness or death in the immediate family, but in no case longer than 7 days including travel time.

c. Therapeutic absences. When a handicapped dependent leaves an institution for a therapeutic absence, benefits under the PFTH may be continued for a period not to exceed 72 hours including travel time.

d. Holiday or school vacation. When a handicapped dependent leaves an institution for a recognized holiday or school vacation during the school term, benefits under the PFTH are limited to no more than 7 days each, including travel time, except that one such absence of up to 15 days, including travel time, is authorized each year. Payments for holiday and vacation absences are authorized only when all paying patients in the facility are charged for the absence.

e. Recording of absences. All absences must be noted on the claim form and a detailed statement attached to the claim form explaining the duration and reason for the absence. Failure to do so will result in termination of benefits.

C. CRITERIA FOR QUALIFYING FOR PFTH BENEFITS

1. General requirements. To be considered for benefits, the applicant must be determined medically to be moderately or severely mentally retarded or seriously physically handicapped to the following extent:

a. Duration of handicap. The condition is expected to result in death, or has lasted, or is, with reasonable certainty, expected to last for a minimum of 12 months; and

b. Extent of handicap. The disability caused by the handicap is of such severity as to preclude the handicapped applicant from engaging substantially in basic productive activities of daily living expected of unimpaired persons of the same age group.

2. Management plan. The services and supplies provided the applicant under the PFTH must be appropriate to the applicant's disability and, to the greatest extent possible, should benefit the applicant through the treatment of the disabling condition or by enhancing the applicant's ability to cope with or overcome the disability. The primary goal of the PFTH is to maximize the potential of the handicapped person to achieve as normal a life style as possible and to maintain the handicapped person in or to return the handicapped person to the home, public school, and community environment, whenever possible.

3. Purchase limitations. Such services and supplies as may be authorized for purchase under the PFTH are limited appropriately to functional and utilitarian services and supplies. Utility and economy will be given primary consideration in approval of equipment.

EXAMPLE : When basic mobility is required, a manual wheelchair will be authorized, unless the physical disability is such that only an electric wheelchair is suitable.

4. Application approval

a. Authority for approval. The Director, **OCHAMPUS**, is vested with the final **authority** on all applications for coverage under the PFTH. This includes the determination as to the severity of the handicap and the appropriateness of the supplies or services to the handicapping condition for which coverage is requested. The Director, **OCHAMPUS**, or a designee, shall request such information as is deemed necessary to make these determinations before issuing approvals or denials. Failure to supply such information will result in deferral or denial of the application for coverage.

b. Deferral or denial of application. In those situations where a deferred or denied application for coverage under the PFTH subsequently is approved, such subsequent approval may be applied retroactively to the date coverage would have been effective had adequate information been provided.

D. MENTAL RETARDATION

1. Definition. Mental retardation refers to subnormal general intellectual functioning and is associated with impairment of either learning and social adjustment or maturation, or both. The diagnostic classification of moderate and severe mental retardation relates to intelligence quotient (IQ) as follows:

- a. Moderate. Moderate mental retardation equates to IQ 36-51.
- b. Severe. Severe mental retardation equates to IQ 35 and under.

NOTE : It is recognized that IQ should not be the only criterion used in making a diagnosis of **mental** retardation or in evaluating its severity. It should serve only to help in making a clinical judgment of the patient's adaptive behavioral capacity. This judgment also should be based on an evaluation of the patient's developmental history and present functioning, including academic and vocational achievement, motor skills, and social and emotional maturity.

2. Acceptable tests to measure intelligence. The **Wechsler** Preschool and Primary Scale of Intelligence (WPPSI), the **Wechsler** Intelligence Scale for Children (WISC) or **Wechsler** Adult Intelligence Scale (WAIS) are the CHAMPUS instruments of choice to determine IQ; however, a Stanford-Binet will be accepted. A person who cannot be tested by an age-appropriate instrument listed above can be tested by another test., provided that an acceptable explanation of why one of the listed tests could not be used is furnished to OCHAMPUS, along with a detailed explanation of "scoring" the test, for the purpose of statistical comparison with one of the above tests. IQ tests must be interpreted by a qualified psychologist certified by the state where the test is administered. In states where certification is not required, the psychologist must have at least a master's degree in psychology. In states that certify "psychometrists" to administer and interpret IQ tests, that certification will suffice.

