

I. Medicare PPS Changes Which Affect the TRICARE/CHAMPUS DRG-Based Payment System

Following is a discussion of the changes the Health Care Financing Administration (HCFA) has made to the Medicare PPS that affect the TRICARE/CHAMPUS DRG-based payment system.

A. DRG Classifications

Under both the Medicare PPS and the TRICARE/CHAMPUS DRG-based payment system, cases are classified into the appropriate DRG by a Grouper program. The Grouper classifies each case into a DRG on the basis of the diagnosis and procedure codes and demographic information (that is, sex, age, and discharge status). The Grouper used for the TRICARE/CHAMPUS DRG-based payment system is the same as the current Medicare Grouper with two modifications. The TRICARE/CHAMPUS system has replaced Medicare DRG 435 with two age-based DRGs (900 and 901), and we have implemented thirty-four (34) neonatal DRGs in place of Medicare DRGs 385 through 390. For admissions occurring on or after October 1, 1995, the CHAMPUS grouper hierarchy logic was changed so the age split (age <29 days) and assignments to MDC 15 occur before assignment of the PreMDC DRGs. This resulted in all neonate tracheostomies and organ transplants to be grouped to MDC 15 DRGs and not to DRGs 480-483 or 495. For admissions occurring on or after October 1, 1998, the CHAMPUS grouper hierarchy logic was changed to move DRG 103 to the PreMDC DRGs and to assign patients to PreMDC DRGs 480, 103 and 495 before assignment to MDC 15 DRGs and the neonatal DRGs. Grouping for all other DRGs under the TRICARE/CHAMPUS system is identical to the Medicare PPS.

For FY 1999, HCFA will implement a number of classification changes, including surgical hierarchy changes, revisions to the Major Problem Diagnosis List, and refinements to the Complications and Comorbidities (CC) List. The CHAMPUS Grouper will incorporate all changes made to the Medicare Grouper.

B. Wage Index and Medicare Geographic Classification Review Board Guidelines

TRICARE/CHAMPUS will continue to use the same wage index amounts used for the Medicare PPS. In addition, TRICARE/CHAMPUS will duplicate all changes with regard to the wage index for specific hospitals that are redesignated by the Medicare Geographic Classification Review Board.

C. Hospital Market Basket

TRICARE/CHAMPUS will update the adjusted standardized amounts according to the final updated hospital market basket used for the Medicare PPS according to HCFA's July 31, 1998, final rule.

D. Outlier Payments

Since TRICARE/CHAMPUS does not include capital payments in our DRG-based payments, we will use the fixed loss cost outlier threshold calculated by HCFA for paying cost outliers in the absence of capital prospective payments. For FY99, the fixed loss cost outlier threshold is based on the sum of the applicable DRG-based payment rate plus any amounts payable for IDME plus a fixed dollar amount. Thus, for FY99, in order for a case to qualify for cost outlier payments, the costs must exceed the TRICARE/CHAMPUS DRG base payment rate for the DRG plus the IDME payment plus \$10,129 (wage adjusted). The marginal cost factor for cost outliers continues to be 80 percent.

E. Graduate Medical Education

TRICARE/CHAMPUS will adopt Medicare's PPS changes as they pertain to the counting and reporting of residents on the Medicare cost reports for purposes of reimbursing hospitals for the TRICARE/CHAMPUS share of graduate medical education costs.

F. Transfers

TRICARE/CHAMPUS will adopt Medicare's PPS changes as they pertain to the expanded transfer definition. We will publish an interim final rule to reflect these changes in 32 CFR Part 199(a)(1).

G. Blood Clotting Factor

TRICARE/CHAMPUS will adopt the two new HCPCS billing codes and payment rates for purified Factor IX products, as outlined in HCFA's May 12, 1998, final rule. These new codes and payment rates are effective for admissions on or after June 11, 1998. In addition, we will adopt the changes to the payment rates for blood clotting factor for hemophilia patients as outlined in HCFA's July 31, 1998, final rule, effective for admissions on or after October 1, 1998.

