

VOLUME 11A CHAPTER 6: “ANNUAL REIMBURSABLE RATES”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [January 2011](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
5.1 (060501)	Removed Food Service (Appendix F) from Table	Revision
5.2 (060502)	Update Appendix I for Blended Retirement System	Revision
Appendix E	Combined guidance contained in Appendix E (Fixed Wing) and Appendix G (Rotary Wing) under Appendix E, Collections for Reimbursements of DoD-Owned Aircraft (Fixed / Rotary Wing).	Revision
Appendix F	Deleted Appendix F (Food Service) and Instructions	Deletion
Appendix G	Combined guidance contained in Appendix E (Fixed Wing) and Appendix G (Rotary Wing) under Appendix E, Collections for Reimbursements of DoD-Owned Aircraft (Fixed / Rotary Wing).	Revision
Appendix H	Appendix H, Medical and Dental Services Rate Computation moved to Appendix F. Updated Inpatient, Outpatient, Pharmacy, and Cosmetic Surgery Rate Computation procedures to current (FY19 Inpatient, CY18 Outpatient).	Revision
Appendix I	Appendix I, Military Composite Standard Pay and Reimbursement Rates moved to Appendix G. Updated Miscellaneous Expense, Annual DoD Composite Standard Rate, and Amount Billable to Other Federal Agencies. Added Amount Billable to DoD Entities and Amount Billable to Foreign Military Sales Entities.	Revision
Appendix J	Appendix J, Reimbursement Cost for Contract Administration and Related Support Services Furnished to the NNSA moved to Appendix H.	Revision

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CHAPTER 6**ANNUAL REIMBURSABLE RATES****1.0 GENERAL (0601)**

The Department of Defense (DoD) provides goods and services to meet military mission requirements. The Economy Act allows the Department to provide certain goods not only to DoD Components, but also to other government agencies and the private sector, under specified conditions. Reimbursable rates, published by the Under Secretary of Defense (Comptroller)/ DoD Chief Financial Officer, provide a basis for the Department and its Components to be reimbursed for such goods and services provided.

2.0 PURPOSE (0602)

The purpose of this chapter is to provide guidance relative to the preparation of specific exhibits, and due dates for the submission of such exhibits, used to develop and support those reimbursable rates published by the DoD Deputy Comptroller (Program/Budget).

3.0 APPLICABILITY (0603)

This guidance applies to all DoD Components and goods or services encompassed by or subject to reimbursable rates approved by the DoD Chief Financial Officer.

4.0 RESPONSIBILITY (0604)**4.1 Deputy Comptroller (P/B) (060401)**

The Office of the Under Secretary of Defense (Comptroller) is responsible for reviewing, coordinating, and publishing reimbursable rates for the Department. Where feasible, applicable reimbursable rates will be published prior to the beginning of each new fiscal year, allowing sufficient lead time for the distribution of rates and the updating of billing systems.

4.2 DoD Components (060402)

DoD Components are required to:

4.2.1. Maintain systems that use generally accepted cost accounting procedures to formulate proposed rates. Each such DoD Component is responsible for maintaining, in conjunction with the Defense Finance and Accounting Service, an appropriate cost accounting system enabling the accumulation of data needed to formulate reimbursable rates to be charged to consumers of such goods or services. Generally accepted cost accounting procedures will be the basis for such proposed rates.

4.2.2. Submit to the DoD Deputy Comptroller (P/B), reimbursable rate exhibits that propose reimbursable rates for the upcoming fiscal year. Such exhibits shall be prepared and

submitted in accordance with the time frames specified in section 5.0 and use the formats specified in the appendices to this chapter.

4.2.3. Bill using rates approved by the DoD Deputy Comptroller (P/B). Goods or services provided in an academic year or a fiscal year, as applicable, will be billed at the approved academic or fiscal year rate, respectively, effective with the beginning of the academic year, or October 1 of the fiscal year, as appropriate, irrespective of whether the rates have been established in the billing system.

4.2.4. Ensure that rates different from those approved by the DoD Chief Financial Officer are not issued or changed without the prior written approval of that official or the Deputy Chief Financial Officer.

5.0 EXHIBITS (0605)

5.1 Reimbursable Rate Exhibits (060501)

The following reimbursable rate exhibits are to be submitted in support of the President's Budget submission each year. Detailed instructions are included with each exhibit and specific due dates are identified below:

<u>TYPE OF REIMBURSABLE RATE</u>	<u>APPENDIX</u>	<u>DUE DATE</u>	<u>SUBMITTING COMPONENT</u>	<u>Reviewing OUSD(C) COMPONENT</u>
Academy Foreign Cadet	A	March 1	All Military Depts and OASD (Health Affairs)	Operations
Civilian/Military Equivalency, DoD Working Capital Funds	B	March 1	OUSD(C)	Operations
Civilian Personnel Fringe Benefit	C	March 1	OUSD(C)	Operations
Contract Administration Services	D	March 1	DCMA, DCAA, All Military Depts	Operations
Fixed Wing Aircraft	E	March 1	All Military Depts	Operations
Helicopter	G	March 1	All Military Depts	Operations
Medical and Dental Services	H	March 1	OASD (Health Affairs)	Military Personnel and Construction
Military Composite Pay	I	March 1	All Military Depts	Military Personnel and Construction
NASA	J	March 1	DCMA, DCAA, All Military Depts	Operations

5.2 Exhibits Submissions (060502)

Exhibits should be submitted to the attention of the corresponding reviewing component above in both electronic format and hard copy to the DoD Deputy Comptroller (P/B), The Pentagon, Washington, DC 20301-1100. Spreadsheet and text files provided in electronic format should be compatible with Microsoft Excel.

APPENDIX A: SERVICE ACADEMIES' FOREIGN CADET/MIDSIPMAN REIMBURSABLE

Rate Calculation	FY 20CY (1)	FY 20BY (1)
Program Element: (2)		
PE 0804721 Service Academies (\$actuals)		
O&M,F	-	-
MPF	-	-
OPF	-	-
Total U.S. Air Force Academy	-	-
Cadet/Midshipman Workyears/ Average Strength (3)	-	-
Medical Support Costs per capita (4)	-	-
Total Medical Costs (5)	-	-
Total Costs (6)	-	-
Cost per Cadet/Midshipman (7)	-	-
1/3 of 20CY Cost per Cadet/Midshipmen		-
2/3 of 20BY Cost per Cadet/Midshipmen		-
Academic Year Reimbursable Rate (8)		-

GENERAL

Department of Defense Service Academies' Foreign Cadet Reimbursable Rate is to be used when billing foreign cadets and midshipmen instruction cost. Title 10, United States Code, Section 347 requires a Foreign Government to reimburse instruction costs to the United States for cadets and midshipmen permitted to attend one of the military academies to include the United States Military Academy, the Naval Academy, and the Air Force Academy. Each Service Department calculates its internal Service Academies' Foreign Cadet Reimbursable Rate using the rate calculation in the instructions. OUSD(C) calculates the Department of Defense Service Academies' Foreign Cadet Reimbursable Rate from the Services' submissions and publishes on the OUSD(C) public website prior to the commencement of the academies' academic year.

