## DEPARTMENT OF DEFENSE

Office of the Secretary
Medical and Dental Services Fiscal Year 1998

SUMMARY: Notice is hereby given that the Deputy Chief Financial Officer in a memorandum dated September 26, 1997 establ ished the following rei mbursement rates for inpati ent and outpatient medical care to be provided
in FY 1998. These rates are effective October 1, 1997.

## Inpatient, Outpatient and Other Rates and Charges

I. Inpatient rates ${ }^{12}$

| Per inpatient day | International Military Education \& Training (IMET) | Interagency and other Federal agency sponsored patients | Other (Full/ <br> Third party) |
| :---: | :---: | :---: | :---: |
| A. Burn Center | \$2,618.00 | \$4,754.00 | \$5,079.00 |
| B. Surgical Care Services (Cosmetic Surgery) | 955.00 | 1,733.00 | 1,852.00 |
| C. All Other Inpatient Services (Based on Diagnosis Related Groups (DRG) ${ }^{3}$ ) |  |  |  |

1. FY98 Direct Care Inpatient Reimbursement Rates

| Adjusted standard amount | IMET | Interagency | Other (Full/ Third party) |
| :---: | :---: | :---: | :---: |
| Large Urban | \$2,199.00 | \$4,131.00 | \$4,372.00 |
| Other Urban/Rural | 2,194.00 | 4,215.00 | 4,499.00 |
| Overseas ................................................................................................................ | 2,450.00 | 5,614.00 | 5,960.00 |

## 2. Overview

The FY 98 inpatient rates are based on the cost per DRG, which is the inpatient full reimbursement rate per hospital discharge weighted to reflect the intensity of the principal diagnosis, secondary diagnoses, procedures, patient age, etc. involved. The average cost per Relative Weighted Product (RWP) for large urban, other urban/rural, and overseas facilities will be published annually as an inpatient adjusted standardized amount (ASA) (see paragraph I.C.1., above). The ASA will be applied to the RWP for each inpatient case, determined from the DRG weights, outlier thresholds, and payment rules published annually for hospital reimbursement rates under the Civilian Heal th and Medical Program of the Uniformed Services (CHAMPUS) pursuant to 32 CFR 199.14(a)(1), including adjustments for length of stay (LOS) outliers. The published ASAs will be adjusted for area wage differences and indirect medical education (IME) for the discharging hospital. An example of how to apply DoD costs to a DRG standardized weight to arrive at DoD costs is contained in paragraph I.C.3., bel ow.

## 3. Example of Adjusted Standardized Amounts for Inpatient Stays

Figure 1 shows examples for a nonteaching hospital in a Large Urban A rea.
a. The cost to be recovered is DoD's cost for medical services provided in the nonteaching hospital located in a large urban area. Billings will be at the third party rate.
b. DRG 020: Nervous System Infection Except Viral Meningitis. The RWP for an inlier case is the CHAMPUS weight of 2.9769. (DRG statistics shown are from FY 1996).
c. The DoD adjusted standardized amount to be charged is $\$ 4,372$ (i.e., the third party rate as shown in the table).
d. DoD cost to be recovered at a nonteaching hospital with area wage index of 1.0 is the RWP factor (2.9769 ) in 3.b., above, multiplied by the amount ( $\$ 4,372$ ) in 3.c., above.
e. Cost to be recovered is $\$ 13,015$.

Figure 1.-Third Party Billing Examples

| DRG No. | DRG description | DRG weight | Arithmetic mean LOS | Geometric mean LOS | Short stay threshold | Long stay threshold |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 020 ... | Nervous System Infection Except Viral Meningitis .................. | 2.9769 | 11.2 | 7.8 | 1 | 30 |
| Hospital |  | Location | Area wage rate index | IME adjustment | Group ASA | Applied ASA |
| Nonteaching Hospital |  | Large Urban | 1.0 | 1.0 | \$4,372.00 | \$4,372.00 |


| Patient | Length of stay | Days above threshold | Relative weighted product |  |  | TPC amount** |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Inlier* | Outlier** | Total |  |
| \#1 ........... | 7 days | 0 | 2.9769 | 0.0000 | 2.9769 | \$13,015 |


| Patient | Length of stay | Days above threshold | Relative weighted product |  |  | TPC amount ${ }^{\star *}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Inlier * | Outlier ** | Total |  |
| \#2 .......... | 21 days | 0 | 2.9769 | 0.0000 | 2.9769 | 13,015 |
| \#3 ............ | 35 days .................................................................... | 5 | 2.9769 | 0.6297 | 3.6066 | 15,768 |

