



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

18 APR 1983

HEALTH AFFAIRS

BEFORE THE OFFICE, ASSISTANT
SECRETARY OF DEFENSE (HEALTH AFFAIRS)
UNITED STATES DEPARTMENT OF DEFENSE

Appeal of)
Sponsor:) OASD(HA) File 83-05
SSN:) FINAL DECISION

This is the FINAL DECISION of the Acting Assistant Secretary of Defense (Health Affairs) in the CHAMPUS Appeal OASD(HA) Case File 83-05 pursuant to 10 U.S.C. 1071-1089 and DoD 6010.8-R, chapter X. The appealing party is a retired officer of the United States Air Force. The appeal involves the denial of CHAMPUS cost-sharing for inpatient rehabilitative treatment for alcoholism in excess of twenty-one days as not medically necessary. The total inpatient stay was thirty-nine days. The amount in dispute involves billed charges of \$1,896.00 for the eighteen days from September 1, 1980 to September 19, 1980 that were not cost-shared under CHAMPUS.

The hearing file of record, the tape of oral testimony and argument presented at the hearing, the Hearing Officer's Recommended Decision and the Analysis and Recommendation of the Director, OCHAMPUS have been reviewed. It is the Hearing Officer's recommendation that the OCHAMPUS denial of cost-sharing beyond twenty-one days of rehabilitative care be upheld. The Director, OCHAMPUS concurs in the Recommended Decision and recommends adoption of the Recommended Decision as the FINAL DECISION.

The Acting Assistant Secretary of Defense (Health Affairs) after due consideration of the appeal record, concurs in the recommendation of the Hearing Officer to deny CHAMPUS cost-sharing and hereby adopts the recommendation of the Hearing Officer as the FINAL DECISION.

The FINAL DECISION of the Acting Assistant Secretary of Defense (Health Affairs) is therefore to deny CHAMPUS cost-sharing for inpatient care for treatment of alcoholism beyond twenty-one days of rehabilitative care as not being medically necessary nor an appropriate level of care.

FACTUAL BACKGROUND

The appealing party received inpatient hospitalization for alcoholism at Alabama, from August 11, 1980 to September 19, 1980. The claim for charges totaled \$4,407.15. The bill included a charge of \$140 for one day in the detoxification unit, \$125.15 for laboratory services, \$66.50 for drugs and medication, \$25 for an EKG, \$50 for a history and physical and \$10.50 for a psychiatric test. The remaining \$3,990.00 was the room charge at \$105 per day for 38 days. The lab tests and physical examination were performed when the beneficiary was first admitted. After September 1, 1980, charges included only the standard room charge and \$6.00 for medication.

Initially the entire period of inpatient care was denied because the CHAMPUS policy then in effect excluded rehabilitation treatment for alcoholism unless it followed an admission for an acute stage of alcoholism. It was determined by the fiscal intermediary that the beneficiary was not in an acute stage of alcoholism when he commenced his inpatient treatment, therefore, cost-sharing was denied.

On May 8, 1981, Office of CHAMPUS Instruction (OCI) 6010.5 was issued. The instruction implemented a program change resulting from a change in interpretation of the Regulation provision on alcoholism. By OCI 6010.5, the Regulation was interpreted to permit coverage of alcoholism rehabilitation with or without an initial inpatient detoxification as a result of an acute stage of alcoholism. The instruction still required documentation of physician referral and a diagnosis of alcoholism. Inpatient rehabilitative stays continued to be limited to three episodes (life-time maximum), each episode not normally to exceed twenty-one days. The instruction was made retroactive to June 1, 1977.

The initial denial, the informal review, and the automatic reconsideration, all of which resulted in denial of the claim, were decided prior to issuance of the May 8, 1981 OCHAMPUS Instruction. Each denial was based on the beneficiary not being in an acute stage of alcoholism when he began the rehabilitative program.

The beneficiary by letter dated May 23, 1981 requested a first level appeal from OCHAMPUS. The first level appeal determination issued October 20, 1981 allowed cost-sharing of the first twenty-one days of the thirty-nine days of inpatient care based on OCI 6010.5. The determination went on to state:

"This office has requested, but not received, medical evidence from documenting the medical necessity for inpatient care beyond the normal 21 day period of treatment. Therefore, benefits for

treatment beyond the first 21 days of inpatient care cannot be approved."

