

is insufficient demonstration data for a full evaluation of costs associated with enrollment in clinical trials. Extending the demonstration for an additional year will allow sufficient time for patient accrual to clinical trials and collection of data which allows for comprehensive economic analysis. This demonstration also affects TRICARE, the managed health care program that includes CHAMPUS. This demonstration project, which is under the authority of 10 U.S.C., section 1092, will expire December 31, 1999.

EFFECTIVE DATE: January 1, 1999.

FOR FURTHER INFORMATION CONTACT: Kathleen K. Larkin, Office of the Assistant Secretary of Defense (Health Affairs), TRICARE Management Activity, (703) 681-1745.

SUPPLEMENTARY INFORMATION:

A. Background

On January 24, 1996, the Department provided notice in the **Federal Register** (61 FR 1899) of an expansion of an existing demonstration for breast cancer treatment clinical trials to include all cancer treatment clinical trials under approved National Cancer Institute (NCI) clinical trials. The demonstration purpose is to improve beneficiary access to promising new therapies, assist in meeting the National Cancer Institute's clinical trial goals, and arrival at conclusions regarding the safety and efficacy of emerging therapies in the treatment of cancer. The January 24, 1996, notice anticipated the possibility of extending the demonstration.

The NCI trails program is the principal means by which the oncology community has developed clinical evidence for the efficacy of various treatment approaches in cancer therapy. Participating institutions include NCI's network of comprehensive and clinical cancer centers, university and community hospitals and practices, and military treatment facilities. Despite this extensive network which includes the nation's premier medical centers, cure rates for most types of cancer remain disappointing, highlighting the significant effort still required for improvement. The principal means by which advances in therapy will be realized is through application of research to victims of cancer. In support of NCI's efforts to further the science of cancer treatment, the Department expanded its breast cancer demonstration to include all NCI-sponsored phase II and phase III clinical trials. This expanded demonstration will enhance current NCI efforts to determine safety and efficacy of promising cancer therapies by

expanding the patient population available for entry into clinical trials and stabilizing the referral base for these clinical activities. While this demonstration provides an exception to current CHAMPUS benefit limitations, the Department hypothesizes that this increased access to innovative cancer therapies will occur at a cost comparable to that which the Department has experienced in paying for conventional therapies under the standard CHAMPUS program. Results of this demonstration will provide a framework for determining the scope of DoD's continued participation in the NCI's research efforts.

Dated: November 6, 1998.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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DEPARTMENT OF DEFENSE

Office of the Secretary

MacDill 65 Demonstration of Military Managed Care

AGENCY: Department of Defense, Health Affairs.

ACTION: Notice of demonstration project.

SUMMARY: This notice is to advise interested parties of a demonstration project in which DoD will enroll up to 2,000 Medicare-eligible military retirees at MacDill Air Force Base to primary care managers. The MacDill 65 demonstration project seeks to show that a DoD-operated program can provide primary health care services to beneficiaries eligible for both military health care and Medicare more effectively and efficiently than under the current DoD-operated system. In this project, DoD will grant enrollees in the program priority access to primary health care at MacDill in exchange for their agreement to receive all of their primary health care from MacDill AFB. Additional services, available at the military treatment facility at MacDill AFB, will be granted to these enrollees at a higher priority than that granted to other retirees and their family members not enrolled in TRICARE Prime. Funding for the demonstration for care provided will come from an additional \$2 million per year over the current level of DoD expenditures on care provided to the MacDill AFB Medicare-eligible population. Claims for care provided to enrollees outside the MTF will be submitted to Medicare on a fee-for-service basis by the civilian

provider. At the end of the project, DoD will conduct an analysis of the benefits and costs of the program. DoD will conduct the demonstration over three years, from October 1, 1998, to September 30, 2001. This demonstration project is being conducted under the authority of 10 USC 1092.

EFFECTIVE DATE: October 1, 1998.

FOR FURTHER INFORMATION CONTACT: Steve Lillie, TRICARE Management Activity (703) 681-1745.

