1989, we published revised relative weights based on CHAMPUS claims data. As a result, the weights, and therefore, the payments, nearly doubled on average. At that time OCHAMPUS retroactively adjusted all claims which had been processed using the previous lower weights. We have continued to refine the PM–DRG weights and classifications involving complications during subsequent annual updates.

In addition, at the time we adopted the PM–DRGs, we examined the possible application of additional DRGs to children who are older than newborns. We contracted with the RAND Corporation to investigate the use of PM–DRGs for this pediatric population. RAND's results showed that almost no difference in payments would occur, so we elected not to make any changes for the pediatric age groups.

To recognize the higher costs of pediatric patients and hospitals with more than their share of high-cost patients, CHAMPUS included a generous provision for calculating the cost outlier for children's hospitals and for neonatal services. Any discharge for services in a children's hospital or for neonatal services which has standardized costs that exceed a threshold of the greater of two times the DRG-based amount or $13,500 qualifies as a cost outlier, resulting in reimbursement of the DRG-based amount plus the differential, plus a percentage of all costs exceeding the threshold. Since the threshold is so low, a considerable number of cases receive this additional payment consideration.

As an added safeguard, CHAMPUS will continue for an interim period to exempt certain high-cost conditions from payment under the DRG-based payment system to protect acute care and children's hospitals from incurring unexpectedly high costs for care related to children under 18 years of age who are HIV seropositive, for all services related to pediatric bone marrow transplants and for all services related to pediatric cystic fibrosis.

In 1990, New York adopted some very minor classification changes to their neonatal DRGs which resulted in some reductions in payments; CHAMPUS reviewed the classification changes but elected not to make similar changes. We have continually consulted with NACHRI.

Since we have implemented all of the special measures Congress identified and since the Congressional intent was that the hospital-specific differential be used only ''for a transitional period of 3 years,'' it is appropriate that a national differential for children's hospitals be implemented at this time. During the three-year transition, children's hospitals were held harmless via a reconciliation calculation that ensured payments that recognized hospital-specific costs for high-volume hospitals. The transition period for using the ''hold harmless'' hospital-specific and low-volume differentials ended March 31, 1992. Reconciliations after the ''hold harmless'' period will be calculated applying the national differential rate in accordance with Congressional direction. Under the national differential, eighteen hospitals will receive a higher differential, and fifteen hospitals will receive a lower differential. Although a small number of high-volume hospitals will experience a reduction in CHAMPUS payments, we remain convinced that our payments, especially in light of the differential and other special considerations outlined above, will fairly compensate children's hospitals for their services. Even with a national differential, our payments will be significantly higher for all children's hospitals than for all other hospitals subject to DRG-based payments. The national differential is expected to encourage efficiency, and comply with Congressional intent and direction in controlling future CHAMPUS costs.

CHAMPUS recognizes that on average, children's hospitals have a more costly mix of pediatric patients than nonexempt hospitals. CHAMPUS is also aware that pediatric patients in general may be more expensive than adults because of the requirement for more nursing care and specialized services. Because of these higher costs, CHAMPUS has proceeded slowly and built in safeguards to protect children's hospitals against untoward financial repercussions. We believe all of these safeguards, as well as the numerous refinements we have outlined, will result in a fair and equitable payment to the children's hospitals. We feel confident that sufficient time has been allotted to identify and implement any classification changes which were found necessary. Of course, CHAMPUS will continue to refine PM–DRGs on an ongoing basis, just as we currently do for adult DRGs.

Following are the national differentials:

Area	All hospitals
Large Urban:	
Labor	$1,945.99
Non-labor	689.42
	2,635.41
Other Urban:	
Labor	1,483.21
Non-labor	525.47
	2,008.68

Dated: April 24, 1995.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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Record of Decision for the Final Programmatic Environmental Impact Statement (FPEIS) for the Ballistic Missile Defense (BMD) Program

AGENCY: Ballistic Missile Defense Organization (BMDO).

SUMMARY: On April 23, 1995, the Ballistic Missile Defense Organization (BMDO) signed the Record of Decision (ROD) on research, development, and testing of Ballistic Missile Defense (BMD) capability. The decision included in this ROD has been made in consideration of, but not limited to, the information contained in the *Ballistic Missile Defense Final Programmatic Environmental Impact Statement* (Final PEIS) filed with the U.S. Environmental Protection Agency on November 18, 1994. Other factors considered in this decision include the present and projected threat, cost, and administrative and congressional directives.

The BMD programmatic alternatives arose from existing and potential national security needs. The need for further research and development of BMD capability comes from the threat posed by the global proliferation of missile technology, and the accompanying production and development of weapons of mass destruction. This threat is compounded by improvements to missile performance and weapon design by other nations, as well as increases in the number of missile-armed nations. The ROD documents the BMDO decision between the programmatic alternatives.

The BMD program includes both National Missile Defense (NMD) and Theater Missile Defense (TMD) segments under the direction of BMDO. The NMD segment of the program considers developing ground and space-based elements, including Ground-Based Sensor (GBS), Ground-Based Interceptor (GBI), Space-Based Sensor (SBS), and Battle Management/Command, Control, and Communications (BM/C3) elements, to defend the United States against long-range missiles. The TMD segment

considers developing transportable systems to defend elements of the armed forces of the United States deployed abroad, and United States' allies, against short- and medium-range missiles. The TMD segment was analyzed separately in the TMD Programmatic EIS, due to the distinct functions and independent utility of the TMD and NMD segments.

