# APPENDIX H

## MEDICAL AND DENTAL SERVICES RATE COMPUTATION

SUBMITTED BY THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)

Note: Budget exhibit includes Sections I, II, and III for IMET, Interagency and Other. This exhibit is to be included only in the President's budget. The format of the budget exhibit for medical and dental rates may vary slightly from year to year due to the addition/deletion of rates, changes in nomenclature, updated notes and other unforeseen reasons.

### INPATIENT, OUTPATIENT AND OTHER RATES AND CHARGES

A. INPATIENT RATES 1/ 2/

| Per Inpatient Day | Prior FY | Current FY | Budget FY |
|---|---|---|---|
| 1. Burn Center | $_____ | $_____ | $_____ |
| 2. Surgical Care Services (Cosmetic Surgery) | $_____ | $_____ | $_____ |
| 3. All Other Inpatient Services (Based on Diagnosis Related Groups (DRG) Charges 3/) | | | |

FY 1996 DIRECT CARE INPATIENT REIMBURSEMENT RATES

| ADJUSTED STANDARD AMOUNT | Prior FY | Current FY | Budget FY |
|---|---|---|---|
| Large Urban | $_____ | $_____ | $_____ |
| Other Urban/ Rural | $_____ | $_____ | $_____ |
| Overseas | $_____ | $_____ | $_____ |

B. OUTPATIENT RATES 1/ 2/

| Meprs Code 4/ | Per Visit Clinical Services | Prior FY | Current FY | Budget FY |
|---|---|---|---|---|
| | 1. Medical Care | | | |
| BAA | Internal Medicine | | | |
| BAB | Allergy | | | |
| BAC | Cardiology | | | |
| BAE | Diabetes | | | |
| BAF | Endocrinology | | | |
| BAG | Gastroenterology | | | |
| BAH | Hematology | | | |
| BAI | Hypertension | | | |
| BAJ | Nephrology | | | |
| BAK | Neurology | | | |
| BAL | Nutrition | | | |
| BAM | Oncology | | | |
| BAN | Pulmonary Disease | | | |
| BAO | Rheumatology | | | |
| BAP | Dermatology | | | |
| BAQ | Infectious Disease | | | |
| BAR | Physical Medicine | | | |
| | 2. Surgical Care | | | |
| BBA | General Surgery | | | |
| BBB | Cardiovascular/Thoracic Surgery | | | |
| BBC | Neurosurgery | | | |
| BBD | Ophthalmology | | | |
| BBE | Organ Transplant | | | |
| BBF | Otolaryngology | | | |
| BBG | Plastic Surgery | | | |
| BBH | Proctology | | | |
| BBI | Urology | | | |
| BBJ | Pediatric Surgery | | | |
| | 3. Obstetrical and Gynecological (OB-GYN) | | | |
| BCA | Family Planning | | | |
| BCB | Gynecology | | | |
| BCC | Obstetrics | | | |

| Meprs Code 4/ | Per Visit Clinical Services | Prior FY | Current FY | Budget FY |
|---|---|---|---|---|
| | 4. Pediatric Care | | | |
| BDA | Pediatric | | | |
| BDB | Adolescent | | | |
| BDC | Well Baby | | | |
| | 5. Orthopedic Care | | | |
| BEA | Orthopedic | | | |
| BEB | Cast Clinic | | | |
| BEC | Hand Surgery | | | |
| BEE | Orthopedic Appliance | | | |
| BEF | Podiatry | | | |
| BEZ | Chiropractic Clinic | | | |
| | 6. Psychiatric and/or Mental Health Care | | | |
| BFA | Psychiatry | | | |
| BFB | Psychology | | | |
| BFC | Child Guidance | | | |
| BFD | Mental Health | | | |
| BFE | Social Work | | | |
| BFF | Substance Abuse Rehabilitation | | | |
| | 7. Primary Medical Care | | | |
| BGA | Family Practice | | | |
| BHA | Primary Care | | | |
| BHB | Medical Examination | | | |
| BHC | Optometry | | | |
| BHD | Audiology Clinic | | | |
| BHE | Speech Pathology | | | |
| BHF | Community Health | | | |
| BHG | Occupational Health | | | |
| BHI | Immediate Care Clinic | | | |
| | 8. Emergency Medical Care | | | |
| BIA | Emergency Care Clinic | | | |
| | 9. Flight Medicine Clinic | | | |