SUPPLEMENTARY INFORMATION:

A. Background

DoD-provided health care for Medicare-eligible military retirees has always been available at MTFs on a space-available basis. Federal law (10 U.S.C. 1086(d)) excludes Medicare-eligible military retirees, survivors, and family members (with the exception of those eligible for Medicare because of a disability or end-stage renal disease) from participation in the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), the DoD-sponsored health care benefit for military dependents and retirees. When DoD began the transition to the TRICARE program in 1995, the Department again determined it was necessary to exclude Medicare beneficiaries from enrollment in TRICARE Prime, DoD's HMO-like program, based on their exclusion from CHAMPUS and the statutory requirement that TRICARE Prime not increase costs.

In the past, many Medicare beneficiaries have obtained substantial amounts of health care at MTFs. However, because of military budget cutbacks, a series of military base closures, and increased demand for MTF resources from a growing retiree population, Medicare-eligible beneficiaries are finding it increasingly difficult to obtain care at MTFs in many locations.

Also contributing to the reduction of space-available care for Medicare-eligible beneficiaries is the establishment of a priority system for access to MTF care. As mandated by 10 U.S.C. 1097(c), first priority is granted to active duty personnel. Active duty dependents enrolled in TRICARE Prime are assured of second priority over enrolled military retirees and their dependents, who enjoy third priority. Active duty dependents who are not enrolled in Prime are accorded fourth priority. Medicare-eligible beneficiaries are in the fifth and lowest priority group, along with other non-enrolled retirees.

B. Description of MacDill 65 Project

(1) *Location of Project:* MacDill 65 will be conducted in the catchment area of MacDill Air Force Base, Florida. The catchment area is a 40-mile radius around the base and is identified by zip codes.

(2) *MacDill 65 Schedule:* Prior to the beginning of health care delivery under this demonstration, 1998, MacDill AFB will issue public announcements providing information about the MacDill 65 program and the enrollment process. These announcements will include the posting of notices in the MTF and publication in local newspapers serving the MTF's catchment areas. The public announcements will indicate that a 30-day application acceptance period will begin, followed approximately 30 days later by the start date of health care delivery under MacDill 65. The project will continue for a maximum of three years to September 30, 2001.

(3) *Eligible Population:* To be eligible to be enrolled in MacDill 65, a military retiree must (1) be eligible for care from DoD and through Medicare's aged program, (2) be enrolled in Medicare Part B, (3) not be enrolled in a Medicare HMO, (4) reside within the catchment area of MacDill AFB, and (5) have received medical services at MacDill AFB as a dual-eligible beneficiary prior to August 1, 1998, or became eligible for Medicare on or after August 1, 1998.

(4) *Enrollment Capacity:* There will be 2,000 slots in MacDill 65 enrollment capacity. Additionally, MacDill will offer enrollment to all otherwise eligible applicants who become Medicare-eligible during the demonstration and who, immediately prior to reaching age 65, were enrolled in TRICARE Prime and assigned to a MacDill AFB primary care manager.

(5) *Enrollment:* Enrollment will be on a first-come/first-served basis. Enrollment applications will be accepted by mail at an address designated by MacDill AFB. If capacity is reached, applications received on the same day will be placed on a waiting list, up to a specified limit, again, in the order in which they are received, and applicants will be granted enrollment as existing enrollment slots are vacated. MacDill will limit its waiting list to a number equal to 10% of its maximum MacDill 65 enrollment capacity as described above.

Marketing and educational meetings began July 1998. Applications were accepted by mail through the month of August. In September, a lottery was used to select the 2,000 enrollees from the applications received. During that

time, educational briefings were provided. Applications were available and were accepted by mail.

Enrollment in MacDill 65 is for three years. Beneficiaries may leave the program at any time by submitting a written request. There will be no enrollment fees for MacDill 65, although enrollees will be required to maintain their enrollment in Medicare Part B through the payment of monthly premiums.

As a condition of enrollment, each dual-eligible beneficiary will be asked to receive all of his or her primary health care, except emergency or urgent care, through the MacDill 65 program. If an enrollee requires medical care beyond the scope of primary care, a referral will be provided by the primary care manager. The referral providers may be MTF providers, providers in the TRICARE managed care support contractor's network or other civilian providers who agree to accept Medicare assignment. Enrollees may self-refer or accept the primary care manager's referral. Enrollees may not seek care at an MTF other than through their MTF primary care manager, to whom they have been guaranteed priority access as described below. Those Medicare-eligible beneficiaries who are not enrolled in MacDill 65 will remain eligible for space-available care at the MTF.