[^0]II. Outpatient Rates ${ }^{1} 2$ Per Visit

|  |  | International <br> MEPRS <br> code | Clinical service | Interagency <br> Military Edu- <br> and other Fed- <br> eral agency <br> cation \& Train- <br> ing (IMET) |
| :---: | :---: | :---: | :---: | :---: |
| Other (Full// <br> Third party) <br> tients |  |  |  |  |


| A. Medical Care |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| BAA | Internal Medicine | \$105.00 | \$195.00 | \$208.00 |
| BAB ......... | Allergy | 39.00 | 73.00 | 78.00 |
| BAC ....... | Cardiology | 81.00 | 150.00 | 160.00 |
| BAE .......... | Diabetic | 44.00 | 82.00 | 87.00 |
| BAF ........ | Endocrinology (Metabolism) | 85.00 | 158.00 | 168.00 |
| BAG ........ | Gastroenterology | 110.00 | 203.00 | 216.00 |
| BAH | Hematology | 145.00 | 269.00 | 287.00 |
| BAI ..... | Hypertension | 81.00 | 149.00 | 159.00 |
| BAJ ...... | Nephrology | 171.00 | 317.00 | 338.00 |
| BAK .......... | Neurology | 109.00 | 202.00 | 215.00 |
| BAL ...... | Outpatient Nutrition | 34.00 | 63.00 | 67.00 |
| BAM ......... | Oncology | 114.00 | 211.00 | 225.00 |
| BAN | Pulmonary Disease | 141.00 | 260.00 | 278.00 |
| BAO ... | Rheumatology | 84.00 | 156.00 | 166.00 |
| BAP | Dermatology | 63.00 | 117.00 | 124.00 |
| BAQ ......... | Infectious Disease | 141.00 | 260.00 | 278.00 |
| BAR ......... | Physical Medicine | 78.00 | 145.00 | 155.00 |
| BAS ...... | Radiation Therapy | 72.00 | 132.00 | 141.00 |
| BAZ ......... | Medical Care Not Elsewhere Classified (NEC) | 84.00 | 156.00 | 166.00 |

B. Surgical Care

| BBA | General Surgery | 119.00 | 220.00 | 235.00 |
| :---: | :---: | :---: | :---: | :---: |
| BBB ..... | Cardiovascular and Thoracic Surgery | 110.00 | 203.00 | 216.00 |
| BBC ... | Neurosurgery | 137.00 | 253.00 | 270.00 |
| BBD ...... | Ophthalmology | 84.00 | 155.00 | 166.00 |
| BBE .......... | Organ Transplant | 191.00 | 353.00 | 376.00 |
| BBF ........ | Otolaryngology | 88.00 | 162.00 | 173.00 |
| BBG ..... | Plastic Surgery | 100.00 | 184.00 | 196.00 |
| BBH .. | Proctology | 67.00 | 124.00 | 132.00 |
| BBI | Urology | 101.00 | 187.00 | 199.00 |
| BBJ | Pediatric Surgery | 89.00 | 164.00 | 175.00 |
| BBZ .......... | Surgical Care NEC ....................................................................................... | 65.00 | 120.00 | 127.00 |


| C. Obstetrical and Gynecological (OB-GYN) Care |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| BCA | Family Planning | 45.00 | 83.00 | 89.00 |
| BCB | Gynecology | 74.00 | 136.00 | 146.00 |
| BCC | Obstetrics | 68.00 | 126.00 | 135.00 |
| BCZ | OB-GYN Care NEC | 112.00 | 207.00 | 221.00 |

## D. Pediatric Care

| BDA | Pediatric | 54.00 | 100.00 | 106.00 |
| :---: | :---: | :---: | :---: | :---: |
| BDB | Adolescent | 55.00 | 101.00 | 108.00 |
| BDC | Well Baby | 36.00 | 66.00 | 70.00 |
| BDZ | Pediatric Care NEC ................................................................................ | 64.00 | 119.00 | 126.00 |