Instructions:

Instruction costs include faculty, staff, learning material, housing, basic pay and allowance, subsistence (meals), and medical expenses of a cadet/midshipman. The instruction costs are identified in the Operations and Maintenance (O&M), Military Personnel (MILPER), and Other Procurement (OP) appropriations. Detailed instructions for calculating the Services' foreign cadet and midshipman reimbursable rate follows:

- (1) Insert the applicable current year (CY) and budget year (BY) for the fiscal year being calculated. For example, when computing the FY 2020 Budget Year rate, the current year would be FY 2019 and the budget year would be FY 2020.
- (2) Include all budgeting and programming data in the Service Academies Program Element (PE) 804721 for all appropriations. The Service Academy PE shall be exclusively used for cadet and midshipman instruction cost. The O&M appropriation must include the PE, budget activity, and subactivity group for instruction cost. For the O&M and OP accounts the current year reflects the enacted appropriation and the budget year reflects the President's Budget. In the MILPER accounts CY shall reflect the CY Estimate (i.e., not the enacted) in the BY President's Budget and BY shall reflect the BY in the BY President's Budget. When there is no enactment of an appropriation, the CY is an estimate for all appropriations.
- (3) Insert the Cadet/Midshipman workyears/average strength which includes Foreign Cadets (Basic Pay, Average Number) shown in the Military Personnel justification books for budget activity 3, Pay and Allowances for Cadets/Midshipmen submitted to the Congress in support of the President's Budget. The workyears/average strength CY column shall reflect the CY Estimate in the BY President's Budget and BY shall reflect the BY in the BY President's Budget.
- (4) Obtain the Cadet/Midshipman medical support cost from the OUSD(C). The Service Academies' Cadet/Midshipman medical support costs include both clinic and hospital costs. The Office of the Assistant Secretary of Defense (Health Affairs) shall provide a cost per capita for the CY and BY, by Academy to the Director, for Operations Directorate, OUSD(C), Room 3C749, the Pentagon, 30 days after the submission of the President's Budget to the Congress. This amount will be calculated by multiplying the per capita cost provided by the OASD(HA) by the sum of the cadet/midshipman workyears/average strength included in the President's budget.

(5) Multiply the number of cadet workyears/average strength by the medical support costs per capita rate to get the total Medical charge for the academy.

(6) Sum the Service Academies PE (804721) cost, the total medical charge Program Element cost, and medical support cost.

(7) Divide the Total Costs (6) by Cadet/Midshipman workyears/average strength (3).

(8) Sum $\frac{1}{3}$ of the cost per cadet/midshipman for the CY and $\frac{2}{3}$ of the CY cost per cadet/midshipman for the BY.

APPENDIX B: DoD WORKING CAPITAL FUNDS CIVILIAN/MILITARY EQUIVALENCY RATE

Fiscal Year _____

The cost of military personnel assigned to activities financed by a Defense Working Capital Fund (DWCF) is included in the total cost of operations of the Working Capital Fund activities at civilian equivalent rates. Military personnel assigned to DWCF activities are to be costed at civilian equivalent rates, using the rates in the table below.

MILITARY GRADE	CIVILIAN GRADE EQUIVALENT Based on GS Pay Scales	CIVILIAN EQUIVALENT RATE BY(s) 20_____
0-9	ES Level III	
0-8	ES Level IV	
0-7	ES Level V	
0-6	GS-15	
0-5	GS-14	
0-4	GS-13	
0-3	GS-12	
0-2	GS-11	
0-1	GS-09	
WO-5	GS-12	
WO-4	GS-12	
WO-3	GS-11	
WO-2	GS-09	
WO-1	GS-09	
E-9	GS-08	
E-8	GS-07	
E-7	GS-06	
E-6	GS-05	
E-5	GS-05	
E-4	GS-04	
E-3	GS-03	
E-2	GS-02	
E-1	GS-01	

Stabilized customer rates and reimbursement to the Military Personnel accounts are not based on the above rates. Rather, such amounts are based on the absolute total dollar amount specified in the President’s budget (rather than based on the number, or military composite rate, of individuals actually assigned). Guidance on calculating, paying (reimbursing), recording and reporting DWCF military personnel costs is contained in Volume 2B, Chapter 9, Section 090103 and Volume 11B, Chapter 12, Section 1202 of the DoD Financial Management Regulation (FMR) (DoD 7000.14-R).

INSTRUCTIONS

The Department of Defense Working Capital Funds civilian/military equivalency rate will be calculated as follows:

1. Use the generic (Rest of U.S.) pay amount for Step 5 of each appropriate General Schedule (GS) civilian grade, or the applicable Executive Service (ES) pay level, as applicable, from the current civilian pay schedules.
2. Add as required, the applicable portion (pro-rata) of the proposed pay raise, if any, for civilians (GS/ES) that was effective for the budget fiscal year, and
3. Add the average civilian personnel fringe benefits factor applicable to the Military Services and Defense Agencies. The amount for unfunded civilian retirement is not to be included in the fringe benefits percentage factor. Civilian personnel fringe benefit rates are provided by the OUSD (Comptroller) and published on the Comptroller website.

APPENDIX C: CIVILIAN FRINGE BENEFIT RATE COMPUTATION

DOD COMPONENT (1)

	<u>Prior Year (2,3)</u>	<u>Current Year (2,3)</u>	<u>Budget Year (2,3)</u>
A. <u>Object Class 12.1 Civilian Personnel Benefits (4)</u>			
B. <u>Object Class 11 Civilian Personnel Compensation (5)</u>			
11.1 Full-time Permanent			
11.3 Other Than Full-Time Permanent			
11.5 Other Personnel Compensation			
11.8 Special Personal Services Payments			
C. Total Personnel Compensation (Total of 11.1, 11.3, 11.5, 11.8) (6)			
D. Civilian Fringe Benefit (Interagency) Rate (7)			
E. Office of Personnel Management (OPM) Unfunded Retirement Factor (8)			
F. Public, and Private Activities (9)			
(See footnoted instructions on following page)			

INSTRUCTIONS

- (1) Insert the name of the applicable DoD Component submitting the exhibit. A separate exhibit is required from each Military Service (including the U.S. Marine Corps) and from all Defense Agencies.
- (2) Insert the applicable fiscal year.
- (3) Insert the applicable amounts for each fiscal year. A brief description should be provided to explain changes of 10 percent or more between (a) previously budgeted and actual amounts for the prior fiscal year, (b) previously budgeted and currently budgeted amounts for the current year, and (c) the currently budgeted amounts for the budget year.
- (4) Insert the applicable amounts shown in the current President's Budget for Object Class 12.1, Civilian Personnel Benefits.
- (5) Insert on the applicable lines, the applicable amounts shown in the current President's Budget for Object Class 11.1, 11.3, 11.5 and 11.8.
- (6) Enter the total of personnel compensation from Object Class 11.1, 11.3, 11.5 and 11.8, shown above.
- (7) Divide the amount reported in line A. by the amount reported in line C. The resultant percentage is the percentage rate to be applied to civilian labor costs for billings to other Federal Agencies. This is DoD's funded rate.
- (8) The civilian fringe benefit rate--to be used in this calculation--will be obtained annually from the Directorate for Accounting and Finance Policy.
- (9) Add lines D. and lines E. to determine the percentage to be applied on billings to the public and private activities.

APPENDIX D: CONTRACT ADMINISTRATION SERVICES

Contract administration services (CAS) hourly reimbursable billing rates should be applied to direct labor hours incurred in support of CAS efforts. These CAS rates are to be used in billing other Federal Agencies, the public, and Foreign Military Sales (FMS) customers. FMS customers are to be billed in accordance with subsections 070406 and 080601 of Volume 15, “Security Assistance Policy and Procedures,” of this Regulation. Waivers and exclusions are to be granted in accordance with subsection 070104 of Volume 15.

<u>Performing DoD Component</u>	<u>Other Federal Agencies Rate</u> (1)	<u>FMS Rate</u> (2)	<u>Public Rate</u> (3)
Army			
Navy			
Air Force			
Defense Logistics Agency			
Defense Contract Audit Agency			

NOTES:

- (1) Use the Budget Year “Gross Cost Per Direct Hour” amount from page 2.
- (2) Sum Budget Year lines C, E, and G from page 2 and multiply the resultant amount by .167 (obtained from OMB Circular No. A 76 Revised Supplemental Handbook, “Performance of Commercial Activities”). That product then is divided by the applicable total direct work-hours (line V from page 2) to derive an hourly unfunded civilian retirement cost. The resultant hourly unfunded civilian retirement cost is added to the “Other Federal Agencies Rate” (column 1) to yield the FMS rate.