(6) *Services Covered:* The MacDill 65 benefit is a primary care benefit with additional services to the extent available at the MTF. Enrollees will be assigned a primary care manager at MacDill AFB and will be guaranteed access to primary care at the MTF in accordance with the TRICARE Prime access standards (32 CFR 199.17(p)(5)). With respect to non-primary care, additional services, available at the military treatment facility at MacDill AFB, will be granted to these enrollees at a higher priority than that granted to other retirees and their family members not enrolled in TRICARE Prime. Enrollees will not displace TRICARE Prime enrollees, however. There will be no enrollee cost shares associated with care provided at the MTF with the exception of the minimal per diem costs incurred by those receiving inpatient care.

For medical care not available at MacDill AFB, MacDill AFB will refer MacDill 65 enrollees to providers who accept Medicare assignment in the local area. For all medically necessary specialty care, an appropriate referral will be made. Alternatively, the enrollee may choose to obtain services from another Medicare-eligible provider. The cost of care provided outside the MTF

is not the responsibility of MacDill AFB. Rather, claims for care provided by civilian providers for MacDill 65 enrollees will be submitted to Medicare on a fee-for-service basis. While an enrollee should receive a referral to the civilian provider from DoD, Medicare regulations will govern payment for such care. Accordingly, the Medicare fiscal intermediary or carrier will have the authority to determine whether a service is a Medicare-covered benefit and will determine the allowable rates and the applicable cost shares and deductibles. Depending upon Medicare payments rules, payment for care by a civilian provider ultimately will be the responsibility of the MacDill 65 enrollee.

MacDill 65 enrollees will have access to the complete drug formulary of the MTF, without regard to whether the prescription was written by an MTF or civilian provider. DoD will not guarantee that a drug prescribed by a provider, either at the MTF or in the civilian sector, will be available at the MTF pharmacy. Prescriptions which must be filled outside the MTF will be the financial responsibility of the enrollee.

Impact of Demonstration Project on Access to Care for Non-Enrolled Medicare-Eligible Beneficiaries

The goal of the MacDill 65 project is to develop a primary care benefit for Medicare-eligible beneficiaries, which will better ensure their access to military health care. This will enable DoD to offer more predictable access to military health care to a limited number of Medicare-eligible beneficiaries and will allow DoD to provide such care in a more cost-effective manner than the current space-available system.

Enrollees in MacDill 65 will benefit from improved access to a broader range of services at MTFs than they currently receive under the space-available system. The current system provides limited amounts of care to a large number of Medicare-eligibles. As a result of the implementation of MacDill 65, those who are not enrolled in the program, either by choice or lack of available enrollment slots will probably find their access to space-available MTF care more limited than it is currently. This is because resources currently devoted to space-available care are expected to be shifted to the care of MacDill 65 enrollees. It is important to note that the *eligibility* of non-enrolled beneficiaries to space-available care in MTFs is not affected by their enrollment status. However, the actual *availability* of space for this group is likely to decrease. While this may result in

higher out-of-pocket costs and reduced convenience for Medicare-eligible beneficiaries as they seek health care using their Medicare benefit, the Department believes that successful conduct of the MacDill 65 project will demonstrate the Department's ability to operate a cost-effective primary care program for Medicare-eligible beneficiaries.

The Department is also aware that the requirement for all MacDill 65 enrollees to have Medicare Part B represents an increased cost for those who rely solely on no-cost, space-available care at the MTF. However, Medicare regulations require Medicare-risk HMO members to also be enrolled in Part B. As the Department is strongly supportive of Medicare Subvention legislation, it is one of the reasons the Department has implemented a policy of encouraging military retirees to enroll in Part B upon reaching age 65. Also, enrollees in MacDill 65 will require Part B coverage to submit claims to Medicare for civilian provider services.

Dated: November 6, 1998.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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DEPARTMENT OF ENERGY

International Energy Agency Meeting

AGENCY: Department of Energy.

ACTION: Notice of meeting.

SUMMARY: The Industry Advisory Board to the International Energy Agency will meet November 20, 1998 at the headquarters of the International Energy Agency in Paris, France in connection with a joint meeting of the IEA's Standing Group on Emergency Questions and Standing Group on the Oil Market.