## E. Orthopaedic Care

| BEA .......... | Orthopaedic | 83.00 | 153.00 | 164.00 |
| :---: | :---: | :---: | :---: | :---: |
| BEB .......... | Cast | 45.00 | 82.00 | 88.00 |
| BEC ...... | Hand Surgery | 38.00 | 70.00 | 75.00 |


| MEPRS code ${ }^{4}$ | Clinical service | International Military Education \& Training (IMET) | Interagency and other Federal agency sponsored patients | Other (Full/ <br> Third party) |
| :---: | :---: | :---: | :---: | :---: |
| BEE | Orthotic Laboratory | 59.00 | 110.00 | 117.00 |
| BEF .. | Podiatry | 49.00 | 91.00 | 97.00 |
| BEZ | Chiropractic .............................................................................................. | 21.00 | 38.00 | 40.00 |


| F. Psychiatric and/or Mental Health Care |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| BFA ......... | Psychiatry | 97.00 | 179.00 | 191.00 |
| BFB .......... | Psychology | 71.00 | 132.00 | 141.00 |
| BFC .......... | Child Guidance | 59.00 | 109.00 | 117.00 |
| BFD .......... | Mental Health | 80.00 | 147.00 | 157.00 |
| BFE .......... | Social Work | 80.00 | 149.00 | 159.00 |
| BFF .......... | Substance Abuse | 62.00 | 115.00 | 123.00 |
| G. Family Practice/Primary Medical Care |  |  |  |  |
| BGA ........ | Family Practice .......................................................................................... | 67.00 | 124.00 | 132.00 |
| BHA ......... | Primary Care | 64.00 | 118.00 | 126.00 |
| BHB ......... | Medical Examination | 59.00 | 109.00 | 117.00 |
| BHC ......... | Optometry | 42.00 | 77.00 | 82.00 |
| BHD ......... | Audiology ................................................................................................... | 30.00 | 55.00 | 58.00 |
| BHE ......... | Speech Pathology | 81.00 | 149.00 | 159.00 |
| BHF .......... | Community Health ...................................................................................... | 41.00 | 75.00 | 80.00 |
| BHG ........ | Occupational Health ................................................................................... | 59.00 | 108.00 | 115.00 |
| BHH ........ | TRICARE Outpatient ................................................................................... | 42.00 | 78.00 | 83.00 |
| BHI .......... | Immediate Care ........................................................................................... | 82.00 | 152.00 | 162.00 |
| BHZ ......... | Primary Care NEC .................................................................................... | 43.00 | 79.00 | 84.00 |

H. Emergency Medical Care

| BIA .......... | Emergency Medical ...................................................................................... | 107.00 | 198.00 | 211.00 |
| :--- | :--- | :--- | ---: | ---: | ---: |


| I. Flight Medical Care |
| :--- |
| BJA ......... |


| J. Underseas Medical Care |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| BKA .......... | Underseas Medicine |  | 32.00 | 58.00 | 62.00 |
| K. Rehabilitative Services |  |  |  |  |  |
| BLA .......... | Physical Therapy ... | .............. | 29.00 | 54.00 | 57.00 |
| BLB .......... | Occupational Therapy | ............... | 53.00 | 98.00 | 104.00 |

III. Other Rates and Charges ${ }^{12}$ Per Visit

| MEPRS code ${ }^{4}$ | Clinical service | International Military Education \& Training (IMET) | Interagency and other Federal agency sponsored patients | Other (Full/ Third party) |
| :---: | :---: | :---: | :---: | :---: |
| FBI DGC | A. Immunization $\qquad$ <br> B. Hyperbaric Chamber ${ }^{5}$ $\qquad$ <br> C. Ambulatory Procedure Visit (APV). ${ }^{6}$ <br> D. Family Member Rate (formerly Military Dependents Rate) | \$10.00 | \$19.00 | \$20.00 |
|  |  | 180.00 | 333.00 | 355.00 |
|  |  | 376.00 | 691.00 | 737.00 |
|  |  | 10.20 |  |  |

## E. Reimbursement Rates For Drugs Requested By Outside Providers ${ }^{7}$

The FY 1998 drug reimbursement rates for drugs are for prescriptions requested by outside providers and obtained at a Military Treatment Facility. The rates are established based on the cost of the particular drugs provided. Final rule of 32 CFR Part 220, estimated to be published October 1, 1997, will eliminate the high cost ancillary services' dollar threshold and the associated term "high cost ancillary service." In anticipation of that change, the phrase "high cost ancillary service" has been replaced with the phrase "ancillary services requested by an outside provider." The list of drug reimbursement rates is too large to include here. These rates are available on request from OASD (Health Affairs), LTC Michael Montgomery, 703-681-8910.