The decision conveyed by the ROD is to continue research, development, and testing of NMD capabilities. The decision includes continuing the NMD Technology Readiness Program but does not include the procurement or acquisition of an operational NMD system. Only limited NMD research, development, and testing is to continue. The acquisition of TMD system capabilities will continue as described in the TMD ROD published in the Federal Register on August 11, 1994 (59 FR 41277).

The specific decision with respect to NMD is to continue a focused approach to technology development in the form of the Technology Readiness Program (the Preferred Action in the Final PEIS). The program involves the development of existing and new technologies and test systems for BM/C3, GBS, GBI, and SBS elements. Research is to be focused to ensure the capability to deploy a limited NMD system in the next decade. Basic technology efforts will continue to infuse new advances as the program proceeds. Contingency planning and options development will continue to be conducted to meet unexpected threats.

Three NMD System Acquisition Alternatives were also evaluated. These alternatives consisted of proceeding with system acquisition and design of NMD elements through the Engineering and Manufacturing Development (EMD) phase of the DoD System Acquisition Life-cycle. Activities included in the EMD phase involve development and testing of elements up to, but not including, element and/or system production and basing. The System Acquisition Alternatives evaluated were:

1. Ground- and Space-Based Sensors and Ground- and Space-Based Interceptors System Acquisition Alternative (which consists of Engineering and Manufacturing Development of GBS, SBS, GBI, SBI, and BM/C3);

2. All Ground-Based System Acquisition Alternative (which consists of Engineering and Manufacturing Development of GBS, GBI, and BM/C3); and

3. Ground- and Space-Based Sensors and Ground-Based Interceptors System Acquisition Alternative (which consists of Engineering and Manufacturing Development of GBS, SBS, GBI, and BM/C3).

The Final PEIS analyses determined that environmental impacts for the Preferred Action (No Action Alternative) or any of the three System Acquisition Alternatives would be minimal. The Final PEIS analyses found no significant and unavoidable environmental impacts for the Preferred Action or any of the three alternatives. The Preferred Action would be termed the *environmentally preferred alternative* since there would be fewer activities associated with its implementation, and therefore fewer impacts. The other alternatives would generally create greater areas of disturbance, require more resources, and create more and greater hazards than the Preferred Action although the environmental impact of all options would be minimal.

Therefore, the implementation of BMD research, development, and testing activities and associated mitigation measures will proceed with minimal adverse impact to the environment. BMDO Deputies and Program Executive Officers are tasked to monitor these activities to ensure that the required environmental standards and controls described in the Final PEIS are followed. BMDO activities will conform with all applicable Federal, state, and local statutes and regulations. Additionally, all reasonable and practical efforts and appropriate safeguards will be implemented to minimize harm to the public and the environment.

FOR FURTHER INFORMATION CONTACT: Mr. Richard Lehner, BMDO/SRE, Washington, DC 20301–7100, (703) 695–8743.

Dated: April 25, 1995.

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 95–10459 Filed 4–27–95; 8:45 am]

BILLING CODE 5000–04–M

Defense Base Closure and Realignment Commission Investigative Hearings

AGENCY: Defense Base Closure and Realignment Commission (a Presidentially appointed commission separate from and independent of DoD).

ACTION: Notice of a public, deliberative hearing.

SUMMARY: Pursuant to Public Law 101–510, as amended, the Defense Base Closure and Realignment Commission announces a day-long investigative hearing to be held in Washington, D.C. The purpose of this hearing is for the Commission to consider additional and/or alternative bases to those recommended for closure and realignment by the Secretary of Defense on March 1, 1995.

The specific date, location, and general topics follow:

May 10 (Location: Hart Senate Office Building, Room 216)

—Chairpersons and representatives from each of the Commission staff's five review-and-analysis panels (Army, Navy, Air Force, InterAgency, and Joint-CrossService) present information concerning options for additional and/or alternative base-closure recommendations.

—Commission formally votes on additional and/or alternative bases as options for consideration.

The May 10 hearing will begin at 9 a.m. The building and room number are noted in parentheses following the date of the hearing. However, hearing location, date, and time are subject to change based upon availability of facilities.

FOR FURTHER INFORMATION CONTACT: Mr. Wade Nelson, Director of Communications, at (703) 696–0504.

SUPPLEMENTARY INFORMATION: Changes to the above schedule will be published in the Federal Register by the Commission. Please call the Commission to confirm dates, times, and locations prior to each event. Individuals needing special assistance should contact the Commission in advance of each event to facilitate their requirements.

Dated: April 24, 1995.

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 95–10419 Filed 4–27–95; 8:45 am]

BILLING CODE 5000–04–M

Defense Science Board Task Force on Combat Identification; Meeting

SUMMARY: The Defense Science Board Task Force on Combat Identification will meet in closed session on July 11–12, 1995 at the MITRE Corporation, Bedford, Massachusetts.

The mission of the Defense Science Board is to advise the Secretary of Defense through the Under Secretary of Defense (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 evaluate the DoD long term strategy and plan for development and fielding of a