| Meprs Code 4/ | Per Visit Clinical Services | Prior FY | Current FY | Budget FY |
|---|---|---|---|---|
| BJA | Flight Medicine | | | |
| | 10. Underseas Medicine Care | | | |
| BKA | Underseas Medicine Clinic | | | |
| | 11. Rehabilitative Services | | | |
| BLA | Physical Therapy | | | |
| BLB | Occupational Therapy | | | |
| BLC | Neuromuscularskeletal screening | | | |
| | 12. Same Day Surgery | | | |

C. OTHER RATES AND CHARGES

| MEPRS Code 4/ | PER VISIT Clinical Service | Prior FY | Current FY | Budget FY |
|---|---|---|---|---|
| | 1. Immunizations | $_____ | $_____ | $_____ |
| | 2. Hyperbaric Services | | | |
| | 1-60 minutes | $_____ | $_____ | $_____ |
| | 61-120 minutes | $_____ | $_____ | $_____ |
| | 121-180 minutes | $_____ | $_____ | $_____ |
| | 181-240 minutes | $_____ | $_____ | $_____ |
| | Each Additional Hour | $_____ | $_____ | $_____ |
| | (Note: Charges may be prorated based on usage) | | | |
| | 3. Family Member Rate $_____ | | | |
| | (formerly Military Dependents Rate) | | | |

4. Third Party Drug Reimbursement Rates 5/

Include the third party drug reimbursement rates for prescriptions requested by external providers and obtained at the Military Treatment Facility as an attachment to the exhibit. Attachment should be entitled "Third Party Drug Reimbursement Rates."

5. High Cost Services Requested By External Providers 6/

Include the high cost services requested by external providers as an attachment to the exhibit. Attachment should be entitled "High Cost Services Requested By External Providers."

6. Elective Cosmetic Surgery Procedures and Rates Identify the charge (i.e., Surgical Care Services rate, Same Day Surgery rate, etc.) for the Cosmetic Surgery Procedures outlined below.

| COSMETIC SURGERY PROCEDURE | INTERNATIONAL CLASSIFICATION DISEASES (ICD-9) | CURRENT PROCEDURAL TERMINOLOGY (CPT) 7/ | CHARGE 8/ |
|---|---|---|---|
| Mammaplasty | 85.50 | 19325 | _____ |
| | 85.32 | 19324 | _____ |
| | 85.31 | 19318 | _____ |
| Mastopexy | 85.60 | 19316 | _____ |
| Facial | 86.82 | 15824 | _____ |
| Rhytidectomy | 86.22 | | _____ |
| Blepharoplasty | 08.70 | 15820 | _____ |
| | 08.44 | 15821 | _____ |
| | | 15822 | _____ |
| | | 15823 | _____ |
| Mentoplasty | 76.68 | 21208 | _____ |
| (Augmentation | 76.67 | 21209 | _____ |
| Reduction) | | | |
| Abdominoplasty | 86.83 | 15831 | _____ |
| Lipectomy, | 86.83 | 15876 | _____ |
| suction per | | 15877 | _____ |
| region 9/ | | 15878 | _____ |
| | | 15879 | _____ |
| Rhinoplasty | 21.87 | 30400 | _____ |
| | 21.86 | 30410 | _____ |
| Scar revisions | 86.84 | 1578_ | _____ |
| beyond CHAMPUS | | | _____ |
| Mandibular or | 76.41 | 21194 | _____ |
| Maxillary | | | _____ |
| Repositioning | | | _____ |
| | INTERNATIONAL | CURRENT | |

| COSMETIC SURGERY PROCEDURE | CLASSIFICATION DISEASES (ICD-9) | PROCEDURAL TERMINOLOGY (CPT) 7/ | CHARGE 8/ |
|---|---|---|---|
| Minor Skin Lesions 10/ | 86.30 | 1578_ | _____ |
| Dermabrasion | 86.25 | 15780 | _____ |
| Hair Restoration | 86.64 | 15775 | _____ |
| Removing Tattoos | 86.25 | 15780 | _____ |
| Chemical Peel | 86.24 | 15790 | _____ |
| Arm/Thigh Dermolipectomy | 86.83 | 1583_ | _____ |
| Brow Lift | 86.3 | 15839 | _____ |

G. Dental Rate

| MEPRS Code 4/ | PER VISIT Clinical Service | Prior FY | Current FY | Budget FY |
|---|---|---|---|---|
| N/A | Dental Services | $_____ | $_____ | $_____ |

Dental service charges are based on a Composite Time Value. Provider should calculate the charges based on the time value of the procedure times the CTV rate.