FOR FURTHER INFORMATION CONTACT: Samuel M. Bradley, Acting Assistant General Counsel for International and Legal Policy, Department of Energy, 1000 Independence Avenue, S.W., Washington, D.C. 20585, 202-586-6738.

SUPPLEMENTARY INFORMATION: In accordance with section 252(c)(1)(A)(i) of the Energy Policy and Conservation Act (42 U.S.C. 6272(c)(1)(A)(i)), the following meeting notice is provided:

A meeting of the Industry Advisory Board (IAB) to the International Energy Agency (IEA) will be held on November 20, 1998, at the headquarters of the IEA, 9 rue de la Federation, Paris, France, beginning at approximately 9:30 a.m.

The purpose of this meeting is to permit attendance by representatives of U.S. company members of the IAB at a meeting of the IEA's Standing Group on Emergency Questions (SEQ) (part of which will be held jointly with the Standing Group on the Oil Market (SOM)) that is scheduled to be held at the IEA's offices on November 20. The Agenda for the meeting is under the control of the SEQ and SOM. It is expected that the following Agenda will be adopted:

Meeting of the Standing Group on Emergency Questions

1. Adoption of the Agenda
2. Approval of the Summary Record of the 93rd Meeting
3. The 1998 SEQ Work Program
4. The 1999 SEQ Work Program
 - Survey of SEQ/SOM Member Budget and Work Program Priorities
5. Policy and Legislative Developments in Member Countries
 - U.S. Energy Policy and Conservation Act
 - Developments in other IEA countries
6. Current IAB Activities
7. Emergency Reserve Situation of IEA Countries
 - Emergency Reserve and Net Import Situation of IEA Countries on 1 July 1998
8. Emergency Reserve Measurement Issues
 - Treatment of Petroleum Coke for IEA Emergency Reserve Purposes—Proposal by the Spanish Administration
9. Emergency Response Issues of IEA Candidate Countries
 - Emergency Reserve Situation of IEA Candidate Countries
10. Emergency Data System and Related Questions
 - Base Period Final Consumption—Q397—Q298
 - Monthly Oil Statistics (MOS) June 1998
 - MOS July
 - MOS August
11. Emergency Response Reviews of IEA Countries
 - Emergency Response Review of Australia
 - Emergency Response Review of Canada
 - Emergency Response Review of New Zealand
 - Emergency Response Review of Finland
 - Progress Report on the Review Program
 - Updated Schedule of Emergency Response Reviews
12. Emergency Reference Guide
 - Update of Emergency Contact

Points List

13. Other Business

- Discussion of possible event to mark 25 years of SEQ work on energy security

Joint Meeting of the Standing Group on Emergency Questions and the Standing Group on the Oil Market

1. Current Oil Market Situation (Based on the monthly Oil Market Report dated 9 November 1998)
2. Oil Supply in the South Atlantic: A Strategic Outlook to 2005
3. External Economic Influences on the World Oil Market: The Implications of Expectations, Inventories and Prices
 - Dr. Philip K. Verleger, P.K. Verleger LLC
4. Report on the Emergency Response Exercise 98

As provided in section 252(c)(1)(A)(ii) of the Energy Policy and Conservation Act (42 U.S.C. 6272(c)(1)(A)(ii)), this meeting is open only to representatives of members of the IAB and their counsel, representatives of members of the SEQ and SOM, representatives of the Departments of Energy, Justice, and State, the Federal Trade Commission, the General Accounting Office, Committees of the Congress, the IEA, and the European Commission, and invitees of the IAB, the SEQ, the SOM, or the IEA.

Issued in Washington, D.C., November 6, 1998.

Mary Anne Sullivan,
General Counsel.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP99-46-000]

Algonquin Gas Transmission Company; Notice of Application

November 6, 1998.

Take notice that on October 29, 1998, Algonquin Gas Transmission Company (Algonquin), 5400 Westheimer Court, Houston, Texas 77251-1642, filed an application pursuant to Section 7(b) and 7(c) of the Natural Gas Act (NGA) and Part 157 of the Commission's Regulations thereunder for a certificate of public convenience and necessity authorizing Algonquin to construct, own, operate and maintain certain facilities and to abandon certain facilities necessary to render a firm transportation service for up to 46,000