REIMBURSEMENT COST FOR CONTRACT ADMINISTRATION SERVICES

DoD COMPONENT _____	Prior Year ⁽⁴⁾ (PY)	Current Year (CY)	Budget Year (BY)
<u>Gross Workyear Cost</u>			
A. Total Salaries of Direct Labor Personnel ⁽⁵⁾	\$ _____	\$ _____	\$ _____
B. Number of Direct Labor Personnel Full-Time Equivalents (FTEs) ⁽⁵⁾	_____	_____	_____
C. Average Salary of Direct Labor Personnel [(A)÷(B)]	\$ _____	\$ _____	\$ _____
D. Total Salaries of Indirect Supervision & Administrative Personnel ⁽⁵⁾	\$ _____	\$ _____	\$ _____
E. Indirect Supervision & Administrative Salaries per FTE [(D)÷(B)]	\$ _____	\$ _____	\$ _____
F. Total Salaries of Regional, District and Headquarters Personnel ⁽⁵⁾⁽⁶⁾	\$ _____	\$ _____	\$ _____
G. Regional, District and Headquarters Salaries per FTE [(F)÷(B)]	\$ _____	\$ _____	\$ _____
H. Personnel Benefits ⁽⁵⁾	\$ _____	\$ _____	\$ _____
I. Average Personnel Benefits Costs per FTE [(H)÷(B)]	\$ _____	\$ _____	\$ _____
J. Total Cost of Personnel Service [(C) + (E) + (G) + (I)]	\$ _____	\$ _____	\$ _____
K. Total Travel Costs ⁽⁶⁾⁽⁷⁾	\$ _____	\$ _____	\$ _____
L. Average Travel Costs per FTE [(K)÷(B)]	\$ _____	\$ _____	\$ _____
M. Other Support Costs ⁽⁶⁾⁽⁸⁾	\$ _____	\$ _____	\$ _____
N. Average Support Costs per FTE [(M)÷(B)]	\$ _____	\$ _____	\$ _____
O. Total Gross Work-Year Cost [(J) + (L) + (N)]	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
<u>Direct Work-Hours</u>			
P. Work-Hours Available (see OMB Circular No. A-11, Section 85)	_____	_____	_____
Q. Less Holidays	80	80	80
R. Less Annual Leave ⁽⁶⁾	_____	_____	_____
S. Less Sick Leave ⁽⁶⁾	_____	_____	_____
T. Less Other Leave (e.g., Military, Jury and Administrative) ⁽⁶⁾	_____	_____	_____
U. Less Training Time ⁽⁶⁾	_____	_____	_____
V. Total Direct Work-Hours [(P) - (Q) - (R) - (S) - (T) - (U)]	_____	_____	_____
Gross Cost Per Direct Hour [(O)÷(V)]	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

REIMBURSEMENT COST FOR CONTRACT ADMINISTRATION SERVICES

Notes:

- (1) The amounts reflected should be the “actual” cost and work-hour data for the most recently completed Fiscal Year. This should be the FY 20PY of the President’s Budget.
- (2) The amounts reflected should be that shown in the “Total” column of the attached schedule, “Personnel Cost For Contract Administration Services” (page 4) for the applicable year, i.e., PY, CY, BY.
- (3) Separately, show basis of computation.
- (4) Includes all travel costs, i.e., local, temporary additional duty, and permanent change of station, of the civilian and military personnel included under items (A), (D) and (F).
- (5) Includes other expenses such as supplies, equipment, training and communications.

PERSONNEL COST FOR CONTRACT ADMINISTRATION AND RELATED SUPPORT SERVICES

DoD COMPONENT _____			
	Civilian (a)	Military (b)	Total (a) + (b)
<u>Gross Workyear Cost For Prior Year (Actual)</u>			
A. Total salaries of Direct Labor Personnel ⁽⁹⁾	\$ _____	\$ _____	\$ _____
B. Number of Direct Labor Personnel Full-Time Equivalents (FTEs)	_____	_____	_____
C. Average Salary of Direct Labor personnel [(A)÷(B)]			\$ _____
D. Total Salaries of Indirect Supervision and Administrative Personnel ⁽¹⁰⁾	\$ _____	\$ _____	\$ _____
E. Indirect Supervision and Administrative Salaries per FTE [(D)÷(B)]			\$ _____
F. Total Salaries of Regional, District and Headquarters Personnel ⁽¹¹⁾	\$ _____	\$ _____	\$ _____
G. Regional, District and Headquarters Salaries per FTE [(F)÷(B)]			\$ _____
H. Personnel Benefits ⁽¹²⁾	\$ _____	\$ _____	\$ _____
I. Personnel Benefits Costs per FTE [(H)÷(B)]			\$ _____
J. Total Cost of Personnel Service [(C) + (E) + (G) + (H)]	\$ _____	\$ _____	\$ _____
<u>Gross Workyear Cost For Current Year</u>			
A. Total salaries of Direct Labor Personnel ⁽⁹⁾	\$ _____	\$ _____	\$ _____
B. Number of Direct Labor Personnel Full-Time Equivalents (FTEs)	_____	_____	_____
C. Average Salary of Direct Labor personnel [(A)÷(B)]			\$ _____
D. Total Salaries of Indirect Supervision and Administrative Personnel ⁽¹⁰⁾	\$ _____	\$ _____	\$ _____
E. Indirect Supervision and Administrative Salaries per FTE [(D)÷(B)]			\$ _____
F. Total Salaries of Regional, District and Headquarters Personnel ⁽¹¹⁾	\$ _____	\$ _____	\$ _____
G. Regional, District and Headquarters Salaries per FTE [(F)÷(B)]			\$ _____
H. Personnel Benefits ⁽¹²⁾	\$ _____	\$ _____	\$ _____
I. Personnel Benefits Costs per FTE [(H)÷(B)]			\$ _____
J. Total Cost of Personnel Service [(C) + (E) + (G) + (I)]	\$ _____	\$ _____	\$ _____

PERSONNEL COST FOR CONTRACT ADMINISTRATION SERVICES

DoD COMPONENT _____			
<u>Gross Workyear Cost For Budget Year</u>	Civilian (a)	Military (b)	Total (a) + (b)
A. Total salaries of Direct Labor Personnel ⁽⁹⁾	\$ _____	\$ _____	\$ _____
B. Number of Direct Labor Personnel Full-Time Equivalents (FTEs)	_____	_____	_____
C. Average Salary of Direct Labor personnel [(A)÷(B)]			\$ _____
D. Total Salaries of Indirect Supervision and Administrative Personnel ⁽¹⁰⁾	\$ _____	\$ _____	\$ _____
E. Indirect Supervision and Administrative Salaries per FTE [(D)÷(B)]			\$ _____
F. Total Salaries of Regional, District and Headquarters Personnel ⁽¹¹⁾	\$ _____	\$ _____	\$ _____
G. Regional, District and Headquarters Salaries per FTE [(F)÷(B)]			\$ _____
H. Personnel Benefits ⁽¹²⁾	\$ _____	\$ _____	\$ _____
I. Personnel Benefits Costs per FTE [(H)÷(B)]			\$ _____
J. Total Cost of Personnel Service [(C) + (E) + (G) + (I)]	\$ _____	\$ _____	\$ _____

Notes:

(9) Include the salary expenses of direct civilian and military personnel, e.g., contract administrators.

a. Civilian. The cost of civilian personnel assigned full time to contract administration requirements should reflect the annual salary for the applicable pay grades. Otherwise, an hourly rate of 1/2087 of the annual rate shall be used and a leave and holiday factor of 18 percent of pay cost added.

b. Military. The cost of military personnel assigned full time to contract Administration requirements should be based on the annual Military Composite Pay rates. Otherwise, an hourly rate of 1/2080 of the annual Military Composite Pay rate shall be used and a leave and holiday factor of 14 percent of pay cost added.

(10) Include the indirect salary expenses for civilian and military personnel that perform supervisory and administrative (clerical) functions. Such costs are computed as indicated in(9)a. and (9)b. above.