By letter dated December 21, 1981, the beneficiary requested a hearing. The provider also submitted a letter dated November 18, 1981 stating the beneficiary was in the advanced stages of his alcoholism. It further stated:

"Patient had quite a bit of difficulty getting in touch with and sharing feelings. Intellectually, he understood the therapeutic process and the importance of feelings but simply could not seemingly function at the feeling level. The pattern was exhibited throughout group therapy and individual counseling sessions. Following Family Week, patient improved but progress was slow. Several times he came close to breaking through, but it was our feeling that he simply was unable to do so at this time. We kept the patient for an additional three weeks and were able to make some headway but we felt that a much more prolonged stay would be necessary in order to completely achieve our goals.

This extended stay was indeed necessary for the gentlemen and, in fact, if anything an additional couple of weeks would have been justified."

The CHAMPUS Medical Director, a medical doctor, found no clarity or specificity in the provider's letter that would justify hospitalization beyond twenty-one days. Upon review of the hospital records he found the treatment goals and milestones to be vague.

For example, the provider's transfer summary lists for "treatment modalities used: (approx. # hrs.) films/lectures/tapes 92; group therapy 52; AA meetings 10; AA study group 26; study hall 48; recreation 26; F.W. 20; individual counseling 9½." The beneficiary's physical health was described as generally good.

The hearing was held on September 16, 1982 in Alabama. The beneficiary represented himself. The Hearing Officer, _____ has issued her Recommended Decision and issuance of a FINAL DECISION is proper.

ISSUES AND FINDING OF FACT

The primary issues in this appeal are whether the inpatient treatment for alcoholism beyond twenty-one days was medically necessary and the appropriate level of care.

Medically Necessary

Under the CHAMPUS regulation, DoD 6010.8-R, chapter IV, "Subject to any and all applicable definitions, conditions, limitations and/or exclusions specified or enumerated in this Regulation, the CHAMPUS Basic Program will pay for medically necessary services and supplies required in the diagnosis and treatment of illness or injury...." Services which are not medically necessary are specifically excluded. Medically necessary is defined in chapter II as:

"... the level of services and supplies (that is frequency, extent, and kinds) adequate for the diagnosis and treatment of illness or injury Medically necessary includes the concept of appropriate medical care."

The Regulation at DoD 6010.8-R, chapter IV, G.3 specifically excludes:

"Services and supplies related to inpatient stays in hospitals or other authorized institutions above the appropriate level required to provide necessary medical care."

In conjunction with the above requirement for medically necessary services, chapter IV, E.4 provides criteria for coverage of inpatient rehabilitation treatment for alcoholism. The criteria is as follows:

"a. Rehabilitative Phase. An inpatient stay for alcoholism (either in a hospital or through transfer to another type of authorized institution) may continue beyond the three (3) to seven (7) day period [for detoxification], moving into the rehabilitative program phrase. Each such case will be reviewed on its own merits to determine whether an inpatient setting continues to be required.

EXAMPLE

If a continued inpatient rehabilitative stay primarily involves administration of antabuse therapy and the patient has no serious physical complications otherwise requiring an inpatient stay, the inpatient environment would not be considered necessary and therefore benefits could not be extended

b. Repeated Rehabilitative Stays: Limited to Three (3) Episodes. Even if a case is determined to be appropriately continued on

an inpatient basis, repeated rehabilitative stays will be limited to three (3) episodes (life-time maximum); and any further rehabilitative stays are not eligible for benefits. However, inpatient stays for the acute stage of alcoholism requiring detoxification/stabilization will continue to be covered. When the inpatient hospital setting is medically required, a combined program of detoxification/stabilization and rehabilitation will normally not be approved for more than a maximum of three (3) weeks per episode.

C. Outpatient Psychiatric Treatment Programs. Otherwise medically necessary covered services related to outpatient psychiatric treatment programs for alcoholism are covered and continue to be covered even though benefits are not available for further inpatient rehabilitative episodes, subject to the same psychotherapy review guidelines as other diagnoses."

The record reflects that during the last eighteen days of the inpatient stay, the beneficiary was taking no medication other than medication for a bladder problem that existed prior to admission and for which medication was prescribed prior to admission. During the last eighteen days the patient had no physical health problems, no medical tests were performed for physical problems, and no medical treatment was provided for physical problems.