## F. Reimbursement Rates for Ancillary Services Requested By Outside Providers ${ }^{8}$

Final rule of 32 CFR Part 220, estimated to be published October 1, 1997, will eliminate the high cost ancillary services' dollar threshold and the associated term "high cost ancillary service." In anticipation of that change, the
phrase "high cost ancillary service" has been replaced with the phrase "ancillary services requested by an outside provider." The list of FY 1998 rates for ancillary services requested by outside providers and obtained at a Military Treatment Facility is too large to include here. These rates are available on request from OASD (Health Affairs) LTC Michael M ontgomery, 703-681-8910.
G. Elective Cosmetic Surgery Procedures and Rates

| Cosmetic surgery procedure | International Classification Diseases (ICD-9) | Current Procedural Terminology (CPT) ${ }^{9}$ | FY 1998 charge ${ }^{10}$ | Amount of charge |
| :---: | :---: | :---: | :---: | :---: |
| Mammaplasty | $85.50,85.32,85.31$ <br> 85.60 | $\begin{aligned} & 19325,19324,19318 \text {.... } \\ & 19316 \text {............................ } \end{aligned}$ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. <br> Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. <br> Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. | abc |
| Mastopexy |  |  |  |  |
| Facial Rhytidectomy | 86.82, 86.2 | 1582 |  |  |
| Blepharoplasty | 08.70, 08.44 .... | $\begin{aligned} & \text { 15820, 15821, 15822, } \\ & \text { 15823. } \\ & 21208,21209 \text {............ } \end{aligned}$ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. |  |
| Mentoplasty (Augmentation/Reduction). | 76.68, 76.67 ..... |  | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. |  |
| Abdominoplasty | 86.83 .......... | 15831 ......................... | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. |  |
| Lipectomy suction per region. ${ }^{11}$ | 86.83 | $\begin{aligned} & \text { 15876, 15877, 15878, } \\ & 15879 . \\ & 30400,30410 \text {............. } \end{aligned}$ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. |  |
| Rhinoplasty ................... | 21.87, 21.86 ...... |  | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. |  |
| Scar Revisions beyond CHAMPUS. | 86.84 ......................... | $1578$ $\qquad$ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. |  |
| Mandibular or Maxillary Repositioning. | $76.41$ | $21194$ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. |  |
| Minor Skin Lesions. ${ }^{12}$ | 86.30 ......................... | $1578$ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. |  |
| Dermabrasion | 86.25 | 15780 ........................ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. | $a \mathrm{bc}$ |
| Hair Restoration | 86.6 | 15775 ........................ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. | , |
| Removing Tattoos | 86.25 | 15780 ........................ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. | abc |
| Chemical Peel | 86.24 .. | $\begin{aligned} & 15790 \text {............................ } \\ & 1583 \ldots . . . . . . . . . . . . . . . . . . . . . . . . . . . ~ \end{aligned}$ | Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. <br> Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. <br> Inpatient Surgical Care Per Diem or APV or applicable Outpatient Clinic Rate. | abc |
| Arm/Thigh Dermolipectomy. | $86.83$ <br> 86.3 |  |  | abc |
| Brow Lift ..... |  | 15839 ........................ |  | abc |

H. Dental Rate ${ }^{13}$ Per Procedure

| MEPRS code ${ }^{4}$ | Clinical service | International Military Education \& Training (IMET) | Interagency and other Federal agency sponsored patients | Other (Full/ <br> Third party) |
| :---: | :---: | :---: | :---: | :---: |
|  | Dental Services ADA code and DoD established weight. | \$35.00 | \$101.00 | \$106.00 |

I. A mbulance Rate ${ }^{14}$ Per Visit

| MEPRS <br> code | Clinical service | International <br> Military Edu- <br> cation \& Train- <br> ing (IMET) | Interagency <br> and other Fed- <br> eral agency <br> sponsored pa- <br> tients | Other (Full/ <br> Third party) |
| :--- | :---: | ---: | ---: | ---: | ---: |
| FEA .......... | Ambulance .................................................................................................... | $\$ 32.00$ | $\$ 60.00$ | $\$ 64.00$ |

