SUMMARY: This document contains a correction to a Treasury Decision 9614, which was published in the **Federal Register** on Tuesday, March 19, 2013. Treasury Decision 9614 contained final regulations that apply to transfers of certain property by a domestic corporation to a foreign corporation in certain nonrecognition exchanges, or to distributions of stock of certain foreign corporations by a domestic corporation in certain nonrecognition distributions.

DATES:

Effective date: These corrections are effective on August 20, 2020.

Applicability date: March 19, 2013.

FOR FURTHER INFORMATION CONTACT: Logan M. Kincheloe at (202) 317–6937 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9614) that are the subject of this correction are issued under section 367 of the Internal Revenue Code.

Need for Correction

As published on March 19, 2013 (53 FR 17024), the final regulations (TD 9614; FR Doc. 2013–05700), contained errors that need to be corrected.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

■ **Par. 2.** Section 1.367(a)–3 is amended by adding paragraph (g)(1)(v)(A) and (B) to read as follows:

§ 1.367(a)–3 Treatment of transfers of stock or securities to foreign corporations.

* * * * *

(g) * * *

(1) * * *

(v) * * *

(A) Except as provided in paragraphs (g)(1)(v)(B) of this section and § 1.367(a)–3T(g)(1)(ix), the rules of paragraph (d)(2)(vi) of this section apply only to transactions occurring on or after January 23, 2006. See § 1.367(a)–3(d)(2)(vi), as contained in 26 CFR part 1 revised as of April 1, 2005, for transactions occurring on or after July 20, 1998, and before January 23, 2006.

(B)(*1*) For purposes of paragraph (d)(2)(vi)(B)(*1*) of this section as contained in 26 CFR part 1 revised as of April 1, 2007, except as provided in paragraph (g)(1)(v)(B)(*3*) of this section, the following conditions must be satisfied for transactions occurring on or after December 28, 2007, and before March 18, 2013: The conditions and requirements of section 367(a)(5) and paragraph (g)(1)(v)(B)(*2*) of this section must be satisfied with respect to the domestic acquired corporation's transfer of assets to the foreign acquiring corporation and those conditions and requirements apply before the application of the exception under paragraph (d)(2)(vi)(B)(*1*) of this section as contained in 26 CFR part 1 revised as of April 1, 2007.

(*2*) The domestic acquired corporation is controlled (within the meaning of section 368(c)) by five or fewer (but at least one) domestic corporations (controlling domestic corporations) immediately before the reorganization, appropriate basis adjustments under section 367(a)(5) are made to the stock received by the controlling domestic corporations in the reorganization, and any other conditions as provided in regulations under section 367(a)(5) are satisfied. For purposes of determining whether the domestic acquired corporation is controlled by five or fewer domestic corporations, all members of the same affiliated group within the meaning of section 1504 are treated as one corporation. Any adjustments to stock basis required under section 367(a)(5) must be made to the stock received by the controlling domestic corporation in the reorganization so the appropriate amount of built-in gain in the property transferred by the domestic acquired corporation to the foreign acquiring corporation in the section 361 exchange is reflected in the stock received. The basis adjustment requirement cannot be satisfied by adjusting the basis in stock of the foreign acquiring corporation held by the controlling domestic corporation before the reorganization. To the extent the appropriate amount of built-in gain in the property transferred by the domestic acquired corporation to the foreign acquiring corporation in the section 361 exchange cannot be preserved in the stock received by the controlling domestic corporation in the reorganization, the domestic acquired corporation's transfer of property to the foreign acquiring corporation is subject to section 367(a) and (d).

(*3*) For transactions occurring on or after August 19, 2008, and before March 18, 2013, the following condition also applies: To the extent any of the retransferred assets constitute property to which section 367(d) applies, the exception under paragraph (d)(2)(iv)(B)(*1*) of this section, as contained in 26 CFR part 1 revised as of April 1, 2007, applies only if the property to which section 367(d) applies is treated as property subject to section 367(a) for purposes of satisfying the conditions and requirements of section 367(a)(5).