E. SERIOUS PHYSICAL HANDICAP

1. Definition. Serious physical handicap means a medical condition of the body that meets the following criteria:

a. Duration of handicap. The condition is expected to result in death, or which has lasted, or with reasonable certainty is expected to last, for a minimum period of 12 months; and

b. Extent of handicap. The condition is of such severity as to preclude the handicapped person from engaging substantially in basic productive activities of daily living expected of unimpaired persons of the same age group. For example:

(1) Persons older than high school age generally must be unable to engage in gainful pursuits because of the handicap.

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(2) Persons of up to and through high school age must be unable to be provided an education through the public school **system** because of the handicap.

2. Examples of conditions that may cause serious physical handicaps.
Examples **include**, but are not limited to, the following listed categories:

a. Visual impairment, age 7 and over. A vision impairment will be considered **serious** in persons 7 years of age and older if the handicapped person requires assistance to support the activities of daily living and if the following apply:

(1) The remaining vision in the better eye after best correction is 20/200 or less; or

(2) The contraction of visual fields is to 10 degrees or less from the point of fixation; or

(3) The widest diameter subtends an angle no greater than 20 degrees; or

(4) The **visual** efficiency of the better eye after best correction is 20 percent or less; or

(5) Other conditions impairing visual function such as complete homonymous hemianopsia, or total bilateral ophthalmoplegia.

b. Visual impairment, under age 7. A visual impairment in children under 7 years of age will **be** considered serious (even if correctable with lenses) when the visual impairment is manifested by 20/60 vision or less.

c. Hearing impairment, testable patients. A hearing impairment is a serious physical handicap when, unaided by amplification, it is manifested by **the** following:

(1) A 45 decibel hearing threshold level (**HL**) or poorer in either ear tested at 1,000; 2,000; or 3,000 Hertz (Hz) frequencies; or by

(2) A 30 decibel HL or poorer in each ear tested at 1,000; 2,000 or 3,000 Hz frequencies; or by

(3) Speech discrimination of 60 percent or poorer with either ear.

d. Hearing impairment, nontestable patients. When pure tone audiometry or speech discrimination testing is not available or not reliable because of the patient's age or condition, the attending physician must submit documentation that demonstrates the patient is unable to engage in basic productive activities of **daily** living expected of unimpaired persons of the same age group. An example of **acceptable** documentation would be electrophysiological tests of hearing such as auditory evoked potential testing or a behavioral assessment that shows that, without special help, an infant with a hearing impairment will not develop normal language. Each case will be reviewed on its own merits.

e. Epilepsy, major. Major motor seizures (grand mal or psychomotor) substantiated by an electroencephalogram (**EEG**), occurring more frequently than once a month despite prescribed treatment. With:

(1) Diurnal episodes (loss of consciousness) and convulsive seizures;
or

(2) Nocturnal episodes that show residuals interfering with activity during the day; and

(3) Both or either of the above that have reached the point when the handicapped person requires assistance to support the activities of daily living.

f. Epilepsy, minor. Minor motor seizures (petit mal or psychomotor) substantiated by an EEG, occurring more frequently than once weekly despite prescribed treatment. With:

(1) Alteration of awareness or **loss** of consciousness; and

(2) Transient **postictal** manifestations of unconventional or antisocial behavior; and

(3) Both of the above that have reached the point when the handicapped person requires assistance to support the activities of daily living.

g. Paralysis agitans (Parkinson's disease). With: tremor, rigidity, and significant impairment of mobility (for example, destination) that has reached the point when the handicapped person requires assistance to support the activities of daily living.

h. Cerebral palsy. With :

(1) IQ of 83 or less; or

(2) Abnormal behavior patterns, such as destructiveness, or emotional instability; or

(3) Significant interference in communication due to speech, hearing, or visual defect; or

(4) Significant motor deficit in two extremities; and

(5) Any of the above having reached a point when the handicapped person requires assistance to support the activities of daily living.

i. Multiple sclerosis. With:

(1) Significant motor deficits in two extremities: and

(2) Ataxia substantiated by appropriate cerebella signs or proprioceptive loss; and

