

CHAMPVA Deductibles and Copays

Is there a deductible?

Yes. There is an annual (calendar year) deductible for covered outpatient medical services and supplies. The deductible is \$50 per beneficiary or a maximum of \$100 per family per year. The annual deductible must be paid prior to CHAMPVA paying 75% of the allowable amount.

There is no deductible requirement for inpatient hospital services, ambulatory surgical centers (ASCs), psychiatric partial hospitalization program (PHP), hospice, services provided through VA facilities or for medication received through the Meds by Mail (MbM) program.

Is there a beneficiary cost share?

Yes. A cost share is the portion of the CHAMPVA determined allowable amount that the beneficiary is required to pay. With few exceptions, a beneficiary will pay a cost share for their medical care.

There is no cost share for hospice, services received at VA facilities or medications obtained through the MbM program.

Is there catastrophic cap protection?

Yes. To provide financial protection against the impact of a long-term illness or serious injury, CHAMPVA has established an annual (calendar year) limit for out-of-pocket expenses for covered services paid by each CHAMPVA eligible family. The CHAMPVA catastrophic cap is \$3,000 per calendar year.

Credits to the catastrophic cap are applied starting Jan. 1 through Dec. 31. Once the catastrophic cap is met, CHAMPVA pays 100% of the allowable amount for covered services for the remainder of the calendar year.

CHAMPVA payment for service and equipment

Ambulatory surgery: CHAMPVA pays 75% of the allowable amount for covered services performed at the ambulatory surgical center (ASC) – includes freestanding ASCs and hospitals.

Dental: CHAMPVA coverage is limited to adjunctive dental care and must be preauthorized. This covers medically necessary dental care that treats an otherwise covered medical (not dental) condition. CHAMPVA pays 75% of the allowable amount after the deductible has been met.

Durable medical equipment (DME): Preauthorization is required for all DME with a purchase price or total rental cost of \$2,000 or more.

Home health services: CHAMPVA pays 75% of the allowable amount for covered services.

Hospice services: The CHAMPVA reimbursement for approved hospice services for the following four levels of care: routine, continuous home care, inpatient respite, or general inpatient care.

Outpatient services: After the deductible has been met, CHAMPVA will pay 75% of the allowable amount.

Inpatient services: An inpatient service occurs when the admission to a hospital is for 24 hours or more, or when the admission was intended to last for more than 24 hours.

Inpatient hospital services: Under this system, CHAMPVA pays the allowed amount, less the beneficiary cost share, which is the lesser of:

- the per diem rate times the number of inpatient days
- 25% of the billed amount
- the base diagnosis related group (DRG)

When the DRG rate does not apply, CHAMPVA pays 75% of the billed amount for covered services and supplies.

Mental health services: The allowable amount for inpatient care in psychiatric hospitals and psychiatric units within hospitals is based on the daily rate times the length of stay.

- High volume (to include residential treatment centers): CHAMPVA pays 75% of the allowable amount.
- Low volume: CHAMPVA pays the allowable amount less the beneficiary cost share, which is the lesser of 25% of the billed amount or a per-day amount times the number of inpatient days.

Professional services: These are other charges that may not be included in daily rate charges such as physicians' fees and anesthesia services. CHAMPVA pays 75% of the allowable amount.

Pharmacy services: CHAMPVA pays the full cost of covered prescriptions for medications obtained through the MbM program or through CHAMPVA In-House Treatment Initiative (CITI) participation. CHAMPVA pays 75% of the allowable amount after the deductible has been met.

Skilled nursing facility (SNF): An SNF is a special kind of facility that primarily furnishes skilled nursing and rehabilitation services. CHAMPVA pays 75% of the allowed amount for SNF services.

The following table shows a payment summary of the CHAMPVA benefits discussed above.

CHAMPVA Deductibles and Copays

BENEFITS	DEDUCTIBLE?	YOU PAY	CHAMPVA PAYS
Ambulatory Surgical Facility Services	No	25% of CHAMPVA allowable amount	75% of CHAMPVA allowable amount
Professional Services	Yes	25% of CHAMPVA allowable amount after deductible	75% of CHAMPVA allowable amount
Durable Medical Equipment (DME)	Yes	25% of CHAMPVA allowable amount after deductible	75% of CHAMPVA allowable amount
Inpatient Services: DRG Based	No	Lesser of: 1) per day amount X number of inpatient days; 2) 25% of billed amount; or 3) base DRG rate	CHAMPVA allowable amount less beneficiary cost share
Inpatient Services: Non-DRG	No	25% of CHAMPVA allowable amount	75% of CHAMPVA allowable amount
Mental Health: High volume/ Residential Treatment Center (RTC)	No	25% of CHAMPVA allowable amount	75% of CHAMPVA allowable amount
Mental Health: Low Volume	No	Lesser of: 1) per day amount times number of inpatient days; 2) 25% of billed amount	CHAMPVA allowable amount less beneficiary cost share
Outpatient Services (i.e., doctors' visits, lab/radiology, home health, skilled nursing visits, ambulance)	Yes	25% of CHAMPVA allowable amount after deductible	75% of CHAMPVA allowable amount
Pharmacy Services	Yes	25% of CHAMPVA allowable amount after deductible	75% of CHAMPVA allowable amount
Meds by Mail (MbM) for the CITI Program	No	Nothing	100% of VA cost