- (11) Include the salary expenses for civilian and military personnel at the district, regional and headquarters level. Such costs are computed as indicated in (9)a. and (9)b. above.
- (12) Include the fringe benefit expenses for all civilian and military personnel included in items (A), (D) and (F).
- a. Civilian. Fringe benefits are computed by multiplying civilian personnel costs by the civilian fringe benefit rate. The fringe benefit rate must be that reported for the applicable fiscal year on the OP-8 exhibit, "Civilian Personnel Costs."
- b. Military. Fringe benefits are computed by multiplying separately the officer and enlisted salaries by 6 percent for officers and 18 percent for enlisted personnel.

VARIANCES IN THE REIMBURSEMENT COST FOR CONTRACT ADMINISTRATION SERVICES

DoD COMPONENT _____	Ratio of PY to CY ⁽¹³⁾	Ratio of CY to BY ⁽¹⁴⁾
<u>Gross Workyear Cost</u>		
Average Salary of Direct Labor Personnel	%	%
Indirect Supervision & Administrative Salaries Per FTE	%	%
Regional, District and Headquarters Salaries Per FTE	%	%
Average Personnel Benefits Costs Per FTE	%	%
Total Cost of Personnel Services	%	%
Total Travel Costs	%	%
Other Support Costs	%	%
Total Gross Workyear Cost	%	%
<u>Direct Work-Hours</u>		
Annual Leave	%	%
Sick Leave	%	%
Other Leave (e.g., Military, Jury, Administrative)	%	%
Training Time	%	%
Total Direct Work-Hours	%	%
Gross Cost Per Direct Labor Hour	%	%
Provide narrative explaining variance in any element greater than three percent:		

VARIANCES IN THE REIMBURSEMENT COST FOR CONTRACT ADMINISTRATION SERVICES

Notes:

- (13) Computed using the cost and hour data from page 2. Divide the current year amount for each element by the prior year amount, subtract 1 and multiply by 100.
- (14) Computed using the cost and hour data from page 2. Divide the budget year amount for each element by the current year amount, subtract 1 and multiply by 100.

**APPENDIX E: COLLECTIONS FOR REIMBURSEMENTS OF DOD-OWNED AIRCRAFT
(FIXED / ROTARY WING)**

DEPARTMENT OF _____(1)
ACCOUNTS TO WHICH COLLECTIONS ARE TO BE DEPOSITED FOR
REIMBURSEMENTS FOR THE USE OF DOD-OWNED AIRCRAFT (FIXED WING)
FISCAL YEAR _____(2)
(DOLLAR AMOUNT PER HOUR)

Aircraft	DoD	Federal Agency and FMS Users			All Other Users			
		O&M	O&M	MilPers	Total	O&M	MilPers	Asset Utl
(3)	(4)	(5,6)	(5,6)	(5,6)	(7)	(7)	(7)	(7)

|

INSTRUCTIONS

- (1) Insert Army, Navy or Air Force, as applicable.
- (2) Insert the applicable fiscal (budget) year.
- (3) Separately list and provide data for each type/model/series of aircraft (fixed or rotary wing) in the DoD Component's inventory which is subject to reimbursement as a composite rate of all Service Components (Active, Guard, and Reserve).
- (4) The DoD rate will include costs for (8)--Fuel, (9)--DLRs, (10)--Depot Maintenance, and (11)--Other. This rate is to be used for interdepartmental (e.g., Navy to Air Force, etc.) billing purposes. Location of calculation instructions in this appendix are indicated by the number in parenthesis before the name of the cost category.
- (5) The Other Federal Agency Rate will include costs for (8)--Fuel, (9)--DLRs, (10)--Depot Maintenance, (11)--Other, and (12)--Crew Salary. Location of calculation instructions in this appendix are indicated by the number in parenthesis before the name of the cost category.
- (6) The FMS rate will include costs for (8)--Fuel, (9)--DLRs, (10)--Depot Maintenance, (11)--Other, (12)--Crew Salary. Location of calculation instructions are indicated by the number in parenthesis before the name of the cost category.
- (7) The Public Rate will include costs for (8)--Fuel, (9)--DLRs, (10)--Depot Maintenance, (11)--Other, (12)--Crew Salary, (13)--Asset Utilization and an unfunded civilian retirement cost (The civilian fringe benefit rate--to be used in this calculation--will be obtained annually from the OUSD(C), Program/Budget, Operations Directorate, 3C749, the Pentagon, Washington, DC 20301-1100) for any civilian personnel costs included in (4), (5), (6), (7) or (8). Location of calculation instructions in this appendix are indicated by the number in parenthesis before the name of the cost category.
- (8) Fuel costs will be equal to the corresponding amounts shown in the related OP-20 Exhibit series (OP-20D for Army, OP-20 for Navy, and OP-20E for Air Force) for the applicable type/model/series. (If for any reason, the OP-20 Exhibit series does not include an applicable type/model/series of aircraft, fuel costs will be computed using the same methodology as that used for aircraft included in the OP-20 Exhibit series, i.e., by dividing the total cost of fuel for the fiscal year for each type of aircraft by the total number of flying hours for that same aircraft.) Services should also include fuel costs for non-fly fuel directly supporting the flying hour program (such as fuel used in engine test cells and auxiliary powers units).
- (9) Depot-level reparable (DLR) costs will be equal to the corresponding amounts shown in the related OP-20 Exhibit series (OP-20D for Army, OP-20 for Navy, and OP-20E for Air Force) for the applicable type/model/series. (If for any reason, the OP-20 Exhibit series does not include an applicable type/model/series of aircraft, DLR costs will be computed using the same methodology as that used for aircraft included in the OP-20 Exhibit series, i.e., by dividing the

total DLR costs for the applicable fiscal year by the total number of flying hours for that same aircraft.)

(10) Include an hourly rate for depot maintenance cost for airframes, engines, and components for the applicable type/model/series. This cost will be an average cost for that type/model/series, and be computed by dividing the total amount of depot maintenance budgeted for the applicable type/model/series by the number of flying hours budgeted for that type/model/series.

(11) Other costs will equal corresponding “other” amounts shown in the related OP-20 Exhibit series (OP-20D for Army, OP-20 for Navy, and OP-20E for Air Force--for Air Force, this is equal to the consumables required in Exhibit OP-20E). (If for any reason, the OP-20 Exhibit series does not include an applicable type/model/series of aircraft, other costs will be computed using the same methodology as that used for aircraft included in the OP-20 Exhibit series, i.e., by adding all operating costs ((other than fuel, DLRs, depot maintenance, crew salary, and asset utilization)) and dividing the total of such other costs for the applicable fiscal year by the total number of flying hours.) If for any reason the OP-20 Exhibit does not include detail for contract logistics support, use a five-year average of variable CLS or equivalent costs and hours.

(12) Crew salary amounts will be computed based on the number and grade of military personnel operating the aircraft. Crew salary costs will be computed by:

(a) Multiplying the standard number of crew members in each applicable military grade times the annual Military Standard Composite Rate for that grade available on the reimbursable rates page of the OUSD(C) website: (<https://comptroller.defense.gov/Financial-Management/Reports/rates2022/>). NOTE: For Federal Agencies and Public rates, use the applicable rates in the “Annual Rate Billable to Other Federal Agencies” column. For the FMS rate, use the applicable rate in the “Annual DoD Composite Rate” column plus the annual acceleration factor.

(b) Dividing the result of (a) by 2080 (hours) to convert the annual rate to an hourly rate, by grade.

(c) Multiplying the results of (b) by a factor of 1.14 percent for both officers and enlisted personnel. (This calculation increases the hourly rate by 14 percent for officers and enlisted personnel fringe benefits.)

(d) Adding the amounts arrived at in (c) for each grade, to arrive at a total hourly rate for the entire crew.

NOTE: The computation of crew salary amounts should be supported by a separate table attached to this exhibit.

