List of Subjects in 29 CFR Part 1952

Intergovernmental relations, Law enforcement, Occupational safety and health.

Signed at Washington, DC, this 20th day of February, 1995.

Joseph A. Dear,

Assistant Secretary.

Accordingly, 29 CFR Part 1952 is hereby amended as follows:

PART 1952—[AMENDED]

1. The authority citation for part 1952 continues to read:

Authority: Secs. 8, 18 Pub. L. 91–596, 84 Stat. 1608 Occupational Safety and Health Act of 1970 (29 U.S.C. 657, 667); Secretary of Labor's Order No. 12–71 (36 FR 8754), 8–76 (41 FR 25059), or 9–83 (48 FR 35736), as applicable.

2. New paragraphs (b) through (f) are added to § 1952.316 of Subpart Y to read as follows:

§ 1952.316 Changes to approved plans.

- (b) Regulations.
- (1) The State's regulation on the Division of Occupational Safety and Health's Access to Employee Medical Records, and amendments to State regulations covering the Labor and Industrial Relations Appeals Board; General Provisions and Definitions; Recording and Reporting Occupational Injuries and Illnesses; Inspections, Citations, and Proposed Penalties; and Variances, promulgated by the State through March 22, 1991, were approved by the Assistant Secretary on February 20, 1995.
 - (2) [Reserved]
 - (c) Legislation.
- (1) An amendment to the Hawaii Occupational Safety and Health Law, enacted in 1987, which expands the type of information that is protected from disclosure in any discovery or civil action arising out of enforcement or administration of the law, was approved by the Assistant Secretary on February 20, 1995.
 - (2) [Reserved]
- (d) Consultation Manual. The State's Consultation Policies and Procedures Manual was approved by the Assistant Secretary on February 20, 1995.
- (e) Occupational Safety and Health Administration Technical Manual. The State's adoption of the Federal OSHA Technical Manual, through Change 1, was approved by the Assistant Secretary on February 20, 1995.
- (f) Reorganized Plan. The reorganization of the Hawaii plan was

approved by the Assistant Secretary on February 20, 1995.

[FR Doc. 95–5505 Filed 3–6–95; 8:45 am] BILLING CODE 4510–26–M

DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 199

RIN 0720-AA23

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); Mental Health Services

AGENCY: Office of the Secretary, DoD. **ACTION:** Final rule.

SUMMARY: This final rule is to reform CHAMPUS quality of care standards and reimbursement methods for inpatient mental health services. The rule updates existing standards for residential treatment centers (RTCs) and establishes new standards for approval as CHAMPUS-authorized providers for substance use disorder rehabilitation facilities (SUDRFs) and partial hospitalization programs (PHPs); implements recommendations of the Comptroller General of the United States that DoD establish cost-based reimbursement methods for psychiatric hospitals and residential treatment facilities; adopts another Comptroller General recommendation that DoD remove the current incentive for the use of inpatient mental health care; and eliminates payments to residential treatment centers for days in which the patient is on a leave of absence.

DATES: This rule is effective April 6, 1995, except amendments to § 199.4 which are effective October 1, 1995.

ADDRESSES: Office of the Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS), Office of Program Development; Aurora, Colorado 80045–6900.

FOR FURTHER INFORMATION CONTACT: CAPT Deborah Kamin, NC, USN, Office of the Assistant Secretary of Defense (Health Affairs), (703) 697–8975.

Questions regarding payment of specific claims should be addressed to the appropriate CHAMPUS contractor. **SUPPLEMENTARY INFORMATION:** Provisions of this rule apply to the CHAMPVA (Civilian Health and Medical Program of the Department of Veterans Affairs) in the same manner as they apply to CHAMPUS.

I. Introduction

Quality assurance and cost effectiveness of mental health care

services under CHAMPUS continue to be major reform issues for the Defense Department and Congress. In recent years, a series of DoD initiatives, legislative and regulatory actions, and Congressional hearings have spotlighted both progress made and the need for more improvement.

Two recent Comptroller General Reports are indicative of the importance of these issues and the need for reform. The first of these, "Defense Health Care: Additional Improvements Needed in CHAMPUS's Mental Health Program," GAO/HRD-93-34, May 1993, stated that, although DoD has taken actions to improve the program "several problems persist." The Report (hereafter referred to as "GAO Report #1") elaborated:

For example, reviews of medical records have identified numerous instances of poor medical record documentation, potentially inappropriate admissions, excessive hospital stays, and poor-quality care. Also, inspections of RTCs [Residential Treatment Centers] continue to reveal significant health and safety problems, and corrective actions often take many months.

Moreover, $\tilde{\text{DoD}}$ * * * pays considerably higher rates for comparable services than do other public programs.

GAO Report #1, p. 2. The Report referenced the General Accounting Office's 1991 Congressional testimony regarding CHAMPUS mental health care and inspections of residential treatment facilities conducted for DoD since then:

Inspections conducted since our 1991 testimony have identified some of the same problems we described then: unlicensed and unqualified staff, inappropriate use of seclusion and medication, inadequate staff-to-patient ratios, and inadequate documentation of treatment.

The principal conclusions of this Report were: (1) "Standards, which include termination for noncompliance, should be specified and termination proceedings, time frames, and reinspection provisions * * * should be adopted;" and (2) because "DoD reimburses psychiatric hospitals and RTCs at higher rates than do other government payers, it should modify its payment system to more closely resemble other programs such as Medicare." GAO Report #1, p. 9.

A second recent Comptroller General Report, "Psychiatric Fraud and Abuse: Increased Scrutiny of Hospital Stays Is Needed to Lessen Federal Health Program Vulnerability," GAO/HRD-93-92, September 1993, also called for improvements in the CHAMPUS mental health program. The Report (hereafter referred to as GAO Report #2) said:

Investigations to date have revealed that federal health programs have been subject to fraudulent and abusive psychiatric hospital