* * * * *

§ 1.367(a)–7 [Amended]

■ **Par. 3.** In § 1.367(a)–7 amend paragraph (f)(10) by removing ''§ 1.367(a)–1T(d)(4)'' and adding in its place ''§ 1.367(a)–1(d)(4)''.

Martin V. Franks,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2020–16354 Filed 8–19–20; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 220

[Docket ID: DOD–2016–HA–0107]

RIN 0720–AB68

Collection From Third Party Payers of Reasonable Charges for Healthcare Services

AGENCY: Office of the Assistant Secretary of Defense (Health Affairs), Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: This rule exercises the DoD's authority to update current regulations to compute reasonable charges for inpatient and ambulatory (outpatient) institutional resources and also for pharmaceuticals, durable medical equipment (DME), supplies, immunizations, injections or other medications administered or furnished by DoD military medical treatment facilities (MTFs) under their three existing healthcare cost recovery programs: Third Party Collections, Medical Services Account, and Medical Affirmative Claims.

DATES: This rule is effective on September 21, 2020.

FOR FURTHER INFORMATION CONTACT: Ms. DeLisa E. Prater, Program Manager, Defense Health Agency Uniform Business Office, (703) 275–6380.

SUPPLEMENTARY INFORMATION:

I. Executive Summary

This rule updates the reasonable charges methodologies for inpatient and ambulatory institutional billing to allow for the use of Itemized Resource Utilization (IRU) based rates–developed from the cost to provide inpatient and ambulatory institutional healthcare resources–in addition to current bundled prospective reimbursement approaches of diagnostic related group (DRG), ambulatory payment classification (APC), ambulatory surgery center (ASC) and ambulatory procedure visit (APV) based rates. It also revises the reasonable charges methodology for pharmaceuticals, DME, supplies, immunizations, injections or medication administered to allow for their calculation using either Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) prevailing rates or IRU based rates—developed from the cost to provide these healthcare items and resources—regardless of whether CHAMPUS prevailing rates are available. The additional IRU methodology implements an itemized rate and reasonable charges structure that improves collections and operation of DoD's healthcare cost recovery programs by ensuring MTFs receive appropriate reimbursement for institutional healthcare resources as well as for pharmaceuticals, DME, supplies, immunizations, injections or medication provided or administered and is more consistent with civilian health insurance industry practice. The final rule also replaces ''hospital'' with ''institutional'' throughout most of the regulation to align it with civilian health insurance industry terminology and better promote identification and separate billing of institutional and professional services.

A. Purpose of the Final Rule

The purpose of this final rule is to incorporate new additional statutory authority for calculating reasonable institutional facility charges for: (a) Inpatient services and resources provided at DoD military MTFs in addition to the current authorized methodology which uses all-inclusive prospective CHAMPUS DRG based payment rates (including professional charges), and (b) ambulatory services provided at DoD MTFs in addition to the current authorized methodologies which use all-inclusive CHAMPUS APC and ambulatory surgery center (ASC) based payment rates and Military Health System (MHS) ambulatory procedure visit (APV) based payment rates. As defined in 32 CFR 199.2, the term ''facility charges'' means the charges, either inpatient or outpatient, made by a MTF to cover the overhead costs of providing the service (*e.g.,* building costs such as depreciation and interest, staffing costs, drugs and supplies; overhead costs such as utilities, housekeeping, maintenance). It also revises the reasonable charges methodology for pharmaceuticals, DME, supplies, immunizations, injections or medication administered or provided to allow for their reasonable charges calculation using either CHAMPUS prevailing or cost based rates regardless of whether CHAMPUS prevailing rates are available. The legal authority for this final rule is 10 U.S.C. 1095(f), 1097b(b) and 1079b.