(13) The asset utilization amount will be computed by applying an asset utilization factor of 4 percent times the sum of columns (8)--Fuel, (9)--DLRs, (10)--Depot Maintenance, (11)--Other and (12)--Crew Salary for each specific aircraft.

(14) Provide a brief narrative to explain significant changes between fiscal years.

APPENDIX F: MEDICAL AND DENTAL SERVICES RATE COMPUTATION

APPENDIX F
MEDICAL AND DENTAL SERVICES RATE COMPUTATION

SUBMITTED BY THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
(HEALTH AFFAIRS)

Note: Budget exhibit includes Inpatient, Outpatient, Pharmacy and other rates. This exhibit is to be included only in the President's budget. The format of the budget exhibit for medical, dental, and pharmacy rates may vary slightly from year to year due to the addition/deletion of rates, changes in nomenclature, updated notes, and other unforeseen reasons. The tables below are for informational purposes only.

INPATIENT, OUTPATIENT AND OTHER RATES AND CHARGES

1.0 *Inpatient Rates

Direct Care Inpatient Adjusted Standardized Amounts (ASA) rates are computed based on the Military Health System (MHS) direct care standardized cost to provide a single Medicare Severity Relative Weighted Product (MS-RWP). The MS-RWP is a Medicare Severity Diagnosis Related Group (MS-DRG) based measure of the relative costliness of a given discharge. The average standardized cost per MS-RWP for hospitals in locations with area wage rates greater than 1.0, less than or equal to 1.0, and overseas are published annually as inpatient ASAs shown in Table 1. This approach maintains compatibility with both Medicare and TRICARE ASA policies. The ASA rates will be applied to the MS-RWP for each inpatient case, determined from the TRICARE MS-DRG weights, outlier thresholds, and payment rules to calculate the reimbursement charge. The Department of Defense (DoD) publishes this data annually for hospital reimbursement rates under TRICARE/Civilian Health and Medical Program of the Uniformed Services pursuant to 32 Code of Federal Regulations 199.14(a)(1). Due to data system limitations, for military treatment facilities (MTFs), direct care adjustments are made for length of stay (LOS) outliers rather than high cost outliers.

The example below provides the average direct care inpatient ASA rates for third party billing, interagency billing, and International Military Education and Training (IMET) billing for three core-based statistical areas (CBSA) (high area wage index, low area wage index, and overseas).

Example: Average FY 2019 Direct Care Inpatient ASA Rates

Wage Index	Average IMET Rate	Average Interagency Rate (IAR)	Average Full/TPC Rate
Area Wage Index > 1.00	\$7,962.22	\$12,338.88	\$13,018.44
Area Wage Index ≤ 1.00	\$9,068.56	\$12,734.42	\$13,481.28
Overseas ^	\$8,181.31	\$17,641.03	\$18,522.71

^ Hawaii and Alaska are not considered overseas for billing purposes

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 Chapter 5, part II, Foreign Assistance Act 1961. Funding is appropriated from the International Affairs budget of the Department of State. Not all foreign national patients participate in the IMET program. The IAR ASA rates are used to bill other federal agencies. The full/Third Party Collection (TPC) ASA rates are used to bill insurance carriers, pay patients, and other payers.

Each MTF providing inpatient care has its own applied ASA rates (shown in Appendix A). The MTF-specific ASA rates are the average ASA rates adjusted for indirect medical education costs, if any, for the discharging hospital. The product of the discharge specific MS-RWP and the MTF-applied ASA rate is the charge submitted on the claim and is the amount payers will use for reimbursement purposes. The individual ASAs are published on the Defense Health Agency (DHA) Uniform Business Office (UBO) Website (<http://health.mil/Military-Health-Tops/Business-Support/Uniform-Business-Office>).

The ASA per MS-RWP used in the direct care system is comparable to procedures used by the Centers for Medicare and Medicaid Services (CMS) and TRICARE. The expenses represented by the ASAs include all direct care expenses associated with direct inpatient care. The inpatient ASAs includes the cost of both inpatient professional and institutional services. The ASA rates apply to reimbursement from TPC, IMET and IAR payers. Pursuant to the provisions of 10 United States Code (U.S.C.) 1095, the breakdown of total inpatient charges is 93 percent for institutional charges and seven (7) percent for professional charges. When preparing bills for inpatient services, professional fees are based on the privileged provider services. The hospital institutional fees are based on the costs for support staff, facility costs, ancillary services, pharmacy, and supplies.

MTFs without inpatient services, whose providers perform inpatient care in a civilian facility for a DoD beneficiary, may bill payers the percentage of the ASA/MS-RWP based charge that represents professional services. In the absence of a MTF-applied ASA rate for the facility, the ASA rate used will be based on the average for the type of CBSA in which the MTF is located - areas with wage rate indices greater than 1.0, less than or equal to 1.0, or overseas. The MTF UBO must receive documentation of care provided in order to produce an appropriate bill.

The full table of the current FY MTF-specific ASA rates are published on the Defense Health Agency Uniform Business Office (UBO) website and Comptroller Financial Management Reports website at the links below:

Defense Health Agency Uniform Business Office (UBO):

<https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>

Comptroller Financial Management Reports:

<https://comptroller.defense.gov/Financial-Management/Reports>

Example: FY 2019 Direct Care Inpatient ASA Rates

DMI SID	MTF NAME	SERVICE	FULL COST RATES	INTERAGENCY RATES	IMET RATES	TPC RATES
0005	ACH BASSETT-WAINWRIGHT	A	\$13,669.72	\$12,956.16	\$8,360.55	\$13,669.72
0808	AF-H-31st MEDGRP-AVIANO	F	\$18,522.71	\$17,641.03	\$8,181.31	\$18,522.71

2.0 *Outpatient Rates

Outpatient Rates are the charges for professional and institutional health care services provided in MTFs financed by the Defense Health Program Appropriation. These rates are used to submit claims for reimbursement of the costs of the health care services provided by MTFs in accordance with the various MTF Cost Recovery Programs: Medical Services Account (MSA), Third Party Collections and Medical Affirmative Claims.

Outpatient Rates consists of Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Maximum Allowable Charge (CMAC) Rate Tables (modified for UBO use); Dental Rates; Immunization/Injectable Rates; Anesthesia Rates; and Durable Medical Equipment/Durable Medical Supplies (DME/DMS) Rates

Outpatient Rates are updated annually on a Calendar Year (CY) basis, with an effective date of 1 July. The actual rate tables are not included in this section, due to size. The current CY Outpatient rates are on the Defense Health Agency (DHA) Management Control & Financial Studies Uniform Business Office (UBO) Web site <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>.

CMAC Rates

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Maximum Allowable Charge (CMAC) Rates, established under Title 32, Sec. 199.14(j) of the Code of Federal Regulations, are used to determine the appropriate charge for the professional and technical components of services based on the Healthcare Common Procedure Coding System (HCPCS) methodology, which includes the Current Procedural Terminology (CPT®) codes. DHA UBO CMAC rates differ from standard TRICARE CMAC rates in that DHA UBO CMAC rates

are formatted for legacy military billing systems and include charges for additional services not reimbursed by TRICARE. DHA UBO CMAC rates pertain to professional services (e.g., office and clinic visits), ancillary services (e.g., laboratory and radiology) and OBS professional services.

