TRICARE/CHAMPUS DRG-based payment system are in 32 CFR part 199.

Dated: October 5, 2006.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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DEPARTMENT OF DEFENSE

Office of the Secretary

TRICARE Formerly Known as the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); Fiscal Year 2007 Mental Health Rate Updates

AGENCY: Office of the Secretary, DoD.

ACTION: Notice of updated mental health per diem rates.

SUMMARY: This notice provides for the updating of hospital-specific per diem rates for high volume providers and regional per diem rates for low volume providers; the updated cap per diem for high volume providers; the beneficiary per diem cost-share amount for low volume providers for FY 2007 under the TRICARE Mental Health Per Diem Payment System; and the updated per diem rates for both full-day and half-day TRICARE Partial Hospitalization Programs for fiscal year 2007.

DATES: *Effective Date:* The fiscal year 2007 rates contained in this notice are effective for services occurring on or after October 1, 2006.

FOR FURTHER INFORMATION CONTACT: Christine Covie, Office of Medical Benefits and Reimbursement Systems, TRICARE Management Activity, telephone (303) 676–3841.

SUPPLEMENTARY INFORMATION: The final rule published in the **Federal Register** on September 6, 1988, (53 FR 34285) set forth reimbursement changes that were effective for all inpatient hospital admissions in psychiatric hospitals and exempt psychiatric units occurring on or after January 1, 1989. The final rule published in the **Federal Register** on July 1, 1993, (58 FR 35–400) set forth maximum per diem rates for all partial hospitalization admissions on or after September 29, 1993. Included in these final rules were provisions for updating reimbursement rates for each federal fiscal year. As stated in the final rules, each per diem shall be updated by the Medicare update factor for hospitals and units exempt from the Medicare Prospective Payment System. For fiscal year 2007, Medicare has recommended a rate of increase of 3.4 percent for hospitals and units excluded from the prospective payment system. TRICARE will adopt this update factor for FY 2007 as the final update factor. Hospitals and units with hospital-specific rates (hospitals and units with high TRICARE volume) and regional specific rates for psychiatric hospitals and units with low TRICARE volume will have their TRICARE rates for FY 2006 updated by 3.4 percent for FY 2007. Partial hospitalization rates for full day and half day programs will also be updated by 3.4 percent for FY 2007. The cap amount for high volume hospitals and units will also be updated by the 3.4 percent for FY 2007. The beneficiary cost-share for low volume hospitals and units will also be updated by the 3.4 percent for FY 2007. Consistent with Medicare, the wage portion of the regional rate subject to the area wage adjustment is 75.665 percent for FY 2007.

The following reflect an update of 3.4 percent for FY 2007

REGIONAL SPECIFIC RATES FOR PSYCHIATRIC HOSPITALS AND UNITS WITH LOW TRICARE VOLUME

United States census region	Rate@
Northeast:	
New England	$684
Mid-Atlantic	659
Midwest:	
East North Central	569
West North Central	537
South:	
South Atlantic	678
East South Central	725
West South Central	618
West:	
Mountain	617
Pacific	729
Puerto Rico :	465
@Wage portion of the rate, subject to the area wage adjustment	75.665 percent

Beneficiary Cost-Share: Beneficiary cost-share (other than dependents of active duty members) for care paid on the basis of a regional per diem rate is the lower of $184 per day or 25 percent of the hospital billed charges effective for services rendered on or after October 1, 2006.

Cap Amount: Updated cap amount for hospitals and units with high TRICARE volume is $860 per day for FY 2007.

The following reflect an update of 3.4 percent for FY 2007.

PARTIAL HOSPITALIZATION RATES FOR FULL-DAY AND HALF-DAY PROGRAMS FY 2007

United States census region	Full-day rate (6 hours or more)	Half-day rate (3–5 hours)
Northeast:		
New England (ME, NH, VT, MA, RI, CT)	$275	$207
Mid-Atlantic (NY, NJ, PA)	298	224
Midwest:		
East North Central (OH, IN, IL, MI, WI)	262	196
West North Central (MN, IA, MO, ND, SD, NE, KS)	262	196
South:		
South Atlantic (DE, MD, DC, VA, WV, NC, SC, GA, FL)	282	212
East South Central (KY, TN, AL, MS)	305	229
West South Central (AR, LA, TX, OK)	305	229
West:		
Mountain (MT, ID, WY, CO, NM, AZ, UT, NV)	308	232
Pacific (WA, OR, CA, AK, HI)	302	226

PARTIAL HOSPITALIZATION RATES FOR FULL-DAY AND HALF-DAY PROGRAMS FY 2007—Continued

United States census region	Full-day rate (6 hours or more)	Half-day rate (3–5 hours)
Puerto Rico	196	148

The above rates are effective for services rendered on or after October 1, 2006.