H. Bad Debt Increase

TRICARE/CHAMPUS will adopt Medicare's PPS changes to gradually reduce the payment for bad debt for hospitals over the next several years.

II. Cost to Charge Ratio

For FY 1999, the cost-to-charge ratio used for the TRICARE/CHAMPUS DRG-

based payment system will be 0.5487, which is increased to 0.5562 to account for bad debts. This shall be used to calculate the adjusted standardized amounts and to calculate cost outlier payments, except for children's hospitals. For children's hospital cost outliers, the cost-to-charge ratio used is 0.6085.

III. Updated Rates and Weights

The updated rates and weights are accessible through the Internet at <http://www.tso.osd.mil> under the heading Provider Reimbursement Rates. Table 1 provides the ASA rates and Table 2 provides the DRG weights to be used under the TRICARE/CHAMPUS DRG-based payment system during FY 1999 and which is a result of the changes described above. The implementing regulations for the TRICARE/CHAMPUS DRG-based payment system are in 32 CFR Part 199.

Dated: October 27, 1998.

L.M. Bynum,

Alternate Federal Register Liaison Officer,
Department of Defense.

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DEPARTMENT OF DEFENSE

Department of the Navy

Notice of Termination of Environmental Impact Statements on Three Navy Actions

AGENCY: Department of the Navy, DOD.

ACTION: Notice.

SUMMARY: The Department of the Navy had previously announced its intent to prepare Environmental Impact Statements for three actions, however, after beginning the NEPA process, Navy determined that the actions would not result in significant impacts to the human environment. Navy's intent to prepare Environmental Impact Statements is hereby withdrawn for the following actions: disposal and privatization of Naval Air Warfare Center Indianapolis, Indiana; disposal and reuse of Naval Surface Warfare Center Louisville, Kentucky, and; disposal and reuse of Naval Radio Transmitter Facility Driver, Virginia.

FOR FURTHER INFORMATION CONTACT: Mr. Matthew Hess, Office of Chief of Naval Operations (Code N456F) at telephone (703) 604-5421, fax (703) 602-4642, or e-mail to hessm@n4.opnav.navy.mil.

SUPPLEMENTARY INFORMATION: Pursuant to Section 102(2)(C) of the National Environmental Policy Act (NEPA) of

1969, as implemented by the Council on Environmental Quality regulations (40 CFR Parts 1500-1508), the Department of the Navy published in the **Federal Register**, Notices of Intent to prepare Environmental Impact Statements for the following actions: disposal and privatization of NAWC Indianapolis, Indiana, published on April 15, 1996; disposal and reuse of Naval Surface Warfare Center Louisville, Kentucky, published on June 3, 1996; disposal and reuse of Naval Radio Transmitter Facility Driver, Virginia, published on February 17, 1994.

During the NEPA analysis, it was determined that there were no significant impacts from these actions, therefore the appropriate documentation was prepared. This notice announces to the public that these Environmental Impact Statements were terminated.

Copies of the NEPA document for these actions may be requested from the Navy contact listed above.

Dated: October 26, 1998.

Ralph W. Corey,

Commander, Judge Advocate General's Corps, U.S. Navy, Federal Register Liaison Officer.

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DEPARTMENT OF ENERGY

Notice of Wetlands and Floodplain Involvement for Siting, Construction, and Operation of the Spallation Neutron Source

AGENCY: U.S. Department of Energy.

ACTION: Notice of Wetland and Floodplain Involvement.

SUMMARY: The U.S. Department of Energy (DOE) proposes to site, construct, and operate a Spallation Neutron Source (SNS). The proposed SNS facility would consist of a proton accelerator system; a spallation target; and appropriate experimental areas, laboratories, offices, and support facilities to allow ongoing and expanded programs of neutron research. DOE has identified four alternative sites for this project: Oak Ridge National Laboratory, Oak Ridge, Tennessee (the preferred alternative); Argonne National Laboratory, Argonne, Illinois; Los Alamos National Laboratory, Los Alamos, New Mexico; and Brookhaven National Laboratory, Upton, New York.