DHA UBO CMAC rates are calculated for distinct “localities”. These localities recognize differences in local costs to provide health care services in the different geographic regions in which MTFs are located. Each MTF Defense Military Information System Identification

(DMIS ID) is mapped to its corresponding CMAC locality code to obtain the correct rates. For all MTFs located outside the continental United States, Alaska, and Hawaii, the national average CMAC locality file (300) is used except for Guam and Puerto Rico which have their own CMAC localities. The complete DMIS ID-to-CMAC Locality table is available on the DHA UBO Website at <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>

For each CMAC locality, the DHA UBO creates two sub-tables of rates: CMAC and Component. The CMAC rate table specifies the rates to use as payment for professional services and procedures identified by CPT® and HCPCS codes, which cannot be separately provided as professional and technical component services. The Component rate table specifies which rates to use for CPT® codes which can be provided as distinct professional and technical components, or as a combined professional and technical service. A separate rate is provided for each component. Both CMAC and Component rate tables are further categorized by CHCS provider class. The four provider classes are: 1) Physicians, 2) Psychologists, 3) Other Mental Health Providers, and 4) Other Medical Providers. UBO CMAC rates for billing of professional services are available on the DHA UBO Website at <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>

Example: CMAC Rate Table Format

Locality	Procedure	Provider Class Number	Rate	Effective Date
300	11055	1	\$	2013-07-01
300	11055	2	\$	2013-07-01
300	11055	3	\$	2013-07-01
300	11055	4	\$	2013-07-01

Example: CMAC Component Table Format

Procedure	Provider Class Number	Professional Rate	Technical Rate	Global Rate	Effective Date
70015	1	\$	\$	\$PR + TR	2013-07-01
70015	2	\$	\$	\$PR + TR	2013-07-01

Dental Rates:

The UBO Dental Rate Table consists of MTF dental charges based on a flat rate multiplied by the DoD established dental weighted value (DWV) for each American Dental Association (ADA) Current Dental Terminology (CDT) procedure code. The dental flat rate for a particular code represents the average DoD cost of dental services at all dental treatment facilities. The table below provides the dental code, clinical service/procedure name, the DoD weighted value, the International Military Education and Training (IMET) program, Interagency Rate (IOR) and Full Outpatient Rate (FOR) dental charges. The Dental rates table may be found on DHA UBO's Website at <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>.

Example: CY 2018 Dental Rate Table

ADA CDT Code	Clinical Service/ Procedure Name	DoD DWV	Full Rate \$
D0210	Periodic oral evaluation – established patient	0.49	\$

Immunization/Injectable Rates:

Immunization or injectable rate charges are applicable for any administered immunization, injection or medication in the MTFs. UBO Immunization rates are based on TRICARE rates when available. If there is no TRICARE rate available, Purchased Care Data is used to derive rates. Rates are derived from Purchased Care Data by using the Military Health System Management Analysis and Reporting Tool or M2 system. This reporting tool allows for querying and detailed trend analysis including summaries and detailed views of population, clinical, and financial data from all MHS regions worldwide. Data pulled from previous and current FY (to date) allows calculation of average amount allowed for rate use. Outlier rates are adjusted using historical Purchased Care Data of up to five (5) years.

The UBO Immunization/Injectable rate table consists of the CPT®/HCPCS Code, rate, and the short and long descriptions. The current CY Immunization rates are found on the DHA UBO Web site: <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>.

Example: CY 2018 Immunization Rate Table

CPT®/HCPCS Code	Rate	Short Description	Long Description
90288	\$	BOTULISM IMMUNE GLOBULIN, HUMAN, FOR IV USE	BOTULISM IMMUNE GLOBULIN, HUMAN, FOR INTRAVENOUS USE
J9214	\$	INTERFERON ALFA-2B INJ 1 MIL UNITS	INJECTION, INTERFERON, ALFA-2B, RECOMBINANT, 1 MILLION UNITS

Anesthesia Rates:

UBO Anesthesia charges are used for the anesthesia professional services performed in the MTFs. Anesthesia charges are calculated by multiplying the CMS national anesthesia conversion factor by the sum of the anesthesia base units and the average time units.

The UBO Anesthesia rate table consists of the CPT® Code, rate, and the short and long descriptions. The current CY Anesthesia rates are found on the DHA UBO Web site: <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>

Example: CY 2018 Immunization Rate Table

CPT® Code	Rate	Short Description	Long Description
01820	\$	ANESTH, LOWER ARM PROCEDURE	ANESTHESIA ALL CLOSED PROC RADIUS, ULNA, WRIST, HAND BONES

Durable Medical Equipment/Durable Medical Supplies (DME/DMS) Rate:

UBO DME/DMS rates are based on the CMS Medicare Fee Schedule floor rate when available. If there is no Medicare Fee Schedule floor rate, Purchased Care data is used to establish a rate based on the average amount allowed.

The UBO DME/DMS rate table consists of the alpha-numeric HCPCS Code, any applicable modifiers (MOD), the description and the rate. The current CY DME/DMS Rate table is published on the DHA UBO Web site: <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>

Example: CY 2018 DME/DMS Rate Table

HCPCS Code	Mod	Description	Rate
A4620	00	Variable concentration mask	\$

3.0 Pharmacy Rates

Pharmacy rates are established on a unit measure price basis (e.g., cost per tablet) and are standardized for National Drug Codes (NDCs) within each generic sequence number (GSN). Pharmacy rates are derived from the Managed Care Pricing File (MCPF) and are based on TRICARE allowable charges, Average Wholesale Price (AWP) or Prime Vendor Program (PVP) prices listed for the NDCs in the MCPF. Rates are computed based on the median unit measure cost for all of the listed AWP NDCs in each GSN group. The median unit measure price is applied to all the NDCs in that GSN group.

The Pharmacy table consists of the 11 digit NDC number, the corresponding name/description of the drug (generic or brand), the form of the dosage (tablet, capsule, powder, etc.), the strength of the dosage and the current unit price. Pharmacy rates are updated biannually, in February and August. Available Pharmacy rates are available on the DHA UBO Web site: <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>

Example: CY 2018 Pharmacy Rate Table

NDC	Name/Description	Dose Form	Dose Strength	Unit Price
00781184210	Isoxsuprine 20mg Tablet	TA	xxx	\$

4.0 *Cosmetic Surgery

Elective cosmetic procedures *are not* TRICARE covered benefits. Elective cosmetic procedures provided in MTFs are restricted to TRICARE-eligible beneficiaries, including TRICARE for Life, on a “space-available” basis. Patients receiving elective cosmetic procedures (e.g., Active Duty personnel, retirees, family members, and survivors) are responsible for charges for all services (including implants, injectables, anesthesia, and other separately billable items) associated with elective cosmetic procedures. A list of elective cosmetic procedures and their associated rates can be found on the DHA UBO Website at <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>

Professional Charges for Elective Cosmetic Procedures:

Professional charges for elective cosmetic procedures are based on the CMAC national average when available. When CMAC allowable charges are not available, charges are determined based on estimates of the medical resources required relative to procedures that have CMAC pricing. Professional charges for elective cosmetic procedures are applied in both inpatient and ambulatory settings. Elective cosmetic charges are not adjusted for the treating MTF’s geographical location.

CMAC CY 2018 “facility physician” allowable charges are used for the professional component for services furnished by a provider in a hospital operating room or designated Ambulatory Procedure Unit (APU). CMAC “non-facility physician” allowable charges are used for the professional component for services furnished in a provider’s office.

Institutional Charges for Elective Cosmetic Procedures:

Institutional charges for elective cosmetic procedures are based on the procedure performed and the location of the service provided (i.e., provider’s office/minor surgery room, hospital operating room (either on an outpatient or inpatient basis), operating room of a MTF that is not a hospital (i.e., does not provide inpatient services).

For elective cosmetic procedures conducted in a provider's office/minor surgery room, the institutional fee is included in the "non-facility physician" professional charge.

- The institutional charge for elective cosmetic procedures performed in a *hospital operating room* on an outpatient basis is based on the APV flat rate for the primary procedure with no additional institutional charge for bilateral or additional procedures.
- The institutional charge for elective cosmetic procedures performed in *an operating room of a facility that is not a hospital* is also based on the APV flat rate for the primary procedure with no additional institutional charge for bilateral or additional procedures.
- The institutional charge for an elective cosmetic procedure performed in a hospital on an inpatient basis is calculated by multiplying the FY 2018 TRICARE Adjusted Standardized Amount (ASA), by the relative weighted product (RWP) associated with the Diagnostic Related Group (DRG).

