

how to apply a specific military treatment facility's ASA rate to a DRG standardized weight to arrive at the costs to be recovered is contained in paragraph I.A.3., below.

3. Example of Adjusted Standardized Amounts for Inpatient Stays

Figure 1 shows examples for a non-teaching hospital (Reynolds Army

Community Hospital) in an Other Urban/Rural area.

a. The cost to be recovered is the MTF's cost for medical services provided. 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 2.1159. (DRG statistics shown are from FY 2002.)

c. The FY 2003 MTF-applied ASA rate is \$7,152.00 (Reynolds Army Community Hospital's third party rate as shown in Attachment 1).

d. The MTF cost to be recovered is the RWP factor (2.1159) in subparagraph 3.b., above, multiplied by the amount (\$7,152.00) in subparagraph 3.c., above.

e. Cost to be recovered is \$15,134.00.

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	2.1159	7.6	5.5	1	29	
Hospital		Location		Area wage rate index	IME adjust-ment	Group ASA	MTF-applied ASA
Reynolds Army Community Hospital		Other Urban/Rural8251	1.0	\$7,575.00	\$7,152.00
Patient	Length of stay	Days above threshold	Relative weighted product			TPC amount***	
			Inlier *	Outlier **	Total		
#1	7 days	0	2.1159	.000	2.1159	\$15,134.00	
#2	21 days	0	2.1159	.000	2.1159	15,134.00	
#3	35 days	6	2.1159	.7617	2.8776	20,581.00	

* DRG Weight.

** Outlier calculation = 33 percent of per diem weight × number of outlier days.
 =.33 (DRG Weight/Geometric Mean LOS) × (Patient LOS – Long Stay Threshold).
 =.33 (2.1159/5.5) × (35–29).
 =.33 (.38471) × 6 (extend to five decimal places).
 =.12695 × 6 (extend to five decimal places).
 =.7617 (extend to four decimal places).

*** MTF-Applied ASA x Total RWP.

II. Outpatient Rates^{2 3 4}

A. *CMAC Rates.* The CHAMPUS Maximum Allowable Charge (CMAC) rates, established under 32 CFR 199.14(h), are used for determining the appropriate charge for services in an itemized format, based on Healthcare Common Procedure Coding System (HCPCS) methodology. The CMAC rates are available on the TMA UBO Web site at http://www.tricare.osd.mil/ebc/rm_home/ubo_documents_rates_tables.cfm. The CMAC rate tables contain the rates for radiology, laboratory, clinic procedures/services, and Evaluation and Management (E/M) Current Procedural Terminology (CPT) codes.

CMAC is organized by 90 distinct "localities," which account for differences in geographic regions based on demographics, cost of living, and population. Each MTF Defense Military Information System identification (DMIS ID) will map to a locality code to obtain the correct rates. For the complete DMIS ID locality table please refer to the DMIS ID Web site at <http://www.dmisid.com/cgi-dmis/default>.

In each locality, there are three sub-tables of rates: CMAC, Component, and Non-CMAC. The CMAC rate table determines the payment for individual professional services and procedures identified CPT and HCPCS codes. The Component rate table is based on component rates comprising professional, technical and global rates. The Non-CMAC rate table captures pricing for procedure codes at the local or state level. Each state/locality does not have the same set of prevailing rates. When rates are pulled from the Non-CMAC table, the prevailing local fee is used in all cases.

Within the CMAC tables, the rates are based not only on HCPCS but on a "Provider Class" based on medical specialty of the provider. Each provider is mapped to a provider class to calculate the correct rate.

B. *Per Clinic Visit.* With implementation of OIB, an all-inclusive rate per clinic visit will no longer be charged. Instead, charges will be based on services provided and will be itemized.

C. *Ambulatory Procedure Visit (APV)—Per Visit⁵.* APV charges are based on the CPT codes of the

procedures performed. An itemized bill will be produced for the charges associated with the APV including ancillaries and anesthesia as applicable.

III. Other Rates and Charges

A. *Immunization* The charge for immunizations, allergen extracts, allergic condition tests, and the administration of certain medications when these services are provided in a separate immunization or shot clinic, are based on CMAC rates in cases in which such rates are available. In cases in which such rates are not available, rates will be based on the average full cost of these services, exclusive of any costs considered for purposes of any outpatient visit. A separate charge shall be made for each immunization, injection or medication administered. If there is no CMAC rate available for an immunization or injection then the flat rate of \$34.00 will be billed.

B. *Subsistence Rate⁶.* The standard and discount rates for subsistence are available from the DoD Comptrollers Web site, Tab G: <http://www.dod.mil/comptroller/ratesindex2003.html>.

C. *Family Member Rate* \$12.72 (with exception of spouses and other