J. Laboratory and Radiology Services Requested by an Outside Provider 8 Per Procedure

| MEPRS <br> code | Clinical service | International <br> Military Edu- <br> cation \& Train- <br> ing (IMET) | and other Fed- <br> eral agency <br> sponsored pa- <br> tients | Other (Full/ <br> Third party) |
| :--- | :--- | :--- | :--- | :--- |
|  | Laboratory procedures requested by an outside provider CPT-4 Weight Multi- <br> plier. | $\$ 9.00$ | $\$ 13.00$ | $\$ 14.00$ |


| MEPRS code ${ }^{4}$ | Clinical service | International Military Education \& Training (IMET) | Interagency and other Federal agency sponsored patients | Other (Full/ <br> Third party) |
| :---: | :---: | :---: | :---: | :---: |
|  | Radiology procedures requested by an outside provider CPT-4 Weight Multiplier. | 23.00 | 35.00 | 37.00 |


| MEPRS code ${ }^{4}$ | Clinical service | International Military Education \& Training (IMET) | Interagency and other Federal agency sponsored patients | Other (Full/ <br> Third party) |
| :---: | :---: | :---: | :---: | :---: |
|  | AirEvac Services-Ambulatory <br> AirEvac Services-Litter | $\begin{array}{r} \$ 113.00 \\ 323.00 \end{array}$ | $\begin{array}{r} \$ 209.00 \\ 598.00 \end{array}$ | $\begin{array}{r} \$ 223.00 \\ 638.00 \end{array}$ |

## Notes on Cosmetic Surgery Charges:

a Per diem charges for inpatient surgical care services are listed in Section I.B. (See notes 9 through 11, below, for further details on reimbursable rates.)
${ }^{\text {b }}$ Charges for ambulatory procedure visits (formerly same day surgery) are listed in Section III.C. (See notes 9 through 11, below, for further details on reimbursable rates.) The ambulatory procedure visit (APV) rate is used if the elective cosmetic surgery is performed in an ambulatory procedure unit (APU).
charges for outpatient clinic visits are listed in Sections II.A-K. The outpatient clinic rate is not used for services provided in an APU. The APV rate should be used in these cases.

## Notes on Reimbursable Rates

${ }^{1}$ Percentages can be applied when preparing bills for both inpatient and outpatient services. Pursuant to the provisions of 10 U.S.C. 1095, the inpatient Diagnosis Related Groups and inpatient per diem percentages are 96 percent hospital and 4 percent professional charges. The outpatient per visit percentages are 88 percent outpatient services and 12 percent professional charges.
${ }^{2}$ DoD civilian employees located in overseas areas shall be rendered a bill when services are performed. Payment is due 60 days from the date of the bill
${ }^{3}$ The cost per Diagnosis Related Group (DRG) is based on the inpatient full reimbursement rate per hospital discharge, weighted to reflect the intensity of the principal and secondary diagnoses, surgical procedures, and patient demographics involved. The adjusted standardized amounts (ASA) per Relative Weighted Product (RWP) for use in the direct care system is comparable to procedures used by the Health Care Financing Administration (HCFA) and the Civilian Health and Medical Program for the Uniformed Services (CHAMPUS). These expenses include all direct care expenses associated with direct patient care. The average cost per RWP for large urban, other urban/rural, and overseas will be published annually as an adjusted standardized amount (ASA) and will include the cost of inpatient professional services. The DRG rates will apply to reimbursement from all sources, not just third party payers.
${ }^{4}$ The Medical Expense and Performance Reporting System (MEPRS) code is a three digit code which defines the summary account and the subaccount within a functional category in the DoD medical system. MEPRS codes are used to ensure that consistent expense and operating performance data is reported in the DoD military medical system. An example of the MEPRS hierarchical arrangement follows:

|  | MEPRS code |
| :---: | :---: |
| Outpatient Care (Functional Category) | B |
| Medical Care (Summary Account) ...... | BA |
| Internal Medicine (Subaccount) | BAA |

