# ACTION MEMO

FOR: CHIEF FINANCIAL OFFICER, DEFENSE HEALTH AFFAIRS

FROM: David T. Moonan, Director, Budget Execution, DHA Business Support Directorate

SUBJECT: Tortiously Liable Hospitalization Associated Medical Reimbursement Rates for Fiscal Year (FY) 2015

* The letter at TAB A forwards the complete and final medical and dental reimbursement rates package for inpatient services for FY 2015 to the Office of Management and Budget (OMB) for publication in the *Federal Register* as inpatient charges to tortiously liable third parties.
* These rates should be updated annually to match the rates for all inpatient services.
* In the Military Health System (MHS), Medical Affirmative Claim (MAC) is the program associated with tortiously liable medical services.
* These rates are the same as the full inpatient third party reimbursement rates that became effective October 1, 2014 and are used for billing commercial insurance carriers and individual patients when appropriate. However, a different approval authority is required for the purpose of billing for tort liability.
* We continue to work with OMB to ensure that the text we propose is acceptable.

RECOMMENDATION: That the Director, BSD, sign the letter at TAB A.

COORDINATION: TAB B

Attachments:

As stated

Prepared by: Ms. DeLisa Prater, DHA/B&E (703) 681-6757

Kathleen Peroff, Ph.D.

Deputy Associate Director

National Security Division

Office of Management and Budget

725 17th Street, N.W., Room 10007

Washington, D.C. 20503

Dear Dr. Peroff:

The enclosed document forwards the complete and final rates for use in connection with the recovery from tortiously liable third persons for the cost of inpatient medical, dental, and cosmetic surgery servicesfurnished by military treatment facilities through the Department of Defense. These inpatient third party liability rates are the same reimbursement rates that became effective October 1, 2014, for billing medical insurers, but require a different approval authority for the purpose of billing for tort liability. Reimbursement rates for pharmacy services are updated more frequently. These rates can be found on the Defense Health Affairs (DHA) Uniform Business Office (UBO) Web site: <http://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/Military-Health-System-UBO-Rates-Overview>.

DHA requests that this announcement be published in the *Federal Register* and that the rates be effective immediately upon publication. These rates shall remain in effect until further notice.

My point of contact for this issue is DeLisa Prater, DHA UBO Program Manager. She can be reached at (703) 681-6757, or by email at DeLisa.Prater@dha.mil.

Joseph B. Marshall, SES

Director, Business Support Directorate

Enclosure**OFFICE OF MANAGEMENT AND BUDGET**

**Fiscal Year 2015 Cost of Hospital and Medical Care Treatment Furnished by the Department of Defense Medical Treatment Facilities; Certain Rates Regarding Recovery from Tortiously Liable Third Persons**

**AGENCY:** Office of Management and Budget, Executive Office of the President.

**ACTION:** Notice.

**SUMMARY:** By virtue of the authority vested in the President by Section 2(a) of Pub. B. 87–603 (76 Stat. 593; 42 U.S.C. 2652), and delegated to the Director of the Office of Management and Budget by the President through Executive Order No. 11541 of July 1, 1970, the rates referenced below are hereby established. These rates are for use in connection with the recovery from tortiously liable third persons for the cost of inpatient medical services furnished by military treatment facilities through the Department of Defense (DoD). They are the same rates as the Adjusted Standardized Amounts inpatient third party reimbursement rates that became effective October 1, 2014 for billing medical insurers, but require a different approval authority for the purpose of billing for tort liability. The rates have been established in accordance with the requirements of OMB Circular A–25, requiring reimbursement of the full cost of all services provided. The [FY15 inpatient medical rates](http://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/Military-Health-System-UBO-Rates-Overview) referenced are effective upon publication of this notice in the *Federal Register*and will remain in effect until further notice.  Previously published outpatient medical and dental, and cosmetic surgery rates remain in effect until further notice. Pharmacy rates are updated periodically.

**Shaun Donovan,**

*Director of Office Management and Budget*

**Tortiously Liable Inpatient Medical and Dental**

**Reimbursement Rates for Fiscal Year 2015**

## **COORDINATION**

Deputy Director, DHA/BSD Mr. Darrell Landreaux \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

CoS, DHA/BSD LCDR Stephen Marty \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chief, DHA/BE Mr. Dave Moonan \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PM, BSD/B&RM/A&FI Ms. DeLisa Prater \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_