

The final rule includes methodologies for establishing charges for VA medical care and services. Information for calculating actual charge amounts at individual VA facilities using these methodologies is set forth in a notice published in the **Federal Register** on October 2, 2003 (68 FR 56892) as a companion document to the proposed rule containing such methodologies published in the same issue of the **Federal Register**. These charges, with changes explained below, are effective December 19, 2003. Accordingly, interested parties may wish to retain the notice document of October 2 and this notice document for future reference.

When charges for medical care or services provided or furnished at VA expense by either VA or non-VA providers have not been established under other provisions of the final rule, then the alternate methods for determining VA's charges as set forth in the regulations at 38 CFR 17.101(a)(8) will apply.

FOR FURTHER INFORMATION CONTACT: Stephanie Mardon, Chief Business Office (168), Veterans Health Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 254-0362. (This is not a toll free number.)

SUPPLEMENTARY INFORMATION: The companion document published as a final rule in this issue of the **Federal Register** includes the methodologies for developing acute inpatient facility charges; skilled nursing facility/sub-acute inpatient facility charges; partial hospitalization facility charges; outpatient facility charges; physician and other professional charges, including professional charges for anesthesia services and dental services; pathology and laboratory charges; observation care facility charges; ambulance and other emergency transportation charges; and charges for durable medical equipment, drugs, injectables, and other medical services, items, and supplies identified by HCPCS Level II codes. Information for calculating actual charge amounts at individual VA facilities using these methodologies is set forth in a notice published in the **Federal Register** on October 2, 2003 (68 FR 56892) as a companion document to the proposed rule containing such methodologies published in the same issue of the **Federal Register**. The October 2 notice document also provided information on the editions of the data sources used to establish the charges, where the various data sources could be obtained, and a list of VA facilities that linked them to their three-digit ZIP Codes. This

document makes changes to the October 2 notice document consistent with the provisions of the final rule.

Acute Inpatient Facility Charges

Acute inpatient facility charges by diagnosis related group (DRG) are set forth in Table A in the October 2 notice document. Those charges were based on 2003 DRGs. Table A in the October 2 notice document is being replaced by Table A in this notice, which provides updated charges based on 2004 DRGs.

Physician and Other Professional Charges

Relative value units (RVUs) and other information for physician and other professional services are set forth in Table G in the October 2 notice document. In Table G, the absence of a modifier indicates that the code is a global service, the presence of modifier -26 indicates a professional component, and the presence of modifier -TC indicates a technical component. Upon further review, we have determined that several codes presented with -26 and -TC modifiers should instead be presented as global services. Table G in this notice lists the changes that we are making to Table G in the October 2 notice document.

Charges for Durable Medical Equipment, Drugs, Injectables, and Other Medical Services, Items, and Supplies Identified by HCPCS Level II Codes

Charges for durable medical equipment, drugs, injectables, and other medical services, items and supplies identified by HCPCS Level II Codes are set forth in Table K in the October 2 notice document. Table K contained 28 HCPCS Codes for which we listed the code but did not provide a charge. We are changing Table K to delete those codes that have no charge.

Table K in the October 2 notice document included 71 HCPCS codes for which we listed four versions of each code: new (modifier NU), rental (modifier RR), used (modifier UE), and global (no modifier). We are changing Table K to delete the non-modified versions of these codes and their associated charges.

Table K in the October 2 notice document included 21 HCPCS codes that included only new (modifier NU) and global (no modifier) versions. We are changing Table K to delete the NU-modified versions of these codes and their associated charges.

Table K in the October 2 notice document included 8 HCPCS codes associated with facial prostheses that included new impression (modifier

KM), previous impression (modifier KN), and non-modified versions. We are changing Table K to delete the non-modified versions of these codes and their associated charges.

Table K in the October 2 notice document contained five ambiguous HCPCS code-modifier pairs that were presented with a rental (RR) modifier and also with no modifier. For these five codes (E0749, E0784, E1510, K0012, and K0195), we have assigned the non-modified version to be new, and have appended the NU modifier accordingly.

Table K in the October 2 notice document included only one entry for HCPCS code E0780, modified with NU. For purposes of clarity, we have changed this code to be non-modified.

Table K in the October 2 notice document included two charges for HCPCS code B9002, one for a new item (modifier NU) and one for rental of this equipment (modifier RR). We inadvertently omitted the charge for B9002-UE, for used equipment, and are now adding that code-modifier combination and its associated charge.

Table K in this notice lists the codes that we are adding, changing, and deleting versus Table K in the October 2 notice document.

Data Sources

The editions of the data sources used to establish the charges are set forth in Supplementary Table 1 in the October 2 notice document. We used updated data sources to establish the updated acute inpatient facility charges set forth in Table A in this notice. Accordingly, Supplementary Table 1 in this notice lists the updated data sources that we used to update our acute inpatient facility charges.

List of VA Medical Facility Locations

In Supplementary Table 3 in the October 2 notice document, we set forth the list of VA medical facility locations and their three-digit ZIP Codes. One of the provisions of the final rule is to designate each VA facility as either provider-based or non-provider-based. Accordingly, Supplementary Table 3 in the October 2 notice document is being replaced by Supplementary Table 3 in this notice, which is updated to add the current provider-based/non-provider-based designation of each VA facility, and to make additions, changes, and deletions to the list of VA facilities. Consistent with the final rule, subsequent updates to Supplementary Table 3 will be posted on the Internet site of the Veterans Health Administration Chief Business Office, currently at <http://www.va.gov/cbo>, under "Charge Data."