${ }^{5}$ Hyperbaric services charges shall be based on hours of service in 15 minute increments. The rates listed in Section III.B. are for 60 minutes or 1 hour of service. Providers shall calculate the charges based on the number of hours (and/or fractions of an hour) of service. Fractions of an hour shall be rounded to the next 15 minute increment (e.g., 31 minutes shall be charged as 45 minutes).
${ }^{6}$ Ambulatory procedure visit is defined in DOD Instruction 6025.8, "Ambulatory Procedure Visit (APV)," dated September 23, 1996, as immediate (day of procedure) pre-procedure and immediate post-procedure care requiring an unusual degree of intensity and provided in an ambulatory procedure unit (APU). Care is required in the facility for less than 24 hours. This rate is also used for elective cosmetic surgery performed in an APU.
${ }^{7}$ Prescription services requested by outside providers (e.g., physicians or dentists) are relevant to the Third Party Collection Program. Third party payers (such as insurance companies) shall be billed for prescription services when beneficiaries who have medical insurance obtain medications from a Military Treatment Facility (MTF) that are prescribed by providers external to the MTF. Eligible beneficiaries (family members or retirees with medical insurance) are not personally liable for this cost and shall not be billed by the MTF. Medical Services Account (MSA) patients, who are not beneficiaries as defined in 10 U.S.C. 1074 and 1076, are charged at the "Other" rate if they are seen by an outside provider and only come to the MTF for prescription services. The standard cost of medications ordered by an outside provider includes the cost of the drugs plus a dispensing fee per prescription. The prescription cost is calculated by multiplying the number of units (e.g., tablets or capsules) by the unit cost and adding a $\$ 5.00$ dispensing fee per prescription. The final rule at 32 CFR Part 220, estimated to be published October 1, 1997, will eliminate the dollar threshold for high cost ancillary services (by changing the threshold from $\$ 25$ to $\$ 0$ ) and the associated term "high cost ancillary service." In anticipation of that change, the phrase "high cost ancillary service" has been replaced with the phrase "ancillary services requested by an outside provider." The elimination of the threshold also eliminates the bundling of costs whereby a patient is billed if the total cost of ancillary services in a day (defined as 0001 hours to 2400 hours) exceeded $\$ 25.00$.
${ }^{8}$ Charges for ancillary services requested by an outside provider (physicians, dentists, etc.) are relevant to the Third Party Collection Program. Third party payers (such as insurance companies) shall be billed for ancillary services when beneficiaries who have medical
insurance obtain services from the MTF that are prescribed by providers external to the MTF. Laboratory and Radiology procedure costs are calculated using the Physicians' Current Procedural Terminology (CPT)-4 Report weight multiplied by either the laboratory or radiology multiplier (Section III.J). Eligible beneficiaries (family members or retirees with medical insurance) are not personally liable for this cost and shall not be billed by the MTF. MSA patients, who are not beneficiaries as defined by 10 U.S.C. 1074 and 1076, are charged at the "Other" rate if they are seen by an outside provider and only come to the MTF for services. The final rule at 32 CFR Part 220, estimated to be published October 1, 1997, will eliminate the dollar threshold for high cost ancillary services (by changing the threshold from $\$ 25$ to $\$ 0$ ) and the associated term "high cost ancillary service." In anticipation of that change, the phrase "high cost ancillary service" has been replaced with the phrase "ancillary services requested by an outside provider." The elimination of the threshold also eliminates the bundling of costs whereby a patient is billed if the total cost of ancillary services in a day (defined as 0001 hours to 2400 hours) exceeded $\$ 25.00$.
${ }^{9}$ The attending physician is to complete the CPT-4 code to indicate the appropriate procedure followed during cosmetic surgery. The appropriate rate will be applied depending on the treatment modality of the patient: Ambulatory procedure visit, outpatient clinic visit or inpatient surgical care services.
${ }^{10}$ Family members of active duty personnel, retirees and their family members, and survivors shall be charged elective cosmetic surgery rates. Elective cosmetic surgery procedure information is contained in Section III.G. The patient shall be charged the rate as specified in the FY 1998 reimbursable rates for an episode of care. The charges for elective cosmetic surgery are at the full reimbursement rate (designated as the "Other" rate) for inpatient per diem surgical care services in Section I.B., ambulatory procedure visits as contained in Section III.C, or the appropriate outpatient clinic rate in Sections II.A-K. The patient is responsible for the cost of the implant(s) and the prescribed cosmetic surgery rate. (NOTE: The implants and procedures used for the augmentation mammaplasty are in compliance with Federal Drug Administration guidelines.)
${ }^{11}$ Each regional lipectomy shall carry a separate charge. Regions include head and neck, abdomen, flanks, and hips.
${ }^{12}$ These procedures are inclusive in the minor skin lesions. However, CHAMPUS separates them as noted here. All charges shall be for the entire treatment, regardless of the number of visits required.
${ }^{13}$ Dental service rates are based on a dental rate multiplier times the American Dental Association (ADA) code and the DoD established weight for that code.
${ }^{14}$ Ambulance charges shall be based on hours of service in 15 minute increments. The rates listed in Section III.I are for 60 minutes or 1 hour of service. Providers shall calculate the charges based on the number of hours (and/or fractions of an hour) that the ambulance is logged out on a patient run. Fractions of an hour shall be rounded to the next 15 minute increment (e.g., 31 minutes shall be charged as 45 minutes).
${ }^{15}$ Air in-flight medical care reimbursement charges are determined by the status of the patient (ambulatory or litter) and are per patient. The charges are billed only by the Air Force Global Patient Movement Requirement Center (GPMRC).

