



## THE ASSISTANT SECRETARY OF DEFENSE

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### HEALTH AFFAIRS

#### MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER

SUBJECT: Calendar Year 2024 Direct Care Inpatient Room and Board Billing Rates and  
Guidance

The attached document contains the Defense Health Agency (DHA) Uniform Business Office (UBO) Calendar Year (CY) 2024 Direct Care Direct Care Inpatient Room and Board Billing Rates and Guidance. The rates are to be used by military medical treatment facilities (MTFs), effective October 1, 2024, and/or until superseded. Please post this package to the Department of Defense Comptroller's Reimbursable Rates web site as "CY 2024 Direct Care Inpatient Room and Board Billing Rates."

The room and board rates are based on the previous fiscal year's (FY) inpatient care costs and exclude medications, supplies, procedures, and other expenses beyond providing a room and bed. These rates are calculated as a weighted average by dividing total inpatient costs, minus exclusions, by the average occupied bed days in each geographic region, thereby assigning MTFs a weighted value based on total bed days. Room and board rates decreased by 17 percent from FY 2023 due to lower costs per occupied bed day. FY 2022 data used to develop FY 2023 rates was notably lower due to data gaps in the Expense Assignment System. To mitigate large price fluctuations year to year, the methodology now averages data from the past 5 years.

The attached rates are to be used when billing for medical services furnished to inpatients at MTFs. These rates are billed in conjunction with Itemized Resource Utilization-based (IRU) rates. The methodology for IRU-based rates is authorized and outlined in Section 220.8, title 32, Code of Federal Regulations. The IRU billing rates are developed from the cost to provide inpatient and ambulatory institutional healthcare resources to patients. As of January 13, 2024, all sites transitioned to the new billing system and will no longer utilize Adjusted Standardized Amounts billing rates.

The point of contact for this action is Ms. DeLisa Prater, DHA UBO Program Manager. She may be reached at (703) 275-6380 or at [delisa.e.prater.civ@health.mil](mailto:delisa.e.prater.civ@health.mil).

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**Department of Defense, Defense Health Agency Uniform Business Office  
Calendar Year 2024 Direct Care Inpatient Room and Board Billing Rates and Guidance**

**1.0 Calendar Year 2024 Room and Board Rates and Charges effective 1 October 2024.**

Overview

In Calendar Year (CY) 2022, the DoD implemented a new electronic health record (EHR) billing and accounting system. As of CY 2024, Direct Care Inpatient Adjusted Standardized Amounts (ASA) rates will no longer be produced as a result of all military medical treatment facilities (MTF) transitioning from the previous ASA rate methodology to Itemized Resource Utilization (IRU)-based rates. The methodology for IRU-based rates is authorized and outlined in 32 CFR 220.8. IRU billing rates are developed from the cost to provide inpatient and ambulatory institutional healthcare resources to patients. Prior ASA rates should only be applied to any dispositions discharged prior to an MTF go-live date.

The CY 2024 Direct Care Inpatient Room and Board rates are set to be effective October 1, 2024. Once approved, rates will be in effect until superseded.

The 2024 room and board rates are a direct result of the previous fiscal year's costs associated with providing care at the inpatient level, and do not include medications, supplies, procedures performed, or any additional expenses other than providing a room and bed for the patient.

- Excluded inpatient cost categories including intensive care, pharmacy/vaccine, medical supplies, surgical services, and labor categories, which are either captured through professional fee charges or billed as separate charges on an itemized basis.
- Professional services, medications, durable medical equipment, orthotics, supplies, and technical component of procedures performed other than the institutional cost of the room and board rate will be charged according to the methodology outlined in the Outpatient Rates policy letter.

Room and Board rates are the weighted average of occupied bed day (OBD) rates at each MTF within a Regional Charge Table. Each MTF rolls up to a Regional Charge Table, which is documented in Appendix A; and the final Room and Bed rates that will be utilized are shown in Appendix B. Final Room and Bed rates include rates for Intensive Care (1.2X) and Step-Down Care (1.1X),

- The weighted average is calculated by dividing total inpatient costs, minus cost exclusions, by total OBD for each geographic region, thereby assigning MTFs a weighted value based on total bed days.

Rates for Trauma ICU, Burn Unit, and additional accommodation revenue codes within the code range 010X-095X may additionally be priced applying a cost-based methodology using specific

costs and OBD data associated to the Functional Cost Codes (FCC) within the Expense Assignment System (EAS) version IV. These costs will be rolled into a regional charge for each necessary geographic region. Intensive Care Rate (1.2X) will be utilized until cost-based data is available by FCC for applicable MTFs for Trauma ICU and Burn Unit accommodation revenue codes.