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(3) Both of the above that have reached the point when the handicapped person requires assistance to support the activities of daily living.

j. Muscular dystrophy. With

(1) Significant motor impairment and restricted mobility; and

(2) **Flexion** deformities of-both lower extremities; or

(3) Significant weakness or paralysis of muscles of the shoulder girdle or of the neck, with abduction of both arms at the shoulder restricted to less than 90 degrees; and

(4) The conditions having reached the point when the handicapped person requires assistance to support the activities of daily living.

k. Degenerative neurological diseases. Other degenerative neurological diseases (such as Huntington's chorea, Friedrich's ataxia, or **spinocerebellar** degeneration) that have reached the point when the handicapped person requires assistance to support the activities of daily living.

l. Musculoskeletal system. Serious impairments of the **musculoskeletal** system that have reached the point **when** the handicapped person requires assistance to support the activities of daily living.

m. Respiratory system. Serious impairments of the respiratory system that have reached the point when the handicapped person requires assistance to support the activities of daily living.

n. Trauma. Serious impairments resulting from trauma that are at a level that requires assistance to support the activities of daily living.

o. Diabetes mellitus. Severe physical limitations resulting from diabetes **mellitus** occurring in children (that is, under 18 years of age) that have reached the point when the-handicapped person requires assistance to support the activities of daily living.

p. Multiple conditions. Two or more conditions involving separate body systems, neither condition in itself seriously handicapping, but which combined are of such severity as to limit activities in a seriously handicapping manner and have resulted in the handicapped person requiring assistance to support the activities of daily living. Each such multiple condition case will be reviewed on its own merits.

F. PROCEDURES FOR OBTAINING BENEFITS

Active duty members seeking benefits under the PFTH for a dependent spouse or child must secure authorization from OCHAMPUS for such benefits in advance. Payment will not be made for any services or supplies under the PFTH received or obtained before approval of the application by the Director, OCHAMPUS, or a designee. If a beneficiary fails to obtain preauthorization before receiving the services, the Director, OCHAMPUS, or a designee, may extend CHAMPUS benefits if the services or supplies otherwise would **qualify** for benefits but for the failure to obtain preauthorization.

1. **Completed application.** Application is made by completing a CHAMPUS Form 190a, "Request for Health Benefits Under the Program for the Handicapped" (as may be amended), and mailing it to the Director, OCHAMPUS, Aurora, Colorado 80045-6900.

2. **Additional required information.** The applicant also shall submit, along with the required CHAMPUS Form 190a, the following:

a. **Statement of dependent's condition.** A medical statement of the **dependent's condition, giving a specific diagnosis, using the most current ICD-CM,** history of mental retardation or physical handicap, present condition, prognosis, and a proposed, detailed management plan for the handicapping condition, including estimated charges or costs. This statement must be signed by the supervising physician. The medical report may be submitted directly by the physician if so desired.

b. **Use of other than public facilities.** Within the United States, if the management plan proposes to use other than public facilities, a statement is required from **a cognizant** public official certifying **to** the fact that public facilities are or are not available or are or are not adequate to meet the needs of the handicapped dependent, and that public funds are or are not made available for support of the needs of the handicapped dependent in alternative facilities deemed adequate.

NOTE : Inasmuch as there is great diversity in the types of public programs and institutions offering services to the handicapped, it is impossible to list **in** detail the cognizant public officials in each state, county, or local community. As a general rule, the cognizant public official is associated with a public program and has broad knowledge of and authority for providing, the services related to the types of handicap for which CHAMPUS benefits are being requested. For example, in the case of a mentally retarded school-age child who needs to be placed in a special class for the educable handicapped, the cognizant public official **could** be the Director of Special Education for the local school district rather than the principal of the nearest school. In some states where special educational programs are managed at the state level, the cognizant public official may have to be the State Director of Special Education. In still other cases when some kind of vocational rehabilitation is required, the cognizant **public** official may be an official in the State Department of Vocational Rehabilitation; while in another state all vocational rehabilitation programs may be controlled by the Department of Human Resources or the Department of Social Services. **It** is the sponsor's responsibility to determine the appropriate cognizant public official.

