



DEPARTMENTS OF THE ARMY AND THE AIR FORCE
NATIONAL GUARD BUREAU
111 SOUTH GEORGE MASON DRIVE
ARLINGTON, VA 22204-1382

NBG-ARP

16 May 96

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: (All States Log Letter #96- 0120) CHAMPUS Pricing of Medical Claims

1. The National Guard Bureau has recently been issued a Defense Medical Information System (DMIS) code to enable the processing of medical claims utilizing Diagnosis Related Group (DRG) codes and CHAMPUS Maximum Allowable Charges (CMAC). This pricing standard was instituted on 10 May 1996. Preliminary estimates suggest this change will save the Army National Guard as much as fifty percent of billed charges.

2. Soldiers are obligated to use CHAMPUS participating providers to obtain their medical care, whenever the providers are located within 50 miles or 1 hour driving time. These providers are reimbursed at the DRG based, CMAC, or billed charge, whichever is lower, in accordance with 10 USC section 1074(c). Neither the Army National Guard nor the soldier can be billed for the difference in cost. When participating providers are not accessible, or, under emergency circumstances, non-participating providers may be utilized. However, documentation of need for such services is required.

3. Attached are sample letters, a copy of the CHAMPUS Manual, and a series of CHAMPUS Questions and Answers.

4. The following instructions are emphasized to assist you in implementing the CHAMPUS pricing program.

a. Insure that soldiers do not pay at the time medical services are rendered. This will prevent them from being billed more than an approved rate. Also, once a bill has been paid, it is virtually impossible to obtain personal reimbursement.

b. Insure that all claims are submitted on the CHAMPUS directed forms, either UB 92 or HCFA 1500.

c. Insure that you perform a careful local evaluation of claim forms for completeness, accuracy, and legibility before you submit them to ARP-H.

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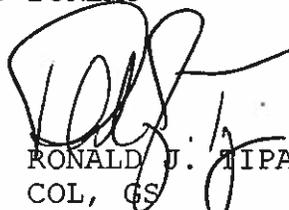
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d. Insure that a CHAMPUS transmittal letter is completed and attached to each claim. If CHAMPUS procedures are not followed to the letter, claims will be returned for corrections which will result in long delays in payment. The format for completing the transmittal letter is attached.

5. In the near future your State will be provided an individual DMIS code so that you can forward claims directly to CHAMPUS for processing which will eliminate the need to forward them to NGB. Prior to that time, we will provide additional implementing instructions.

6. My Point of Contact is CPT Darnell at DSN: 327-9534 or CML: 703-607-9534.

FOR THE CHIEF, NATIONAL GUARD BUREAU



RONALD J. TIPA
COL, GS
Director of Personnel

3 enclosures

1. CHAMPUS Manual
2. Sample letters
3. CHAMPUS Q's and A's

DISTRIBUTION:

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