Dated: October 14, 1997.

## L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.
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## DEPARTMENT OF DEFENSE

## Office of the Secretary

Meeting of the Task Force on Defense Reform

Agencr: Department of Defense, Task Force on Defense Reform.
Action: Notice.
summary: The Task Force on Defense
Reform will meet in closed sessions on
November 4, 6, 13, 18, 20, and 25, 1997.
The Task Force on Defense Reform was established to make recommendations to the Secretary of Defense and Deputy Secretary of Defense on alternatives for organizational reforms, reductions in management overhead, and streamlined business practices in the Department of Defense (DoD), with emphasis on the Office of the Secretary of Defense, the Defense Agencies, the DoD field activities, and the Military Departments. In accordance with Section 10(d) of the Federal Advi sory Committee Act, Pub. L. 92-463, as amended, 5 U.S.C., A ppendix II, it has been determined that matters affecting national security, as
covered by 5 U.S.C. 552b(c)(1)(1988), will be presented throughout the meetings, and that, accordingly, these meetings will be closed to the public.

## Dated: October 14, 1997.

## L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.
[FR Doc. 97-27645 Filed 10-17-97; 8:45 am] BILLING CODE 5000-04-M

## DEPARTMENT OF DEFENSE

## Department of the Air Force

## HQ USAF Scientific Advisory Board

 MeetingThe Aerial Targets, UAVs, and Ranges Symposium in support of the HQ USAF Scientific Advisory Board will meet in Las Vegas, NV on November 12-13, 1997, from 8:00 a.m. to 5:00 p.m.

The purpose of the meeting is to gather information and recei ve briefings on A erial Targets, UAVs, and Ranges.

The meeting will be closed to the public in accordance with Section 552b of Title 5, United States Code, specifically subparagraphs (1) and (4) thereof.

For further information, contact the HQ USAF Scientific Advisory Board Secretariat at (703) 697-8404.

## Barbara A. Carmichael,

AlternateAir Force Federal Register Liaison Officer.
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## DEPARTMENT OF ENERGY

## Office of Fossil Energy

## National Coal Council; Notice of Open Meeting

Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 92-463, 86 Stat. 770), notice is hereby given of the following meeting:

Name: National Coal Council.
Date And Time: Friday, November 14, 1997, 8:30 am.
Place: Hyatt Regency, Westshore, 6200 Courtney Campbell Causeway, Tampa, FL.

Contact: Margie D. Biggerstaff, U.S. Department of Energy, Office of Fossil Energy (FE-5), Washington, D.C. 20585, Telephone: 202/586-3867.

Purpose of the Council: To provide advice, information, and recommendations to the Secretary of Energy on matters relating to coal and coal industry issues.


[^0]:    *DRG Weight
    ** Outlier calculation $=33$ percent of per diem weight $\times$ number of outlier days
    $=.33$ (DRG Weight/Geometric Mean LOS) $\times$ (Patient LOS-Long Stay Threshold)
    $=.33(2.9769 / 7.8) \times(35-30)$
    $=.33(.38165) \times 5$ (take out to five decimal places)
    $=.12594 \times 5$ (take out to five decimal places)
    $=.6297$ (take out to four decimal places)
    ${ }^{* * *}$ Applied ASA $\times$ Total RWP