c. **Information on available programs.** OCHAMPUS will assist a sponsor to obtain information from those agencies that are possible sources of assistance for the specific condition.

d. **Application review procedure.** A review of PFTH applications shall be done by the Director, OCHAMPUS, or a designee, who shall:

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(1) Determine if the dependent's degree of mental retardation or physical disability (as documented by a physician) is such as to qualify for benefits;

(2) Evaluate the proposed management plan to determine if it is appropriate to the handicapping condition and if the charge or cost is reasonable; or if the services to be provided can be **obtained** more effectively and economically in another CHAMPUS-approved facility providing the same services; and

(3) Evaluate the cognizant public official's statement if the management plan proposes the use of private facilities. If in the opinion of the Director, **OCHAMPUS**, or a designee, the statement of the cognizant public official is inadequate or inappropriate, additional information will be required and the sponsor will be required to contact the agency or official determined to be most cognizant of PFTH in the sponsor's community and obtain a statement as to availability or **nonavailability** of appropriate public facilities.

NOTE : Because of both the wide variety of handicapping conditions and the large number of public institutions and agencies that operate independently of each other, the Director, **OCHAMPUS**, or a designee, will establish contact with these institutions and agencies and offer information and assistance on CHAMPUS beneficiaries so that they can obtain access to those public programs to which they have a legal entitlement. This will include information on such matters as the Interstate Compact in which many states participate, state laws regarding the right to education, services under the Rehabilitation Act (reference **(aa)**), and similar programs. Approval for PFTH benefits will be issued only when it has been determined to the satisfaction of the Director, **OCHAMPUS**, or a designee, that the required services are not available from public sources and that the proposed plan of management will be beneficial to the handicapped person.

e. Application approval, limitations. The application approval will be specific as to the approved facility, management plan, or services and supplies being authorized under the pFTH as **well** as the specific period of time for which authorization is being made. The application approval also may list other requirements (such as a specific reevaluation requirement in 6 months).

NOTE : The approved application is valid only for 90 days. If admission to the approved facility is not accomplished or the management plan is not commenced within 90 days of the date the application is approved, a new application must be submitted for evaluation.

f. Periodic review and reevaluation. A periodic review and reevaluation of the status of **dependents who have been approved** for coverage under the PFTH will be conducted by the Director, **OCHAMPUS**, or a designee, under the following circumstances :

(1) At least annually. The supervising physician's report, a completed CHAMPUS Form 141, "Diagnostic Evaluation, Program for the Handicapped," a new, updated management plan, and a new cognizant **public** official's statement will be submitted reflecting any **change** that may have occurred in the 12-month period.

NOTE : The Director, **OCHAMPUS**, or a designee, may require that any specific case be reviewed more often than annually.

(2) Change of institution. When a dependent handicapped beneficiary is removed from an **institution** that was approved under the **PFTH**, placement in a new institution requires a new application.

(3) Sponsor reassignment. A sponsor who is reassigned to another location within the United States will be required to determine within 60 days from the date of reporting to a new duty assignment if public facilities appropriate to the needs of the handicapped dependent are available. If they are not, it will be necessary to substantiate this fact with a new cognizant public official's statement. Failure to take such action will result in termination of coverage under the PFTH on the 61st day following the date the sponsor reported to the new duty assignment.

NOTE : If it is determined that public facilities are available at the new location, the Director, **OCHAMPUS**, or a designee, may determine that the handicapped beneficiary may continue to receive benefits for inpatient care at the former location under the PFTH **until** the end of the current school year.

G. USE OF PUBLIC FACILITIES

To qualify for benefits under the PFTH, public facilities or state funds must be used to the greatest extent they are available or adequate.

1. Statement of school official or other cognizant public official. For dependents for whom special educational benefits are requested, the sponsor must submit a statement from the superintendent of the local public school district, or designee, that the public **school** district is aware in detail of the dependent's tested educational handicaps and that an adequate education opportunity is or is not available for the dependent, either in the public schools **or** through public resources. A statement must be made by certificate whether or not applicable law requires public funds to help defray the cost of private schooling if public schooling is not available or adequate, and if the law requires such funding. If there is a waiting list for adequate public care, the anticipated length of wait must be stated. A new statement from the superintendent of the local public school district, or a designee, will be required at the beginning of each school year or more frequently, as determined by the Director, **OCHAMPUS**, or a designee.