B. Summary of the Major Provisions of the Final Rule

a. It creates an additional exception to the general rule that reasonable charges under 32 CFR 220.8(a), 220.8(b), 220.8(f)(5) and 220.8(f)(6) for inpatient and ambulatory institutional resources as well as for pharmaceuticals, DME, supplies, immunizations, injections or medication administered are based on the rates used by CHAMPUS under 32 CFR 199.14 to reimburse authorized providers. Specifically, it authorizes DoD MTFs to use an alternative reasonable charges methodology based on IRU rates–developed from the cost to provide these resources and items–in addition to the use of aggregated and prospective DRG, APC, ASC and APV and prevailing CHAMPUS based encounter rates.

b. As a ''housekeeping'' change, it replaces ''hospital'' with ''institutional'' throughout most of the regulation to align it with civilian health insurance industry terminology and better promote identification and separate billing of institutional and professional services as required by 32 CFR 220.8(b).

C. Legal Authority for This Program

Legal authority for the final rule is outlined in the following statutes and regulations listed below:

a. 10 U.S.C. 1079b(a)—Procedures for charging fees for care provided to civilians; retention and use of fees collected.

This section authorizes the Secretary of Defense to implement procedures under which the DoD can charge civilians that are not covered beneficiaries for trauma and other medical care provided. The charges must represent the cost of the service, as determined by the Secretary. This section can be accessed via the following link: *https://www.govinfo.gov/content/pkg/USCODE-2011-title10/pdf/USCODE-2011-title10-subtitleA-partII-chap55-sec1079b.pdf.*

b. 10 U.S.C. 1085—Medical and dental care from another executive department: Reimbursement.

This section authorizes any executive department providing inpatient medical or dental care to a member or former member of the uniformed services under the jurisdiction of another department to seek reimbursement for the care provided, at a rate representative of the cost of the provision of this care. The authority to establish these rates is delegated by the President to the Secretary of Defense for facilities of armed forces under jurisdiction of a military department. This section can be accessed via the following link: *https://www.govinfo.gov/content/pkg/USCODE-2011-title10/pdf/USCODE-2011-title10-subtitleA-partII-chap55-sec1085.pdf.*

c. 10 U.S.C. 1095(f)—Health care services incurred on behalf of covered beneficiaries: collection from third-party payers.

This section authorizes the Secretary of Defense to determine rates for covered beneficiaries using methodologies based on per diem rates, all-inclusive per visit rates, diagnosis related group, or other methodologies as appropriate. This section can be accessed via the following link: *https://www.govinfo.gov/content/pkg/USCODE-2011-title10/pdf/USCODE-2011-title10-subtitleA-partII-chap55-sec1095.pdf.*

II. Regulatory History

DoD is authorized to collect ''reasonable charges'' from third party payers for the cost of inpatient and ambulatory (outpatient) institutional services and also for pharmaceuticals, DME, supplies, immunizations, injections or medication administered or provided at DoD MTFs to military retirees, all dependents, and other eligible beneficiaries who have private health insurance. *See* 10 U.S.C. 1095 and 32 CFR 220.2. Also, DoD must collect from nonbeneficiaries (or their insurers) the cost of trauma or other medical care provided to them and from other federal agencies, the average cost of healthcare provided to their beneficiaries at DoD MTFs (10 U.S.C. 1079b(a) and 1085). Currently, DoD uses all-inclusive prospective CHAMPUS DRG based payment rates (including professional charges) as the reasonable charges for inpatient care and all-inclusive CHAMPUS APC and ASC based and MHS APV charges for miscellaneous institutional ambulatory care in its healthcare cost recovery programs—Third Party Collection, Medical Services Account and Medical Affirmative Claims. The MHS APV rate

is authorized by the Assistant Secretary of Defense (Health Affairs) (ASD(HA)) Policy Memorandum, ''Use of CPT Code 99199'' (September 14, 2004) because MTFs currently do not have the appropriate software to group encounters into APCs and ASCs. Also, DoD uses the average cost for pharmaceutical rates because CHAMPUS prevailing rates are not available. However, DoD uses CHAMPUS based rates for DME, supplies, immunizations, injections or medication administered.

