

MEMORANDUM

To: RSA

From: George G. Olsen
Nicole Ruzinski

Date: September 20, 2016

Re: DOD Rule on Mental Health and Substance Use Treatment

On September 2, 2016, the Department of Defense (DOD) [published](#) a new rule in the Federal Register which amends TRICARE regulations for mental health and substance use disorder (SUD) treatment. This final rule becomes effective October 3, 2016.

DOD stated this update is intended to make TRICARE standards consistent with current standards of practice. The rule is also intended to help de-stigmatize mental health and SUD treatment and expand beneficiaries' access to care. The rule has four main objectives outlined below.

Eliminate Unnecessary Quantitative and Non-Quantitative Treatment Limitations

The rule makes comprehensive revisions to mental health and SUD treatment coverage. To aid in destigmatizing SUD treatment, it will no longer be identified as a separate, limited benefit and will instead be incorporated with other mental health provisions. Several limits on coverage are also removed in the final rule including all inpatient mental health day limits for adults and children and yearly limits on residential treatment care (RTC) for children under 21; the 60-day limitation on partial hospitalization programs (PHP) and substance use disorder rehabilitation facilities (SUDRF) residential treatment; annual and lifetime limitations on SUD treatment; and limits on family therapy and outpatient therapy provided in free-standing or hospital based SUDRFs. There will also no longer be a limit on the number of treatment sessions for medically or psychologically necessary treatment by a TRICARE authorized institutional provider or authorized individual mental health provider. The final rule makes adjustments to eliminate any differentials in cost-sharing between mental health and SUD benefits and medical/surgical benefits.

Expand Covered Treatment

DOD makes changes to the regulations to explicitly authorize intensive outpatient (IOP) care for psychiatric and SUD as a distinct covered benefit. Previously, mental health and SUD IOP was not treated as a separate level of care for partial hospitalization. Additionally, the TRICARE certification requirements for the program would often restrict a typical mental health or SUD provider from being recognized as a distinct covered benefit. The expectation is that this change will improve access to care. In addition, DOD will also expand coverage to include individual outpatient SUD care performed by authorized TRICARE individual mental health providers practicing within the scope of their licensure or certification. This would also include office-based outpatient treatment. The rule expands opioid use disorder treatment by including medication assisted

treatment through both TRICARE authorized institutional or individual providers and opioid treatment program coverage.

Streamline Requirements to Become TRICARE Authorized Providers

DOD attempts to improve access to care by streamlining the requirements to qualify as TRICARE authorized providers. DOD relies on existing industry-wide accepted accreditation standards as additional TRICARE certification has been found unnecessary to ensure quality and safety. For SUDRFs, RTCs, PHPs, IOPs, and opioid treatment program providers, DOD will rely primarily on certification by a national body approved by the Director. Providers will also need to execute a participation agreement with TRICARE. DOD has chosen to eliminate any named references to specific accrediting bodies in the regulations. The Defense Health Agency will instead identify specific accrediting bodies for various types of mental health care.

TRICARE Reimbursement for Newly Recognized Programs

DOD makes some changes to the designation of certain types of care. The IOP designation will be used for treatment between two and six hours per day provided in a PHP authorized setting. This is in lieu of using a half-day PHP designation. The rule also establishes reimbursement and cost-sharing requirements for OTPs.