The proposed sites at ORNL and ANL include small wetlands. In addition, a portion of the site at ANL lies within a

100-year floodplain. In accordance with DOE regulations for floodplain and wetlands environmental review (10 CFR part 1022), DOE will prepare a wetland/floodplain assessment and will perform this proposed action in a manner so as to avoid or minimize potential harm to or within the affected wetlands and floodplain. This assessment will address potential mitigation measures and practicable siting alternatives and will be included in the EIS. The Statement of Findings will be incorporated in the Final EIS.

DATES: Within the next few months, a Draft Environmental Impact Statement (DEIS) for the Spallation Neutron Source will be issued for public comment for a period of at least 45 days. Comments in response to this Notice may be submitted to the address below at any time through the end of the DEIS public comment period.

ADDRESSES: Please direct comments to: David K. Wilfert, U.S. Department of Energy, Oak Ridge Operations Office, 200 Administration Road, 146/FEDC, Oak Ridge, Tennessee 37831, telephone: (800) 927-9964, facsimile: (423) 576-4542, or e-mail NSNSEIS@ornl.gov.

For general NEPA information, please contact Carol Borgstrom, U.S. Department of Energy, Office of NEPA Policy and Assistance, 1000 Independence Avenue, SW, Washington, DC 20585, telephone: (202) 586-4600.

FOR FURTHER INFORMATION CONTACT: For general information associated with the Spallation Neutron Source, please contact: Jeffrey C. Hoy, SNS Program Manager, Office of Basic Energy Sciences, Office of Energy Research, U.S. Department of Energy, ER-13, Germantown, MD 20874-1290, telephone: (301) 903-4924. Further information on this proposed action and wetlands assessment can be obtained from David K. Wilfert at the above address.

SUPPLEMENTARY INFORMATION: The proposed SNS facility would consist of a proton accelerator system, a spallation source to produce neutron pulses, and appropriate experimental areas, laboratories, offices, and support facilities to allow ongoing and expanded programs of neutron research. DOE proposes to construct and operate the SNS at one of four alternative sites in the United States. The preferred alternative being evaluated in the EIS is to construct the SNS at the Oak Ridge National Laboratory (ORNL), Oak Ridge,

Tennessee. Other alternative locations for the SNS included in the EIS are Argonne National Laboratory (ANL), Argonne, Illinois; Los Alamos National Laboratory (LANL), Los Alamos, New Mexico; and Brookhaven National Laboratory (BNL), Upton, New York.

Construction of the SNS at the proposed ORNL site would involve the taking of two small palustrine emergent wetlands on the Chestnut Ridge construction site. These two wetlands have a combined area of 0.05 hectares (0.12 acres). One of these small wetlands is an emergent wetland in an isolated depression. It is adjacent to another small wetland that lies immediately adjacent to Chestnut Ridge Road near where it crosses White Oak Creek. The depression does not appear to have a surface outlet to the swale or to nearby White Oak Creek. Upgrades needed to Chestnut Ridge Road and the laying of a gas pipeline would encroach on these areas and result in the loss of the 0.05 hectares of wetlands. A third wetland with an area of 0.65 hectares (1.6 acres) could receive increased runoff and siltation during construction activities. Appropriate runoff mitigation measures would be employed to minimize any effects to this wetland.

As proposed, construction of the SNS at the ANL alternative site would involve the loss of a 1.4 hectares (3.5 acres) of palustrine emergent wetlands that would lie within the proposed SNS facility footprint at ANL. In accordance with Section 404 of the Federal Clean Water Act, a permit from the U.S. Army Corps of Engineers would be sought for construction in these wetlands and for possible plans to mitigate the losses as necessary, should the SNS be built at the ANL site.

In accordance with DOE regulations for compliance with floodplain and wetlands environmental review requirements (10 CFR part 1022), DOE will prepare a floodplain and wetlands assessment for this proposed DOE action. The assessment and a floodplain statement of findings will be included in the environmental impact statement being prepared for the proposed project in accordance with the National Environmental Policy Act.

Issued in Washington, DC, this 22d day of October, 1998.

Martha A. Krebs,

Director, Office of Energy Research.

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