2. Determination that public facility is adequate. A certified **statement** by a cognizant public official that a public facility or service is or is not available and is or is not adequate to meet the needs of the handicapped spouse **or** child is prima facie evidence of the facts stated. The Director,

OCHAMPUS, or a designee, has final authority in determining whether a facility is available and adequate. CHAMPUS benefits will not be extended when the beneficiary or sponsor elects not to use the public facilities that have been determined to be available and adequate.

3. State contracts with private facilities. As an exception, when a state government (but not a county or municipal government) contracts for institutional care in private facilities, payment to the state is authorized since the care provided in such facilities or homes is considered to be state institutional care. In such a case, the following four requirements must be met and appropriate documentation submitted:

a. Determination of state responsibility. A determination must **be** made by the state that it has a responsibility **for providing** care for the dependent's handicapping condition.

b. Determination that public facility placement cannot be made. The state or other-local jurisdiction must determine that the dependent cannot be placed in a public facility and no state funds are available for such care.

c. State must make placement. The state must make the placement, or determine that it is responsible for a dependent already placed.

d. Acceptable billing and financial procedure. The state must be billed for the services provided by the private facility. The state may not simply act as **an** "intermediary" or a conduit for billing and payment purposes; and CHAMPUS cannot be billed by the state for a greater amount than that billed to other **non-CHAMPUS** patients in like circumstances.

H. COVERED SERVICES AND SUPPLIES

1. General. As a general rule, the services and supplies covered under the PFTH are those that contribute directly to the **habilitation** or rehabilitation of the handicapped dependent. This may include institutional care when the severity of the disability requires protective custody in an institutional setting. Active medical or surgical treatment of an acute illness may be considered under the Basic Program when such treatment is not included as a part of the management plan or a routine part of the institutional services approved under the **PFTH**. Notwithstanding, all services, supplies, and equipment required by and directly related to the handicapping conditions, including those services and supplies approved under the management plan, shall be considered for benefits only under the **PFTH**, whether or not under other circumstances Basic **Program** benefits could apply. The only exception to this requirement is a serious, acute exacerbation of the handicapping condition requiring an inpatient hospital stay. In such a case, Basic Program benefits are applicable for the required period of hospitalization.

EXAMPLES :

a. A mentally retarded child **in** an institution for the retarded becomes ill with appendicitis and is admitted to a general hospital for surgery. The charges related to the inpatient episode **in** a general hospital for the acute appendicitis are considered under the Basic Program.

b. Another dependent with a neurological disability, such as Parkinson's disease, is placed, under the PFTH, in an institution for patients similarly afflicted. The **institutional** charges are all inclusive and all residents receive services, such as routine medications, diet supplements, and periodic medical examinations, and those services and supplies are part of the total management plan. This situation would be cost-shared under the PFTH and benefits would not be available under the Basic Program.

c. In the third situation, a dependent, who is placed in an institution under the PFTH because of Huntington's chorea, experiences an acute episodic period that warrants admission to a hospital **for** medical treatment of the acute phase and which was not included as a part of the approved management plan. This inpatient hospital care would **be** considered for benefits under the Basic Program.

2. Extent of covered services and supplies. Subject to such other definitions, **conditions**, limitations, and exclusions enumerated in this and other chapters of this Regulation, the following services **and** supplies (including durable equipment) are covered under the PFTH:

a. Diagnostic evaluation. Diagnostic evaluation on either an inpatient or outpatient basis by a physician. This includes hospitalization or institutionalization solely for the purpose of conducting diagnostic studies performed by or under the supervision of a physician if such an inpatient setting is medically necessary to perform the diagnostic evaluation. Diagnostic evaluations do not require prior approval, **but** are payable only in those cases resulting **in** approval of the handicapped beneficiary under the PFTH. If the diagnostic evaluation is done on an inpatient basis, any benefits for the inpatient stay related to such evaluation will not exceed 5 days of an inpatient stay.

b. Durable equipment. The purchase of durable equipment may be authorized when certified **by** a physician as necessary in the treatment, **habilitation**, or rehabilitation of a handicapped beneficiary. Except under extremely unusual situations (which **would** require individual review and consideration), durable equipment **required** by an institutionalized handicapped beneficiary must be provided by the institution as a part of the management plan and included in the monthly institutional charges.