If an elective cosmetic procedure is combined with a medically necessary procedure during the same surgical visit, the elective cosmetic procedure charge is adjusted to avoid duplicate institutional charges. The institutional charge, for an elective cosmetic procedure, when combined with a medically necessary procedure is reduced by 50 percent from the initial charge.

Most ancillary services (e.g., laboratory, radiology, and routine pre-operative testing) are included in the institutional pricing methodology described above. Ancillary services and supplies not included are billed at the FOR.

Anesthesia Charges for Elective Cosmetic Procedures

Anesthesia rates associated with elective cosmetic procedures include anesthesia professional services. Anesthesia charges are calculated using the current national anesthesia conversion factor, multiplied by the sum of base units and national average time units (measured in 15-minute increments) of the primary procedure. An additional anesthesia charge, based on additional minutes of service, is added for secondary procedures performed during the same surgical encounter. Anesthesia charges are applied in both inpatient and ambulatory settings. Due to the large size of the cosmetic surgery rate table, a format example is not included. The current CY DME/DMS Rate table is published on the DHA UBO Web site: <https://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>

APPENDIX G: MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES

DEPARTMENT OF THE _____ FOR FISCAL YEAR _____

GRADE	BASIC PAY	RETIRED PAY ACCRUAL	BASIC ALLOWANCE FOR HOUSING	BASIC ALLOWANCE FOR SUBSISTENCE/SIK	INCENTIVE AND SPECIAL PAY	PERMANENT CHANGE OF STATION	MISCELLANEOUS EXPENSE	MEDICARE ELIGIBLE RETIREE HEALTH CARE ACCRUAL	ACCELERATION FACTOR	ANNUAL DOD COMPOSITE RATE	AMOUNT BILLABLE TO DOD ENTITIES	AMOUNT BILLABLE TO OTHER FEDERAL AGENCIES	AMOUNT BILLABLE TO FMS ENTITIES
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
O-10*													
O-9*													
O-8*													
O-7*													
O-6													
O-5													
O-4													
O-3													
O-2													
O-1													
WO-5													
WO-4													
WO-3													
WO-2													
WO-1													
CADETS													
E-9													
E-8													
E-7													
E-6													
E-5													
E-4													
E-3													
E-2													
E-1													

*Note: Basic Pay for O-7 to O-10 pay grades is limited by Level II of the Executive Schedule.

MILITARY COMPOSITE STANDARD PAY AND REIMBURSEMENT RATES**INSTRUCTIONS**

Each Military Service must complete an Appendix G using the attached standard format. The heading to each Appendix G consists of three lines. The first line identifies the appendix by number, the second line states “MILITARY COMPOSITE STANDARD PAY AND REIMBURSABLE RATES,” and the third line identifies the Military Service that has developed the rates and the fiscal year that the rates will be used.

The Military Composite Standard Pay and Reimbursement Rates exhibit for the Budget Year should include the following cost elements that are listed for each column of the report. Amounts listed shall be equal to corresponding amounts contained in the applicable Military Service’s justification book in support of their military personnel appropriation budget request included in the latest President’s budget:

(Column 1) Basic Pay. Include the average basic pay amounts, by pay grade, as provided in the President's budget justification, Budget Subactivity (BSA) 1-A, Pay and Allowance of Officers, BSA 2-A, Pay and Allowances of Enlisted Personnel, and BSA 3-A, Pay and Allowances of Cadets and Midshipmen. The cadet and midshipmen rate is computed as a single rate for all cadets/midshipmen. NOTE: Basic Pay for O-7 to O-10 pay grades is limited by Level II of the Executive Schedule.

(Column 2) Retired Pay Accrual. Include average retired pay accrual amounts, by pay grade, as provided in the President's budget justification, BSA 1-B, Retired Pay Accrual for Officers and BSA 2-B, Retired Pay Accrual of Enlisted. The applicable retired pay accrual percentage is statutory and published annually.

(Column 3) Basic Allowance for Subsistence. Compute the basic allowance for subsistence rate separately, for officers and enlisted personnel, by pay grade, and for cadets and midshipmen, using amounts from the President's budget justification books. The officer rate is computed by dividing BSA 1-G, Basic Allowance for Subsistence for officers, by the officer average strength, by grade. The enlisted rate is computed by adding BSA 4-A, Basic Allowance for Subsistence for enlisted, BSA 4-B, Subsistence-in-Kind (SIK) for enlisted and BSA 4-C, Family Subsistence Supplemental Allowance (FSSA), and then dividing the total by the enlisted average strength, by grade. Compute a single rate for cadets and midshipmen.

(Column 4) Basic Allowance for Housing (BAH). Compute the BAH rate separately, for officers and enlisted personnel, by pay grade, using amounts from the President's budget justification books. The officer rate is computed by dividing BSA 1-F, BAH for officers by the average strength for officer personnel. The enlisted rate is computed by dividing BSA 2-K, BAH for enlisted by the average strength for enlisted personnel.

(Column 5) Incentive and Special Pays. Compute the Incentive and Special Pay rate separately for officers and enlisted personnel, by pay grade, using amounts from the President's budget justification books. For each pay grade, add the incentive and special pay amounts and then divide the sum by the average end strength, separately for officers and enlisted personnel. The officer rate is computed by adding the amounts for BSA 1-D, Incentive Pay for officers and BSA 1-E, Special Pay for officers, then dividing the sum by the average strength for officer personnel. The enlisted rate is computed by adding the amounts for BSA 2-D, Incentive Pay for enlisted, BSA 2-E, Special Pay for enlisted, BSA 2-F, Special Duty Assignment Pay for enlisted, BSA 2-G, Reenlistment Bonus, BSA 2-H, Enlistment Bonus, BSA 2-I, Education Benefits (College Fund), and BSA 2-J, Loan Repayment Program, then dividing the sum by the average strength for enlisted personnel.

(Column 6) Permanent Change of Station (PCS) Expense. This element represents the average cost of amounts provided in the President's budget justification books for PCS travel, Budget Activity 5. Compute the average PCS by adding the following types of travel each for officers, enlisted personnel, and cadets, from the BSAs contained in the justification books: accession travel (BSA 5-A); training travel (BSA 5-B); operational travel between duty stations (within CONUS and within overseas) (BSA 5-C); rotational travel to and from overseas (BSA 5-D); separation travel (BSA 5-E); and travel of organized units (BSA 5-F). The sum of BA-5 is divided by the average strength separately, for officer and enlisted personnel. Compute a single rate for cadets and midshipmen.

(Column 7) Miscellaneous Expense. This rate is the average computed separately, for officers and enlisted personnel, by pay grade, and for cadets and midshipmen, of amounts provided in the President's budget justification books for Budget Activity 6, Other Military Personnel Costs, and other amounts for miscellaneous allowances and payments for officers, enlisted, and cadets/midshipmen as contained in BSAs listed in the following matrix:

<u>Miscellaneous Expense</u>	<u>Officer</u>	<u>Enlisted</u>
TSP Matching Contributions	BSA 1-C	BSA 2-C
Clothing Allowances	BSA 1-J	BSA 2-N
Station Allowances, Overseas	BSA 1-H	BSA 2-L
CONUS COLA	BSA 1-I	BSA 2-M
Family Separation Allowances	BSA 1-K	BSA 2-O
Separation Payments	BSA 1-L	BSA 2-P
Special Compensation for Assistance with Activities of Daily Living	BSA 1-M	BSA 2-Q
Social Security Tax-Employer's Contribution	BSA 1-N	BSA 2-R
Other Military Personnel Costs	BA 6	BA 6

Sum the amounts in each of the above categories for officer and enlisted, by pay grade, and divide the sum by the average strength of officer and enlisted, by pay grade, as shown in the budget justification materials. A single rate shall be used for cadets and midshipmen.

