

**Transmittal No. 01-01****Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act****Annex  
Item No. vi****(vi) Sensitivity of Technology:**

**1. The F-16A Block 10 operational capability upgrade aircraft and Pratt and Whitney F-100-PW-100/200 engine are unclassified. The aircraft does not contain state-of-the-art technology.**

**2. The F-100 engines and the associated component parts used in F-16A aircraft are unclassified. However, several manufacturing processes, design practices, and metallurgical fabrication techniques used are advanced technology methods found only in the U.S. propulsion technology industry. The sale of F-100 engines to Poland will not include the transfer of sensitive technology since the proposed sale does not include manufacturing processes, design practices, or metallurgical fabrication techniques.**

**3. A determination has been made that Poland can provide substantially the same degree of protection for the technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the policy justification portion of the notification.**

[FR Doc. 00-29931 Filed 11-22-00; 8:45 am]  
BILLING CODE 5001-10-C

**DEPARTMENT OF DEFENSE****Office of the Secretary****Civilian Health and Medical Program of  
the Uniformed Services (CHAMPUS);  
Fiscal Year 2001 Diagnosis Related  
Group (DRG) Updates**

**AGENCY:** Office of the Secretary, DoD.

**ACTION:** Notice of DRG revised rates.

**SUMMARY:** This notice describes the changes made to the TRICARE/CHAMPUS DRG-based payment system in order to conform to changes made to the Medicare Prospective Payment System (PPS).

It also provides the updated fixed loss cost outlier threshold, cost-to-charge ratios and the Internet address for accessing the updated adjusted standardized amounts, DRG relative weights, and beneficiary cost-share per diem rates to be used for FY 2001 under the TRICARE/CHAMPUS DRG-based payment system.

**EFFECTIVE DATES:** The rates, weights and Medicare PPS changes which affect the TRICARE/CHAMPUS DRG-based payment system contained in this notice are effective for admissions occurring on or after October 1, 2000.

**ADDRESSES:** TRICARE Management Activity (TMA), Medical Benefits and Reimbursement Systems, 16401 East Centretech Parkway, Aurora, CO 80011-9043.

For copies of the **Federal Register** containing this notice, contact the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, (202) 783-3238. The charge for the **Federal Register** is \$1.50 for each issue payable by check or money order to the Superintendent of Documents.

**FOR FURTHER INFORMATION CONTACT:** Marty Maxey, Medical Benefits and Reimbursement Systems, TMA, telephone (303) 676-3627.

To obtain copies of this document, see the **ADDRESSES** section above. Questions regarding payment of specific claims under the TRICARE/CHAMPUS DRG-based payment system should be addressed to the appropriate contractor.

**SUPPLEMENTARY INFORMATION:** The final rule published on September 1, 1987 (52 FR 32992) set forth the basic procedures used under the CHAMPUS DRG-based payment system. This was subsequently amended by final rules published August 31, 1988 (53 FR 33461), October 21, 1988 (53 FR 41331), December 16, 1988 (53 FR 50515), May 30, 1990 (55 FR 21863), October 22, 1990 (55 FR 42560), and September 10, 1998 (63 FR 48439).

An explicit tenet of these final rules, and one based on the statute authorizing the use of DRGs by TRICARE/CHAMPUS, is that the TRICARE/CHAMPUS DRG-based payment system is modeled on the Medicare PPS, and that, whenever practicable, the TRICARE/CHAMPUS system will follow the same rules that apply to the Medicare PPS. HCFA publishes these changes annually in the **Federal Register** and discusses in detail the impact of the changes.

In addition, this notice updates the rates and weights in accordance with our previous final rules. The actual changes we are making, along with a description of their relationship to the Medicare PPS, are detailed below.

## **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 has 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 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.

For FY 2001, HCFA will implement classification changes, including surgical hierarchy changes. 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 August 1, 2000, 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 FY 2001, 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 FY 2001, in order for a case to qualify for cost outlier payments, the costs must exceed the TRICARE/CHAMPUS DRG base payment rate (wage adjusted) for the DRG plus the IDME payment plus \$16,036 (wage adjusted). The marginal cost factor for cost outliers continues to be 80 percent.

### **E. Blood Clotting Factor**

For FY 2001, TRICARE/CHAMPUS will use the following HCPCS codes and payment rates for blood clotting factors:

J7190 Factor VIII (antihemophilic factor—human): \$0.85 per unit  
J7191 Factor VIII (antihemophilic factor—porcine): 2.09 per unit  
J7192 Factor VIII (antihemophilic factor—recombinant): 1.12 per unit  
J7194 Factor IX (complex): 0.31 per unit  
J7198 Anti-inhibitor: 1.43 per unit  
Q0160 Factor IX (antihemophilic factor, purified, Non-recombinant): 1.05 per unit  
Q0161 Factor IX (antihemophilic factor, recombinant): 1.12 per unit

### **F. Indirect Medical Education (IDME) Adjustment**

The Balanced Budget Refinement Act of 1999, modified the transition for the IDME adjustment that was established by the Balanced Budget Act of 1997. The new multiplier for the IDME adjustment factor for TRICARE/CHAMPUS for FY 2001 is 1.16.

## **II. Cost to Charge Ratio**

For FY 2001, the cost-to-charge ratio used for the TRICARE/CHAMPUS DRG-based payment system will be 0.5353, which is increased to 0.5408 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 0.5913.

## **III. Updated Rates and Weights**

The updated rates and weights are accessible through the Internet at [www.tricare.osd.mil](http://www.tricare.osd.mil) under the heading

TRICARE Provider Information. 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 2001 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: November 16, 2000.

**L.M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. 00-29935 Filed 11-22-00; 8:45 am]

**BILLING CODE 5001-10-M**

## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

### **Defense Science Board Task Force on Improving Fuel Efficiency of Weapons Platforms; Notice of Meeting**

**SUMMARY:** The Defense Science Board Task Force on Improving Fuel Efficiency of Weapons Platforms will meet in closed session on November 15–16, 2000, at the Institute for Defense Analyses, 1801 N. Beauregard Street, Alexandria, VA 22311–1772.

The mission of the Defense Science Board is to advise the Secretary of Defense and the Under Secretary of Defense for Acquisition and Technology on scientific and technical matters as they affect the perceived needs of the Department of Defense. At this meeting, the Task Force will review fuel-efficient technologies, including new or improved fuels, engines, Alternative Fueled Vehicles, and other advanced technologies and assess their operational, logistical, cost, and environmental impacts for a range of practical implementation scenarios.

Due to critical mission requirements, there is insufficient time to provide timely notice required by Section 10(a)(2) of the Federal Advisory Committee Act and Subsection 101–6.1015(b) of the GSA Final Rule on Federal Advisory Committee Management, 41 CFR part 101–6, which further requires publication at least 15 calendar days prior to the meeting of the Task Force on November 15–16, 2000.

Persons interested in further information should call Commander Brian D. Hughes, USN, at (703) 695–4157.