(1) To qualify as durable equipment under the PFTH, the item will be evaluated against the following criteria:

(a) It clearly must be related to and necessary for the **habilitation**, treatment, or training of beneficiaries with the given handicap.

(b) It must improve the function of a malformed body member or retard further deterioration of the handicapped beneficiary's physical condition.

(c) It cannot be useful to anyone in the absence of a physical or mental disability.

(d) It must be used primarily **and** customarily to serve a medical **or habilitative** purpose rather than primarily for transportation, comfort, or convenience.

NOTE : A wheelchair (or CHAMPUS-approved alternative) is not considered transportation in the sense of subparagraph H.2.b. (1)(d), above. It is qualified as durable equipment under subparagraph H.2.b. (1)(b), above, because by providing basic mobility, it retards further deterioration of the patient's physical condition. Mobility **beyond** that basic mobility provided by a wheelchair (or a **CHAMPUS-approved** alternative) is considered to be primarily transportation.

(f?) It cannot be beyond the appropriate level of performance and quality required under the circumstances (that is, nonluxury and **nondeluxe**). However, this subparagraph is not intended to preclude special fitting of equipment to accommodate a particular disability (such as fitting a wheelchair for a **one-armed** handicapped person).

(f) It is not available for loan from a local Uniformed Services medical treatment facility.

(g) Only one similar item of durable equipment will be purchased during any one period of time, and benefits **include** repair of durable equipment purchased under the PFTH and its **later** replacement if it is determined that the previous item is no longer usable.

(h) There must be written **preauthorization** by **OCHAMPUS** before the date of purchase of durable equipment. Such authorization is specific as to the item of durable equipment being approved. Further, such authorization is only valid for 90 days from the date issued. If the item of durable equipment is not purchased within the time limit, a new preauthorization is required. Purchases of durable equipment may not **be** approved retroactively.

(i) Benefits also may be extended for the allowable charges for repair and replacement parts (such as batteries), including "adjustment of durable equipment purchased under the PFTH. Such repair or part replacement or adjustment does not require preauthorization, unless the charge is \$50 or more. In the case of an emergency, a charge above that amount **may be considered without** preauthorization, subject to special review.

(2) Cost-sharing of durable equipment purchases. Durable equipment normally **will** be cost-shared in the month that the purchase is made. However, when the durable equipment is a high charge or cost item, the sponsor or the beneficiary has the option of prorating the purchase price in equal monthly installments over a period not to exceed 6 months, and beginning with the month of purchase. In no case shall payments be made by CHAMPUS beyond termination of eligibility as a CHAMPUS beneficiary. No other payment option is available.

c. Prescription drugs and medicines. Prescription drugs and medicines, and insulin for a known diabetic. Drugs and medicines are limited to those approved for general use by humans (other than testing) **by** the U.S. Food and Drug Administration.

d. Outpatient treatment. Such outpatient treatment as may be appropriate to the treatment and **habilitation** of the handicapped person related to the handicapping condition is **coverable**. Such services include, but are not limited to, physical therapy, occupational therapy, vocational training, speech therapy, and special educational services.

e. Home treatment. Certain services authorized by this section may be provided to the handicapped person in the home if that setting is considered the most reasonable and appropriate. Such services include, but are not limited to, physical therapy, occupational therapy, vocational training, speech therapy, and special educational services.

f. Institutional care (inpatient). Institutional care within the PFTH is primarily long-term residential (inpatient) care for the handicapped person in private nonprofit, public, or state institutions and facilities. Such institutions include, but are not limited to, schools for the deaf and blind and institutions for physically or mentally handicapped persons.

g. Special optical devices. Certain special optical devices necessary to ameliorate the handicapping condition are covered, but are limited to the following:

(1) Contact lenses **necessary** to correct a visual handicap that qualifies under paragraph **E.2.a.** of this chapter.

(2) Subnormal **visual** corrective devices such as telescopic and **isoiconic** lenses.

