OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1100

COMPTROLLER
(Program/Budget)

JAN 4 2007

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY (BUDGET), OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT & COMPTROLLER)
DIRECTOR FOR OFFICE OF BUDGET/FISCAL MANAGEMENT, OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT & COMPTROLLER)
DEPUTY ASSISTANT SECRETARY (BUDGET), OFFICE OF THE ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT & COMPTROLLER)

SUBJECT: Medical Billing Rates for other than Foreign Military Personnel Utilizing Department of Defense (DoD) Deployed/Non-Fixed Facilities

This memorandum establishes medical billing rates for contractors deploying with U.S. Armed Forces, DoD civilians (both U.S. citizens and non-U.S. citizens, both essential and non-essential, both paid by appropriated and non-appropriated funds), media embedded in U.S. Armed Forces units, insurers of Military Health System beneficiaries, civilian emergencies, and others who receive medical care from a deployed/non-fixed facility. These rates do not apply to foreign military receiving services under Acquisition and Cross-Servicing Agreements.

This memorandum does not establish eligibility for care and does not apply to military treatment facilities (MTFs) funded by the Defense Health Program (DHP). The following reimbursement rates (fixed and variable costs) should be used by the deployed/non-fixed medical facilities to calculate claim submission:

- Inpatient daily rate: $1,918.00. Date of discharge is not billed unless patient is admitted and discharged on the same day.

- Outpatient visit rate: $184.00. A visit is an encounter with a privileged provider to include diagnostic imaging, laboratory/pathology, and pharmacy provided at the medical facility. It does not include costs of services/supplies ordered by the provider, but furnished by an entity other than the deployed medical facility.

These rates are to be used for medical services rendered from the date of this memorandum and are effective until updated.

The following conditions must be satisfied to support the reimbursement process:

- Pursuant to DoDI, 3020.41, "Contractor Personnel Authorized to Accompany the U.S. Armed Forces," October 3, 2005, to bill for contractors deploying with the force, the contract must specify which reimbursable medical services are available. Contracts that permit the provision of any services in addition to emergency medical care shall specify that the care be provided on a space-available, fully reimbursable basis.
  - The patient must provide a Letter of Authorization from the contracting officer stating authorized healthcare, and the entity responsible for payment of the bill.
  - The Letter of Authorization must have been approved by the joint force command surgeon based upon the existing capabilities of the forward-deployed medical facilities.

- There must be established Military Department eligibility, billing and collections policies for deployed/non-fixed medical facilities. At a minimum, the policy will address:

  1. Method to verify eligibility if not U.S. Active Duty,
  2. Priority of each category of patient (e.g., space required or available),
  3. Procedures for identifying billable patients,
  4. Collecting insurance data and release of information documents,
  5. Documenting medical services provided,
  6. Generating and submitting bills to payors,
  7. Collection of co-pays and deductibles,
  8. Managing accounts receivable/denial management,
  9. Account to which receipts are posted.

When foreign military, contract personnel and non-beneficiaries are evacuated to a military treatment facility (MTF) funded by the DHP, the DoD MTF Uniform Business Office Manual (DoD 6010.15-M) reimbursement policies will apply for services rendered by the MTF. When personnel are transported using the military aeromedical evacuation system, aeromedical evacuation system reimbursement policies will apply. The attached list of reference documents is provided for further information.

Please provide this office with a copy of your implementing guidance within 90 days of the date of this memorandum. The point of contact for this action is Lt Col Jeanne Yoder, TMA Uniform Business Office Program Manager. She can be reached at (703) 681-3492; or jeanne.yoder@tma.osd.mil.

John P. Roth
Deputy Comptroller

Attachment: As stated

References Associated With Medical Billing Rates for Deployed/Non-Fixed Facilities

Legislation References

- 10 USC 101(a)(13) Contingency Operation
- 10 USC 2344 (a), Acquisition and Cross-Servicing Agreements
- 10 USC 1095, Health care services incurred on behalf of covered beneficiaries: Collection from third-party payers
- 42 USC Chapter 32, Medical Affirmative Claims
- 31 USC Chapter 37, Federal Claims Collection Act

Regulation References

- 48 Federal Acquisition Regulations (FAR) System
  - 225.7402-3(b)(2) and (3) Defense Contractors Outside the United States
  - 252.225-7040 (c)(2) and (4), and (e)(1)(ii)
- DFARS Procedures, Guidance, and Information (PGI) 225.7402-3 (a)(8) Defense Contractors Outside the United States
- DoD Financial Management Regulation (FMR), Vol 11 A, Chapter 4. "to recover the full cost to the Federal Government of rendering a service or the fair market value of the service, whichever is higher."
- DFAS-IN Regulation 37-1, Chapter 17, Accounts Receivable and Debt Management, September 2003

DoD Directive Reference

- DoDD 1404.10 Emergency-Essential (E-E) DoD U.S. Citizen Civilian Employees, April 10, 1992

Non-DoD Directive Reference

- National Security Presidential Directive (NSPD) of 11 May 2004, second to last paragraph

Attachment

DoD Instruction References

- DoDI 1400.32 DoD Civilian Work Force Contingency and Emergency Planning Guidelines and Procedures, April 24, 1995

- DoDI 3020.41 Contractor Personnel Authorized to Accompany the U.S. Armed Forces, October 3, 2005

Message Reference

- 101900Z Feb 03 FM SECDEF WASHINGTON DC//OASD-PA// TO SECDEF WASHINGTON DC//CHAIRS// AIG 8777 Subject: Public Affairs Guidance (PAG) on Embedding Media During Possible Future Operations/Deployments in the U.S. Central Commands (CENTCOM) Area of Responsibility (AOR).

Memorandum Reference

- Memorandum for the Deputy Commander, United States Central Command (USCENTCOM), Subject: Financial support of the Multi-National Division Central South (MND-CD), dated 9 Oct 2003