The brochure received from the provider stated that twenty-eight days was the minimum stay. The program, as described by the beneficiary at the hearing and in the exhibits, shows the beneficiary was receiving both individual and group counseling and was performing assignments pursuant to a scheduled cycle. After the twenty-eighth day, the assignment part of the program repeated itself.

The use of a standard twenty-eight day program and a repeating cycle of assignments based on a twenty-eight day program contradicts the claim that the stay beyond twenty-one days was based on specific medical necessity for the beneficiary. The standard twenty-eight day program appears to have been provided for all patients regardless of their specific needs. This aspect of the program reflects the general philosophy of the provider and not specific treatment necessitated by the beneficiary's condition after twenty-one days.

In a prior hearing decision involving alcohol rehabilitation, OASD(HA) 02-80, it was determined that "even in a case where the initial phase of an inpatient rehabilitation stay for alcoholism qualifies for benefits, in order for such benefits to continue

beyond twenty-one (21) days there must be a determination of a medical need for the stay to continue." (emphasis in original). In a second decision involving alcohol rehabilitation, OASD(HA) 80-04, this office stated the requirement in the following matter, "Therefore, to extend CHAMPUS coverage for inpatient care beyond twenty-one days, the specified Regulation norm, the hospitalization must be necessary for treatment of medical complications associated with alcohol withdrawal." The decision went on to conclude, "The exception to a 'normal' twenty-one day limit is the existence of severe medical effects of alcohol medically requiring a continued inpatient setting."

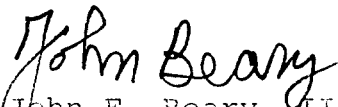
There is a complete absence in the record of any evidence to support the medical necessity of an inpatient setting for the eighteen days not cost-shared by CHAMPUS. It is concluded that there was no medical necessity for the last eighteen days of inpatient rehabilitative care and that the beneficiary could have been treated on an outpatient basis. Therefore, the eighteen days of inpatient care denied by CHAMPUS were not medically necessary, nor the appropriate level of care. There was no treatment of medical complications associated with alcohol withdrawal required to justify a continued inpatient setting after twenty-one days. The Hearing Officer correctly found that the applicable regulation provides that rehabilitative treatment beyond the twenty-one day period will not be allowed in the absence of a specific showing of medical necessity and the evidence offered did not demonstrate the care in question to be medically necessary.

The record contains information suggesting that the alcohol rehabilitation program in this case was successful. For example, the provider noted that the patient has had a significant period of sobriety following treatment. Even the CHAMPUS fiscal intermediary described the provider's program as excellent. And, the Hearing Officer concluded the services were beneficial to the patient in the treatment of his alcoholism.

The decision in this case is that the inpatient care in excess of twenty-one days does not meet the requirements for CHAMPUS cost-sharing as medically necessary services. It does not imply that the prolonged conditioning program was not of some assistance to the patient's rehabilitation and subsequent period of sobriety; it only means that the CHAMPUS benefits for inpatient alcohol rehabilitation are limited to twenty-one days unless continued inpatient care can be demonstrated to be medically necessary. The patient is free to seek that medical care which he believes to be necessary in the treatment of his medical condition. However, I am constrained by law and regulation in determining what care is authorized for payment under CHAMPUS. There was no medical necessity that the beneficiary stay the disputed eighteen days, the fact that the beneficiary may have benefited does not overcome the lack of medical necessity for the inpatient setting.

SUMMARY

In summary, it is the FINAL DECISION of the Acting Assistant Secretary of Defense (Health Affairs) that the inpatient rehabilitative care for alcoholism beyond twenty-one days be denied cost-sharing. I find the inpatient care from September 1, 1980 through September 19, 1980 was not medically necessary as there were no independent physical complications nor physical complications associated with alcohol withdrawal that required inpatient treatment. The care from September 1, 1980, could have been performed on an outpatient basis and the continued inpatient care was not an appropriate level of care for coverage under CHAMPUS. The issuance of this FINAL DECISION completes the administrative appeals process under DoD 6010.8-R, chapter X, and no further administrative appeal is available.


John F. Beary, III, M.D.
Acting Assistant Secretary