(3) Optical aids such as hand-held optical devices for reading.

h. prosthetic devices and orthopedic appliances. Prosthetic devices and orthopedic appliances that are needed to correct or overcome a physical disability are covered. This includes artificial **limbs** and orthopedic braces.

i. Professional services. The services of a wide variety of both medical and educational professionals are covered. Their services may be provided either on an inpatient or an outpatient basis subject to the following criteria:

(1) Services of professional personnel include, but are not limited to, the services of physicians, dentists, optometrists, speech pathologists, audiologists, physical therapists, occupational therapists, and nurses. Such professional personnel must be licensed within the jurisdiction in which the services are provided and must otherwise be in compliance with applicable federal and state laws regarding the practice of their specialty. Where there is no license requirement, they must be eligible for membership in the state or national association setting the standards for their respective group.

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(2) Services of teachers of **the** handicapped who meet the **stand-**ards of the school system in the jurisdiction in which located and who provide special education such as, but not limited to, remedial reading, speech training, or special classes for seriously physically handicapped or moderately or severely mentally retarded children.

(3) Services of vocational instructors who teach physically handicapped or mentally retarded persons a trade or occupation, for example, teaching a blind person to be a mechanic or typist. These instructors must meet the standards of the school **system where** the training is being conducted.

(4) The **Director**, OCHAMPUS, or a designee, is the final authority whether a professional (either a person or a class) is approved as an authorized professional provider under the **PFTH**.

j. Related therapy. Therapy, such as family counseling, for parents of a handicapped **child** is authorized when needed as an **integral** art of the treatment for the child, as determined by the Director, **OCHAMPUS**, or a designee, and approved as a part of the management plan.

k. Special tutoring. Tutoring by qualified tutors provided on an outpatient basis or in the patient's home to dependents who are either physically, handicapped or moderately or severely mentally retarded is an authorized benefit. Tutors must meet qualifications outlined in subparagraphs **H.2.i.** (1), (2), (3), and (4), above. Private tutoring to supplement a public education or special education enhancement programs, or a training program for a child temporarily disabled due to acute illness or injury, **is** not covered under **the PFTH**.

l. Surgery and medical care. When necessary to treat or correct a handicapping condition as defined in this chapter by the terms "mental retardation" (moderate or severe) or "serious physical handicap, " surgery and medical care may be authorized either on an inpatient or outpatient basis. When appropriate and approved as a part of the management plan, this may include authorized adjunctive dental care.

m. Training and special education

(1) Education or training needed to alleviate, overcome, or adjust to a serious physical handicap or moderate or severe mental retardation is an authorized benefit, provided it is included as a part of the approved management plan. This includes, but is not limited to, remedial reading, speech training, use of artificial aids, and education provided physically handicapped and mentally retarded persons on either an inpatient or outpatient basis.

(2) Training and special education also includes special vocational training or education wherein a physically handicapped or mentally retarded person is taught a trade or occupation to aid in overcoming or adjusting to his or her condition (such as teaching a **blind** person to be a mechanic **or** typist), but in no event beyond the high school level.

n. Transportation

(1) Transportation is authorized for medically eligible handicapped dependents by government, commercial, **public**, or private means to and from approved facilities in which the dependent is to receive or has received institutional care for which benefits have been approved under the **PFTH**. Transportation must be necessary and justified by the attending physician.

(2) Transportation benefits may be requested in conjunction with an application for other benefits under the PFTH, or a request for approval of transportation benefits may **be** submitted separately.

(3) If other than local public transportation or transportation by privately owned vehicles is **to** be used, a request for approval must be supported with evidence that a less expensive means of transportation is not available, or that the means to be used is medically necessary.

(4) With respect to local transportation, if more than two round trips daily are necessary, supporting justification must be submitted. In every instance when government transportation is available, it must be used.

(5) When distant transportation is medically necessary, government transportation, when available, shall be used. Under very unusual circumstances, if determined to be medically necessary and also certified by the attending physician, transportation for a medical attendant may be approved.

o. Transportation restrictions

(1) **Transportation** benefits are subject to the \$1,000 per **month** limitation on government cost under the PFTH and must be applied during the month the transportation actually occurs. The cost may not be prorated over a period of months. Any transportation cost shall be added to any other cost of care under the PFTH for that month.