III. Discussion of Comments and Changes

The proposed rule was published in the **Federal Register** on December 18, 2018 (83 FR 64768–64771). Comments were accepted for 60 days until February 19, 2019. One comment was received, but it was unrelated to the rule. No other comments were received during this comment period.

No changes to the rule are being made as a result of this comment period, or otherwise.

IV. Summary of Changes From the Proposed Rule

Since the publication of the proposed rule, no changes have been made to the rule as a result of the comment period, further internal coordination, or administrative corrections.

V. Regulatory Analyses

A. Regulatory Planning and Review

a. Executive Orders

Executive Order 12866, ''Regulatory Planning and Review,'' and Executive Order 13563, ''Improving Regulation and Regulatory Review''

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distribute impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. It has been determined that this rule is not a significant regulatory action. This rule does not: (1) Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy; a section of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another Agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs, or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in these Executive Orders.

Executive Order 13771, ''Reducing Regulation and Controlling Regulatory Costs''

There are no cost savings to the public anticipated by amending the current 32 CFR part 220. Consistent with the analysis of transfer payments under OMB Circular A–4, this final rule does not involve regulatory costs subject to Executive Order 13771, ''Reducing Regulation and Controlling Regulatory Costs.''

b. Summary

This rule will create an additional exception to the general rule that reasonable charges for inpatient and ambulatory institutional resources as well as for pharmaceuticals, DME, supplies, immunizations, injections or medication administered are based on the rates used by CHAMPUS. Specifically, this rule authorizes DoD MTFs use a methodology based on IRU, developed from the cost to provide these resources and items, to establish reasonable charges.

c. Affected Population

No new populations will be billed that were not previously billed, and reimbursement will continue to be required from populations currently being billed. Under this final rule, the individual rates these populations are billed will change to rates that, using the new IRU methodology, more accurately capture the underlying cost of the provision of care.

Additionally, third-party payers will receive medical bills from MTFs in a manner more consistent with the submission of medical bills in the private sector which will enhance their ability to process these claims.

d. Expected Costs

The final rule will create an additional exception to the general rule that reasonable charges under 32 CFR 220.8(a), 220.8(b), 220.8(f)(5) and 220.8(f)(6) for inpatient and ambulatory institutional resources as well as for pharmaceuticals, DME, supplies, immunizations, injections or medication administered are based on the rates used by CHAMPUS under 32 CFR 199.14 to reimburse authorized providers. This final rule authorizes DoD MTFs to use an alternative reasonable charges methodology based on IRU rates—developed from the cost to provide these resources and items—in addition to the use of aggregated and prospective DRG, APC, ASC and APV and prevailing CHAMPUS based encounter rates. The new IRU based rates will be developed specific to individual medical services, while currently some CHAMPUS rates are based on aggregate or per-diem averages across a wider range of services. The itemized capture of resources will be enabled by the enterprise Electronic Health Records system known as MHS GENESIS currently being deployed across the Military Health System. Services rendered during patient visits can be captured at the transactional level on a patient account, resulting in a claim with charges that are more representative of the actual cost of rendering services during the specific visit.