H. Ambulance Rate

| MEPRS Code 4/ | PER VISIT Clinical Service | Prior FY | Current FY | Budget FY |
|---|---|---|---|---|
| N/A | Ambulance Service | $_____ | $_____ | $_____ |

Ambulance charges are based on hours of service. Provider should calculate the charges based on the number of hours (or fraction thereof) that the ambulance is logged out on a patient run.

NOTES ON REIMBURSABLE RATES:

1/ Percentages are applied to both inpatient and outpatient services provided when billing third party payers (e.g., insurance companies). Pursuant to the provisions of 10 U.S.C. 1095, the inpatient Diagnosis Related Groups are __ percent hospital and __ percent professional fee. The outpatient per visit percentages are __ percent hospital, __ percent ancillary and __ percent

professional.

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 of DRG (Diagnosis Related Groups) is based on the inpatient full reimbursement rate per hospital discharge, weighted to reflect the intensity of the principal diagnosis involved. The adjusted standardized amounts (ASA) per Relative Weighted Product (RWP) for use in the Direct Care System is comparable to procedures utilized by Health Care Financing Administration (HFCA) 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 relative weight product for large urban, other urban/rural, and overseas are published as an inpatient standardized amount and include the cost of inpatient professional services. The DRG rates apply to reimbursement from all sources (including 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. An example of this hierarchical arrangement is as follows:

| Outpatient Care (Functional Category) | MEPRS CODE |
|---|---|
| Medical Care (Summary Account) | BA |
| Internal Medicine (Subaccount) | BAA |

MEPRS codes are used to ensure that consistent expense and operating performance data is reported in the DoD military medical system.

5/ High cost prescription services requested by external providers (Physicians, Dentists, etc.) are only relevant to the Third Party Collection Program. Third party payers (such as insurance companies) are billed for high cost prescriptions in those instances in which dependents who have medical insurance, seen by providers external to a Military Medical Treatment Facility (MTF), obtain the prescribed medication from an MTF. Eligible beneficiaries (family members or retirees with medical insurance) are not personally liable for this cost and, subsequently, are not billed by the MTF. A third party payer may be billed if the total prescription costs in a day exceed $____ when bundled together. The standard cost of high cost medications includes the cost of the drugs plus a dispensing fee, per prescription. The prescription cost is calculated by multiplying the number of units (tablets, capsules, etc.) times the unit cost and adding a $____ dispensing fee per prescription.

6/ Charges for high cost services requested by external providers (physicians, dentists, etc.) are only relevant to the Third Party Collection Program. Third party payers (such as insurance companies) shall be billed for high cost services in those instances in which dependents who have medical insurance, seen by providers external to a Military Medical Treatment Facility (MTF), obtain the prescribed service from an 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. A third party payer may be billed if the total ancillary services costs in a day exceed

$____ when bundled together.

7/ The attending physician is to complete the Physicians' Current Procedural Terminology code to indicate the appropriate procedure followed during cosmetic surgery. The appropriate rate is applied depending on the admission type of the patient, e.g., outpatient surgical, same day/ ambulatory surgery, or surgical care services.

8/ Family members of active duty personnel, retirees and their family members, and survivors are charged cosmetic surgery rates. The patient is charged the rate as specified in the reimbursable rates for an episode of care. The patient is responsible for both the cost of the implant(s) in addition to the prescribed cosmetic surgery rates.

NOTE: The implants and procedures used for the augmentation mammaplasty are in compliance with Federal Drug Administration guidelines.

9/ Each regional lipectomy will carry a separate charge. Regions include head and neck, abdomen, flanks, and hips.

10/ These procedures are inclusive in the minor skin lesions. However, CHAMPUS separates them as noted here. All charges are for the entire treatment regardless of the number of visits required.