(2) Reimbursement for travel costs will be made on the basis of actual transportation costs when transportation **is** by privately owned vehicle or the ticket costs in the case **of** other kinds of travel, plus other reasonable transportation costs, such as airport limousine, in connection with medically necessary air travel. Receipted bills must be obtained for any transportation costs not covered by a ticket. The cost of meals, motels, and tips that may be related to transportation is not an authorized benefit.

(3) When commercial transportation is used, the **least** expensive form only is authorized, such as coach **or** tourist class rather than first-class accommodations. Travel outside the United States is not authorized.

(4) Transportation is payable only to or from a public or private nonprofit facility. Transportation costs to or from a proprietary facility will not **be** paid.

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(5) Carpooling will **be** required whenever possible when two or more handicapped dependents are seeking reimbursement of travel costs by private vehicle **to** and from the same location. Only the owner or operator of the vehicle used in the **carpool** may be reimbursed. **Reimbursement** is limited to actual transportation costs or \$0.155 per mile, whichever is lower.

I. UTILIZATION REVIEW AND QUALITY ASSURANCE

It **is** the intent **of** this Regulation that **before** any benefits may be extended, any services and supplies **furnished by** any provider shall be subject to utilization review and quality assurance standards, norms, and criteria issued by the Director, **OCHAMPUS**, or a designee.

J. GENERAL LIMITATIONS

All services **and** treatment received under the PFTH must be in connection with the handicapping condition. Medical or surgical services required, but not in connection with the handicapping condition, can **be** considered **for** benefits under the Basic Program. In such a situation, the active duty service member is responsible for cost-sharing under both programs. The following services are not covered under the PFTH:

1. Academic education. Specialized academic education for those with educational or learning disabilities, normally provided in a public school system or **institution** of higher learning, is not covered under the PFTH. These learning disabilities include dyslexia, perceptual handicaps, hyperkinetic behavior syndrome, neurological dysfunction, reading disability, and minimal brain dysfunction. (This does not exclude learning disabilities that are derived from or related to moderate or severe mental retardation or a serious physical handicap.)

2. Alterations . Alterations to living space and permanent fixtures attached thereto, even when necessary to accommodate installation of covered durable equipment or to facilitate entrance or exit, are not authorized for payment under the PFTH.

3. Homemaker, sitter or companion services. Homemaker, sitter, or companion services are not covered.

4. Dental care. Dental care, except as adjunctive dental care required in the treatment of a handicapping condition, is not authorized. Orthodontic treatment is not authorized under any circumstance.

5. Nonapproved drugs and medications. Drugs and medications not approved for general **use** by humans by the U.S. Food and Drug Administration, whether or not legally available outside the United States. However, if a drug or medicine is listed in the U.S. Pharmacopoeia or the National Formulary and requires a prescription, it is not excluded by this provision even if it is under investigation by the U.S. Food and Drug Administration as to its effectiveness.

NOTE : In areas outside the United States, standards similar to those of the . . . U.S. Food and Drug Administration is the CHAMPUS objective.

6. Outside the United States. Facilities outside the United States are not eligible as approved facilities under the **PFTH**, regardless of whether otherwise qualified. In addition, any excursions outside the United States are not covered even though part of a program offered-by an approved facility is in the United States.

K. AUTHORITY TO DETERMINE ELIGIBILITY UNDER PFTH

The Director, **OCHAMPUS**, or a designee, is authorized to review a Basic Program case and make a determination that the particular beneficiary meets the definition of a moderately or severely retarded or seriously physically handicapped dependent as set forth in sections D. and E. of this chapter, whether or not an application for benefits under the PFTH has been **submitted by** the sponsor. In such event, the Director, **OCHAMPUS**, or designee, will notify **the** sponsor that benefits for services or supplies related to the handicapping condition or conditions are no longer available under the Basic Program (except under those circumstances specifically set forth in this chapter), and further, that **the** Basic Program case will be transferred to the PFTH as of the **1st** day of the 2nd month following the date of such notice.

L. IMPLEMENTING INSTRUCTIONS

The Director, **OCHAMPUS**, or a designee, shall issue CHAMPUS policies, instructions, procedures, guidelines, standards, and **criteria as** may **be** necessary to implement the intent of this chapter.