e. Benefits

Compared to currently established CHAMPUS based rates, IRU based rates are more representative of actual costs specific to the institutional resources and also to pharmaceuticals, DME, supplies, immunizations, injections or medication administered or consumed in the provision of care to a patient. Also, IRU based rates provide DoD the ability it does not currently have to bill third party payers in an itemized manner that they are accustomed to. With the availability of IRU based rates, DoD MTFs can bill for institutional resources and also for pharmaceuticals, DME, supplies, immunizations, injections or medication administered using charge descriptions (*i.e.,* an MTF's comprehensive list of items and services for which it can charge) and individual cost-based rates associated with those descriptions. As a result, institutional bills are much more consistent with the actual resources and services provided to the patient, third party payers who receive MTF claims will have the detailed data needed for reimbursement, and the potential for MTFs to receive appropriate reimbursement improves. MTF claims are frequently returned for additional information or denied because they are not in an itemized format consistent with standard industry health insurance practice. The format of resulting line-item inpatient charges based on IRU rates will more closely resemble the format currently used in the health insurance industry and promote more efficient claim adjudication. This rule will not affect any payments by TRICARE as this rule

does not pertain to purchased care. It specifically applies to rate development for cost recovery in the direct care setting.

In addition, using only the current methodologies for reasonable charges based on bundled prospective DRG/APC/ASC/APV based rates methods and CHAMPUS prevailing rates methods for pharmaceuticals, DME, supplies, immunizations, injections or medication administered limits MTFs' flexibility and ability to effectively accommodate current and new provider reimbursement methodologies and is likely reducing and resulting in missed reimbursement opportunities from third party payers. Third party payers do not uniformly have nor apply payment methods and rates to claims received. Rather, they each have their own distinct set of rules for and levels of payment that are not necessarily DRG/APC/ASC/APV/CHAMPUS rate based. For example, there are multiple versions of groupers, and a payer's reimbursement policy may use a different grouper than DoD or not involve a grouper at all. Moreover, third party payers are increasingly replacing fee-for-service with value-based performance payment portfolios (*e.g.,* pay for performance, bundled payments, shared savings/accountable care organizations) for providers, including DoD MTFs. Itemized billing using IRU based rates provides payers with the detailed data needed for whatever reimbursement process they use yielding fewer requests for additional information and re-processing of claims and increased potential reimbursement.

Additional benefits from allowing for IRU based charges include:

(1) Providing greater transparency of DoD MTFs' financial efficiency and performance through more detailed purchasing, dispensing, and financial billing functions. IRU based charges provide information necessary to complete detailed analyses into what and how a MTF is purchasing, dispensing, and billing, which will lead to more informed decisions on how to save money, time, and effort at each of those three stages.

(2) Enabling different MTF departments and decision makers to come together to discuss common practices, terminology, and reporting, allowing for the development and analysis of benchmarks evaluating clinical performance, and identifying and implementing the most cost-effective delivery modes available.

(3) Providing the ability to track and monitor resources used to treat patients, thereby allowing MTF staff, management, and leadership to better control and manage costs, and optimize the efficiency of operations to deliver efficient care or prevent unnecessary care.

This IRU based charges approach is consistent with 10 U.S.C. 1095(f) and 1097b(b) that authorize the ASD(HA) to calculate all third-party payment collections and rates charged to civilians and interagency payers based on any appropriate method. It is the ASD(HA)'s determination that itemized IRU based rates for inpatient and ambulatory resources and also for pharmaceuticals, DME, supplies, immunizations, injections or medication administered or provided better represents the reasonable charges and costs of providing care to all patients in MTFs.

The rule also replaces ''hospital'' with ''institutional'' throughout most of the regulation to align it with civilian healthcare insurance industry terminology. The current regulation uses ''hospital'' interchangeably to mean both: (1) A facility that provides emergency, inpatient, and in some cases outpatient medical care for sick or injured people; and (2) the institutional component of a hospital stay (*i.e.,* overhead and ancillary, diagnostic and treatment services, other than professional services provided by the facility during the inpatient stay such as room and board, laboratory tests and the technical component of radiology services). It is the general rule under CHAMPUS, 32 CFR 220.8(b) and also industry best practice to identify and charge separately for institutional and inpatient professional services. This nomenclature change helps DoD MTFs reinforce the distinction and better promotes identification and separate billing of institutional and professional services as required by 32 CFR 220.8(b) and in accordance with health insurance industry best practice.

f. Alternatives

The enterprise-wide Electronic Health Record system known as MHS GENESIS that is currently being deployed across the Military Health System requires the itemized capture of services rendered at the transaction level for each patient visit. Once this system and its related billing applications are deployed, no action to adopt this final rule will result in the inability to generate, submit, and collect on claims for services rendered at MTFs. The preferred alternative is adoption of this final rule for reasons as outlined in the Benefits section of this preamble.