Dated: October 5, 2006.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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BILLING CODE 5001–06–M

DEPARTMENT OF DEFENSE

Office of the Secretary

Defense Advisory Board

AGENCY: Department of Defense.

ACTION: Notice.

SUMMARY: The Defense Advisory Board meeting convened at 8 a.m., Friday, September 22, 2006, but did not have a quorum. The meeting was allowed and conducted in accordance with the Federal Advisory Committee Act (FACA) exception that no deliberation or voting can take place absent a quorum. These conditions were adhered to. Additionally, hard copies of all briefings from the meeting will be forwarded to the absent members and a confirmation printout of the transmitted briefings will be kept on file as a matter of record.

Location: Pentagon, Room 2E219.

Attendees

Members

David A. Janes, Chairman, DAB; Chairman and CEO, Janes Capital Partners.

Donald V. Esmond, Senior VP Automotive Operations, Toyota Motor Sales.

Walter P. Havenstein, Executive Vice President, BAE Systems North America.

W. Thomas Musser, Chairman of the Board, Tri-M Group, LLC and Tri-M Holdings, LLC.

Kathleen M. Naylor, Director, Worldwide Executive and Leadership Development, UNISYS Corp.

Joyce Reed, Community Relations Manager, Tyson Foods, Inc.

Absent

William T. Powell, President, Institute for Defense and Business.

John T. Gremp, VP–Energy Production Systems, Energy Systems Group, FMC Technologies, Inc.

Bradley T. MacDonald, Chairman and CEO, Medifast, Inc.

Jeffery C. Crowe, Chairman and CEO, Landstar System, Inc.

Michael J. Earley, President and CEO, Bankers Trust Company.

Christopher K. Komisarjevsky, President and CEO, Emeritus, Burson-Marsteller Worldwide.

Kenneth L. Gile, President, Skybus Airlines.

Department of Defense

The Honorable Thomas F. Hall, Assistant Secretary of Defense, Reserve Affairs.

Craig W. Duehring, Principal Deputy Assistant Secretary of Defense, Reserve Affairs.

Bob Hollingsworth, Executive Secretary, DAB.

Mr. Tom Bush, Principal Deputy Manpower & Personnel, Office of the Secretary of Defense, Reserve Affairs.

Phil Pope, Designated Federal Officer, DAB.

Roxie Merritt, Office of the Assistant Secretary of Defense, PA, Internal Com/Public Liaison.

Ted Kehr, Director, Employer Support Division, National Guard Bureau.

Public

Mr. Nick Dawson, Department of Labor, Veterans Employment and Training Services.

Mr. Marcus Bradshaw, Department of Labor, Veterans Employment and Training Services.

Speakers

The Honorable Thomas F. Hall, Assistant Secretary of Defense, Reserve Affairs. Topic: Welcome and Opening Remarks.

Kathleen Naylor, Director, Worldwide Executive and Leadership Development, UNISYS Corp. and Roxie Merritt, Office of the Secretary of Defense, PA for Internal Com/Public Liaison. Topic: Communications/Outreach Update.

Nick Dawson and Marcus Bradshaw, Veteran's Administration Department of Labor. Topic: Uniformed Services Employment and Reemployment Rights Act (USERRA).

Bob Hollingsworth, National Committee for Employer Support of the Guard (NCESGR) and Reserve Executive Director and DAB Executive Secretary. Topic: ESGR Outreach Status Brief.

Tom Bush, Principal Deputy Manpower and Personnel, Office of the Secretary of Defense, Reserve Affairs. Topic: ''Transitioning To An Operational Reserve''.

DAB Meeting Summary

Meeting discussions focused on four primary areas:

(1) Leveraging and implementation of long-range strategic communications plan that uses public affairs tactics designed to assist branding NCESGR, while targeting key messages to employers.

(2) An information brief of USERRA rights and responsibilities as they affect Reserve Component members/employers.

(3) Employer data and impact on employers as Guard and Reserve transition from a Strategic Reserve to an Operational Reserve.

(4) OSD–RA Manpower and Personnel prospective of transition to an Operational Reserve.

Invited speakers discussed more aggressive public affairs efforts to enhance communications with employers; the ongoing process to educate and inform employers and Defense Advisory Board (DAB) members regarding legal rights and responsibilities under the Uniformed Services Employment and Reemployment Rights Act (USERRA); the purpose and function of NCESGR and transitioning from a Strategic Reserve to an Operational Reserve.

Opening Remarks

Secretary Thomas F. Hall, Assistant Secretary of Defense, Reserve Affairs

Secretary Hall thanked Mr. Hollingsworth and his team for a great Leadership Conference, and the culmination of a superb Freedom Award Dinner, which also resulted in late night news coverage emphasizing the significant support provided to the nation's Guard and Reserve by America's exceptional employers. General Cody did a great job with his