Similar to ASA rates, regular Room and Board rates consist of the Full Cost rate, and adjustments are applied such as the Interagency Rate, the IMET rate, and the TPC rate. The interagency rate for CY 2024 consists of a 7.02 percent discount rate from the full rate, and the IMET rate for foreign military personnel consists of a 36.43 percent discount from full rate, while the TPC rate is equivalent to the Full Cost rate.

- The IMET program is a key funding component of U.S. security assistance that provides training on a grant basis to students from allied and friendly nations. Authority for the IMET program is found pursuant to title 22 United States Code (U.S.C.), section 2347. Funding is appropriated from the International Affairs budget of the Department of State. Not all foreign national patients participate in the IMET program.
- The Interagency Average Rate (IAR) rates are used to bill other federal agencies.
- The full/Third Party Collection (TPC) rates are used to bill insurance carriers, pay patients, and other payers.

Each MTF providing inpatient care has a regionally assigned room and board full cost rate, step down rate, and intensive care unit rate (shown in Appendix B). The total number of inpatient stay days not including the date of discharge, multiplied by the MTF's regional daily room and board rate is the charge submitted on the institutional claim for total room and bed charges. In addition, other itemized supplies and ancillary services performed during the inpatient stay (laboratory, radiology, pharmacy, etc.) will be included in the total amount of charges on the institutional claim payers will use for reimbursement purposes. Professional fee charges related to an inpatient stay are captured separately on a professional claim. The regional room and board rates and other itemized rates that may be found on the CY 2024 Charge Description Master (CDM) will be published on the DHA UBO Website (<https://health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>). Examples of how to calculate the reimbursement charges for room and board are shown in Section 2.0.

Below are all room and board accommodation revenue codes and descriptions as well as the type of rate assigned to each. Other accommodation revenue codes may be included throughout the rate cycle within the CDM if necessary.

The step-down rate is 1.1x the full cost rate, and the intensive care rate is 1.2x the full cost rate.

<b>Institutional Revenue Code</b>	<b>CDM Description</b>	<b>Rate Type</b>
153	Pediatrics	Full Cost Rate
158	Rehab	Full Cost Rate
158	Behavioral Health Rehab	Full Cost Rate
160	Domiciliary	Full Cost Rate
722	Labor And Delivery	Full Cost Rate
151	Med/Surg	Full Cost Rate
170	Newborn	Full Cost Rate
158	Behavioral Health Acute	Full Cost Rate
206	Intermediate/Step Down	Step Down Rate (1.1X)
160	Warrior Care	Step Down Rate (1.1X)
200	Intensive Care Unit	Intensive Care Rate (1.2X)
174	NICU	Intensive Care Rate (1.2X)
207	Burn Care Unit	Burn Care Rate or *Intensive Care Rate (1.2X) to be utilized until cost-based data is available
208	Trauma Intensive Care Unit	Trauma Intensive Care Rate *Intensive Care Rate (1.2X) to be utilized until cost-based data is available

**1.1 Family Member Rate (FMR)**

The CY 2024 FMR is \$22.30 per day. The FMR is established by authority of 10 U.S.C. §1078.

## **2.0 Examples Applying Room and Board Rates to Compute Inpatient Stay Charges**

The cost to be recovered for an inpatient stay is the product of the regionally applied room and bed rate and other itemized inpatient charges. This includes the costs of both inpatient institutional and professional services. Billing in the examples below is at the full/TPC rate.

For this example, an MTF assigned to a Texas regional fee schedule will be used. For each day of an inpatient stay, a revenue code is assigned and drives the daily rate at which a room and board charge is applied.

**Table 2. Third Party Billing Examples**

<b>Date of Admission</b>	<b>Date of Discharge</b>	<b>Total Days</b>	<b>Regional Charge Table</b>
October 1, 2024	October 11, 2024	10	Texas
<b>Revenue Code</b>	<b>CDM Description</b>	<b>Room and Board Rate</b>	<b>Total Room and Board Rate Charges</b>
151	Med/Surg (Full cost rate)	\$2,001.24	\$20,012.40

The total room and bed charge is the number of days multiplied by the room and board rate. Additional ancillary and other facility charges may be accrued on an institutional claim as well.