B. Public Law 96–354, ''Regulatory Flexibility Act'' (5 U.S.C. 601 et seq.)

Public Law 96–354, ''Regulatory Flexibility Act'' (RFA) (5 U.S.C. 601), requires that each Federal agency prepare a regulatory flexibility analysis when the agency issues a regulation which would have a significant impact on a substantial number of small entities. This final rule is not an economically significant regulatory action, and it has been certified that it will not have a significant impact on a substantial number of small entities. Therefore, this final rule is not subject to the requirements of the RFA.

C. Small Entities

The RFA requires that each Federal agency analyze options for regulatory relief of small business if a rule has a significant impact on a substantial number of small entities. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and small governmental jurisdictions. This final rule is not an economically significant regulatory action, and it will not have a significant impact on a substantial number of small entities. Therefore, this final rule is not subject to the requirements of the RFA.

D. Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Information and Regulatory Affairs designated this rule as not a major rule, as defined by 5 U.S.C. 804(2).

E. Unfunded Mandates Reform Act (Sec. 202, Pub. L. 104–4)

Section 202 of Public Law 104–4, ''Unfunded Mandates Reform Act,'' (2 U.S.C. 1532) requires that an analysis be performed to determine whether any federal mandate may result in the expenditure by State, local and tribal governments, in the aggregate, or by the private sector of $100 million in any one year. It has been certified that this final rule does not contain a Federal mandate that may result in the expenditure by State, local and tribal governments, in aggregate, or by the private sector, of $100 million or more in any one year, and thus this final rule is not subject to this requirement.

F. Public Law 96–511, ''Paperwork Reduction Act'' (44 U.S.C. Chapter 35)

This rule does not contain a ''collection of information'' requirement and will not impose additional information collection requirements on the public under Public Law 96–511, ''Paperwork Reduction Act'' (44 U.S.C. Chapter 35).

G. Executive Order 13132, ''Federalism''

E.O. 13132, ''Federalism,'' requires that an impact analysis be performed to determine whether the rule has federalism implications that would have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. It has been determined that this final rule does not have federalism implications, as set forth in E.O. 13132.

List of Subjects in 32 CFR Part 220

Claims, Health care, Health insurance, and Military personnel.

Accordingly, 32 CFR part 220 is amended as follows:

PART 220–COLLECTION FROM THIRD PARTY PAYERS OF REASONABLE CHARGES FOR HEALTHCARE SERVICES

■ 1. The authority citation for part 220 is revised to read as follows:

Authority: 5 U.S.C. 301; 10 U.S.C. 1095(f), 1097b(b) and 1079b.

■ 2. Section 220.8 is amended by:
■ a. Revising paragraphs (b), (c)(1), (c)(5) introductory text, and (c)(5)(i);
■ b. In paragraph (d), removing ''inpatient hospital care'' and adding in its place ''care''; and
■ c. Revising paragraphs (f)(2), (f)(5) and (f)(6) and adding paragraph (f)(8).

The revisions read as follows:

§ 220.8 Reasonable charges.

* * * * *

(b) *Inpatient institutional and professional services on or after October 1, 2017.* Reasonable charges for inpatient institutional services provided on or after October 1, 2017, are based on either of two methods as determined by the ASD(HA). The first uses the CHAMPUS Diagnosis Related Group (DRG) payment system rates under 32 CFR 199.14(a)(1). Certain adjustments are made to reflect differences between the CHAMPUS payment system and MHS billing solutions. Among these are to include in the inpatient hospital service charges adjustments related to direct medical education and capital costs (which in the CHAMPUS system are handled as annual pass through payments). Additional adjustments are made for long stay outlier cases. The second method uses Itemized Resource Utilization (IRU) rates based on the cost to provide inpatient institutional resources. Like the CHAMPUS system, inpatient professional services are not included in the inpatient institutional services charges calculated under either methodology, but are billed separately in accordance with paragraph (e) of this section. In lieu of either method described in this paragraph (b), the method in effect prior to April 1, 2003 (described in paragraph (c) of this section), may continue to be used for a period of time after April 1, 2003, if the ASD(HA) determines that effective implementation requires a temporary deferral.

(c) * * * (1) *In general.* Prior to April 1, 2003, the computation of reasonable charges for inpatient institutional and professional services is reasonable costs based on diagnosis related groups (DRGs). Costs shall be based on the inpatient full reimbursement rate per hospital discharge, weighted to reflect the intensity of the principal diagnosis involved. The average charge per case shall be published annually as an inpatient standardized amount. A relative weight for each DRG shall be the same as the DRG weights published annually for hospital reimbursement rates under CHAMPUS pursuant to 32 CFR 199.14(a)(1). The method in effect prior to April 1, 2003 (as described in this paragraph (c)), may continue to be used for a period of time after April 1, 2003, if the ASD(HA) determines that effective implementation requires a temporary deferral of the method described in paragraph (b) of this section.

* * * * *

(5) *Identification of professional and institutional charges.* For purposes of billing third party payers other than automobile liability and no-fault insurance carriers, inpatient billings are subdivided into two categories:

(i) Institutional charges (which refer to routine service charges associated with the facility encounter or hospital stay and ancillary charges).

* * * * *

(f) * * *

(2) With respect to inpatient institutional charges in the Burn Center at Brooke Army Medical Center, the ASD(HA) may establish an adjustment to the rate otherwise applicable under the payment methodologies under this section to reflect unique attributes of the Burn Center.

* * * * *

(5) The charge for immunizations, allergen extracts, allergic condition tests, and the administration of certain medications when these services are provided by or through a facility of the Uniformed Services or a separate immunizations or shot clinic, are based either on CHAMPUS prevailing rates or on IRU rates based on the cost to provide these items, exclusive of any costs considered for purposes of any outpatient visit. A separate charge shall be made for each immunization, injection or medication administered.

(6) The charges for pharmacy, durable medical equipment and supply resources are based either on CHAMPUS prevailing rates or on IRU rates based on the cost to provide these items, exclusive of any costs considered for purposes of any outpatient visit. A separate charge shall be made for each item provided.

* * * * *

(8) Ambulatory (outpatient) institutional services on or after October 1, 2017. Reasonable charges for institutional facility charges for ambulatory services provided on or after October 1, 2017, are based on any of three methods as determined by the ASD(HA). The first uses the CHAMPUS Ambulatory Payment Classification (APC) and Ambulatory Surgery Center (ASC) payment system rates under 32 CFR 199.14(a)(1)(ii) and (iii) and 32 CFR 199.14(d) respectively. The second uses a bundled MHS Ambulatory Procedure Visit (APV) payment system rate charge reflected by the average cost of providing an APV exclusive of professional services. The third method uses IRU rates based on the cost to provide ambulatory institutional resources. Like the CHAMPUS system, ambulatory professional services are not included in the ambulatory institutional facility charges calculated under any of the three methodologies, but are billed separately in accordance with paragraph (e) of this section.

* * * * *

Dated: July 21, 2020.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2020–16131 Filed 8–19–20; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket Number USCG–2020–0245]

RIN 1625–AA08

Special Local Regulation; Potomac River, Between Jones Point, VA, and National Harbor, MD

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.