**Appendix A. Regional Charge Table by MTF**

<b>DMIS ID</b>	<b>MTF NAME</b>	<b>REGIONAL CHARGE TABLE</b>
0005	ACH BASSETT-WAINWRIGHT	Alaska
0006	AF-H-673rd MEDGRP JBER-ELMNDRF	Alaska
0014	AF-MC-60th MEDGRP-TRAVIS	Sacramento
0024	NH CAMP PENDLETON	San Diego
0029	NMC SAN DIEGO	San Diego
0030	NH TWENTYNINE PALMS	San Diego
0032	ACH EVANS-CARSON	Colorado
0039	NH JACKSONVILLE	Florida
0042	AF-H-96th MEDGRP-EGLIN	Florida
0047	AMC EISENHOWER-FT GORDON	Georgia
0048	ACH MARTIN-BENNING	Georgia
0049	ACH WINN-STEWART	Georgia
0052	AMC TRIPLER-SHAFTER	OCONUS
0057	ACH IRWIN-RILEY	Kansas
0060	ACH BLANCHFIELD-CAMPBELL	Kentucky
0064	ACH BAYNE-JONES-POLK	Texas
0067	WALTER REED NATL MIL MED CNTR	National Capital Region
0073	AF-MC-81st MEDGRP-KEESLER	Mississippi
0075	ACH LEONARD WOOD	Kansas
0079	AF-MC-99th MEDGRP-NELLIS	Sacramento
0086	ACH KELLER-WEST POINT	Georgia
0089	AMC WOMACK-BRAGG	North Carolina
0091	NMC CAMP LEJEUNE	North Carolina
0095	AF-MC-88th MEDGRP-WRIGHT-PAT	Kentucky
0104	NH BEAUFORT	Georgia
0108	AMC WILLIAM BEAUMONT-BLISS	Texas
0109	AMC BAMC-FSH	Texas
0110	AMC DARNALL-HOOD	Texas
0123	FT BELVOIR COMMUNITY HOSP-FBCH	National Capital Region
0124	NMC PORTSMOUTH	Tidewater
0125	AMC MADIGAN-LEWIS	Puget Sound
0126	NH BREMERTON	Puget Sound

DMIS ID	MTF NAME	REGIONAL CHARGE TABLE
0131	ACH WEED-IRWIN	San Diego
0607	LANDSTUHL REGIONAL MEDCEN	OCONUS
0612	ACH BRIAN D ALLGOOD-PYEONGTAEK	OCONUS
0615	NH GUANTANAMO BAY	OCONUS
0617	NH NAPLES	OCONUS
0618	NH ROTA	OCONUS
0620	NH GUAM-AGANA	OCONUS

**Appendix B Room and Board Rates  
Effective 1 October 2024**

<b>Regional Charge Table</b>	<b>Full Cost Rate</b>	<b>Step Down Rate (1.1X)</b>	<b>Intensive Care Rate (1.2X)</b>
Alaska	\$2,099.46	2,309.41	\$ 2,519.35
Colorado	\$2,171.89	2,389.07	\$ 2,606.26
Florida	\$2,742.71	3,016.98	\$ 3,291.26
Georgia	\$1,686.47	1,855.11	\$ 2,023.76
Kansas	\$2,255.13	2,480.64	\$ 2,706.16
Kentucky	\$2,086.10	2,294.71	\$ 2,503.32
Mississippi	\$2,520.26	2,772.29	\$ 3,024.31
NCR	\$2,396.77	2,636.44	\$ 2,876.12
Non-Us	\$2,659.08	2,924.99	\$ 3,190.89
North Carolina	\$1,859.40	2,045.33	\$ 2,231.27
Puget Sound	\$6,678.00	7,345.80	\$ 8,013.60
Sacramento	\$3,642.89	4,007.18	\$ 4,371.47
San Diego	\$2,719.78	2,991.76	\$ 3,263.74
Texas	\$2,001.24	2,201.36	\$ 2,401.49
Tidewater	\$1,496.50	1,646.15	\$ 1,795.80



**Appendix D. Acronyms**

A	Army
ACH	Army Community Hospital
AFB	Air Force Base
AMC	Army Medical Center
ASA	Adjusted Standardized Amount
CC/MCC	Complications and Comorbidities/Major Complications and Comorbidities
CHAMPUS	Civilian Health and Medical Program of the Uniformed Services
CDM	Charge Description Master
CMS	Centers for Medicare and Medicaid Services
DHA	Defense Health Agency
DMIS ID	Defense Medical Information System Identifier
DOD	Department of Defense
EAS IV	Expense Assignment System, version IV
F	Air Force
FCC	Functional Cost Code
FMR	Family Member Rate
GRP	Group
IAR	Interagency Average Rate
ICU	Intensive Care Unit
IME	Indirect Medical Education
IMET	International Military Education and Training
IRU	Itemized Resource Utilization
LOS	Length of Stay
MEPRS	Medical Expense and Performance Reporting System
MS-DRG	Medicare Severity Diagnosis Related Group
MS-RWP	Medicare Severity Relative Weighted Product
MTF	Military Treatment Facilities
N	Navy
NH	Naval Hospital
NMC	Naval Medical Center
OBD	Occupied Bed Day
P	National Capital Region (NCR)
TPC	Third Party Collection
UBO	Uniform Business Office
USAF	United States Air Force