(Column 8) Medicare-Eligible Retiree Health Care (MERHC) Accrual. The annual rate is provided in OUSD(Comptroller) budget guidance and covers the cost of future health care benefits for current officer and enlisted personnel once they retire and become Medicare-eligible, as well as their dependents and annuitants. It does not apply to cadets and midshipmen. See Volume 12, Chapter 16, Paragraph 160406, for additional information about Reimbursements of MERHC.

(Column 9) Acceleration Factor. This rate is provided by the OUSD(Comptroller) and covers the medical health care costs of active duty personnel and their dependents associated with the Defense Health Program. It does not apply to cadets and midshipmen.

(Column 10) Annual DoD Composite Standard Rate. This rate shall be used when determining the military personnel appropriations cost for budget/management studies, but should not be considered as a fully-burdened costs of military personnel for the purposes of workforce-mix decisions. Enter the sum of columns (1) through (8). Note: Rates include a per capita normal cost for MERHC accruals since MERHC accruals are counted as part of the Military Departments' discretionary budget authority.

(Column 11) Amount Billable to DoD Entities. This rate shall be used when obtaining reimbursement for services provided to entities side of the DoD. See Volume 11A, Chapter 1, Paragraph **010203**, for billing DoD entities. Add columns (1) through (7). Note: Rates exclude the per capita normal cost of MERHC accruals. Beginning with FY 2006, MERHC accruals are paid from the General Fund of the Treasury and cannot be reimbursed to the Services' personnel accounts during the year of execution.

(Column 12) Amount Billable to Other Federal Agencies. This rate shall be used when obtaining reimbursement for services provided to other federal agencies outside of the DoD. Add columns (9) and (11). Note: Rates include an acceleration factor to cover medical costs of active duty personnel and their dependents. Reimbursements of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Rates exclude the per capita normal cost of MERHC accruals. Beginning with FY 2006, MERHC accruals are paid from the General Fund of the Treasury and cannot be reimbursed to the Services' personnel accounts during the year of execution. Military labor shall be charged to non-DoD organization on the basis of actual hours worked or assigned (detailed). To compute a daily rate, multiply column (12) by a factor of .00452 (1.18/260.875). For an hourly rate, multiply column (12) by a factor of .00057 (1.18/2087). This represents a leave/holiday factor of 18%. This factor compensates for wages paid during leave or holiday period, and is only applicable when reimbursements are based on time actually worked. (Do not use this factor if the assignment is full time.)

(Column 13) Amount Billable to Foreign Military Sales (FMS) Entities. This rate shall be used when obtaining reimbursement for services provide to FMS Entities. Add columns (8) and (12). Note: Title 22, United States Code, Section 2761(a)(1)(C) of the Arms Export Control Act requires foreign countries or international organizations, in the case of the sale of a defense service, to pay "the full cost to the United States Government of furnishing such service". Therefore the acceleration factor and the per capita normal cost for MERHC accruals shall be included in the DoD Annual Rate Billable to FMS. Reimbursement of the acceleration factor shall be deposited into the Defense Health Program (97*0130). Reimbursement of the per capita normal cost for MERHC accrual shall be deposited into the Miscellaneous Receipts Account 3041. See Volume 12, Chapter 16, Paragraph **160406**, for addition information about Reimbursements of MERHC. Military labor shall be charged to non-DoD organization on the basis of actual hours worked or assigned (detailed). To compute a daily rate, multiply column (13) by a factor of .00452 (1.18/260.875). For an hourly rate, multiply column (13) by a factor of .00057 (1.18/2087). This represents a leave/holiday factor of 18%. This factor compensates for wages paid during leave or holiday period, and is only applicable when reimbursements are based on time actually worked. (Do not use this factor if the assignment is full time.)

APPENDIX H: REIMBURSEMENT COST FOR CONTRACT ADMINISTRATION AND RELATED SUPPORT SERVICES FURNISHED TO THE NASA

DOD COMPONENT _____	Prior Year ⁽¹⁾ (PY)	Current Year (CY)	Budget Year (BY)
<u>Gross Workyear Cost</u>			
A. Total Salaries of Direct Labor Personnel ⁽²⁾	\$ _____	\$ _____	\$ _____
B. Number of Direct Labor Personnel Full-Time Equivalents (FTEs) ⁽²⁾	_____	_____	_____
C. Average Salary of Direct Labor Personnel [(A)÷(B)]	\$ _____	\$ _____	\$ _____
D. Total Salaries of Indirect Supervision & Administrative Personnel ⁽²⁾	\$ _____	\$ _____	\$ _____
E. Indirect Supervision & Administrative Salaries per FTE [(D)÷(B)]	\$ _____	\$ _____	\$ _____
F. Total Salaries of Regional, District and Headquarters Personnel ⁽²⁾⁽³⁾	\$ _____	\$ _____	\$ _____
G. Regional, District and Headquarters Salaries per FTE [(F)÷(B)]	\$ _____	\$ _____	\$ _____
H. Personnel Benefits ⁽²⁾	\$ _____	\$ _____	\$ _____
I. Average Personnel Benefits Costs per FTE [(H)÷(B)]	\$ _____	\$ _____	\$ _____
J. Total Cost of Personnel Service [(C) + (E) + (G) + (I)]	\$ _____	\$ _____	\$ _____
K. Total Travel Costs ⁽³⁾⁽⁴⁾	\$ _____	\$ _____	\$ _____
L. Average Travel Costs per FTE [(K)÷(B)]	\$ _____	\$ _____	\$ _____
M. Other Support Costs ⁽³⁾⁽⁵⁾	\$ _____	\$ _____	\$ _____
N. Average Support Costs per FTE [(M)÷(B)]	\$ _____	\$ _____	\$ _____
O. Total Gross Work-Year Cost [(J) + (L) + (N)]	\$ _____	\$ _____	\$ _____
<u>Direct Work-Hours</u>			
P. Work-Hours Available (see OMB circular No. A-11, Section 85)	_____	_____	_____
Q. Less Holidays	80	80	80
R. Less Annual Leave ⁽³⁾	_____	_____	_____
S. Less Sick Leave ⁽³⁾	_____	_____	_____
T. Less Other Leave (e.g., Military, Jury and Administrative) ⁽³⁾	_____	_____	_____
U. Less Training Time ⁽³⁾	_____	_____	_____
V. Total Direct Work-Hours [(P) - (Q) - (R) - (S) - (T) - (U)]	_____	_____	_____
Gross Cost Per Direct Hour [(O)÷(V)]	\$ _____	\$ _____	\$ _____

**REIMBURSEMENT COST FOR CONTRACT ADMINISTRATION AND RELATED SUPPORT SERVICES
FURNISHED TO THE NASA**

Notes:

- (1) The amounts reflected should be the “actual” cost and work-hour data for the most recently completed fiscal year. This should be the FY 19PY of the President’s budget.
- (2) The amounts reflected should be that shown in the “Total” column of the attached schedule, “Personnel Cost For Contract Administration and Related Support Services Furnished to the NASA” (pages 3 and 4) for the applicable year, i.e., PY, CY, BY.
- (3) Separately, show basis of computation.
- (4) Includes all travel costs, i.e., local, temporary additional duty, and permanent change of station, of the civilian and military personnel included under items (A), (D) and (F).
- (5) Includes other expenses such as supplies, equipment, training and communications.

Personnel Cost For Contract Administration and Related Support Services
Furnished to the NASA

DOD COMPONENT _____			
	Civilian (a)	Military (b)	Total (a) + (b)
<u>Gross Workyear Cost For Prior Year (Actual)</u>			
A. Total Salaries of Direct Labor Personnel ⁽⁶⁾	\$ _____	\$ _____	\$ _____
B. Number of Direct Labor Personnel Full-Time Equivalents (FTEs)	_____	_____	_____
C. Average Salary of Direct Labor Personnel [(A)÷(B)]			\$ _____

D. Total Salaries of Indirect Supervision and Administrative Personnel ⁽⁷⁾	\$ _____	\$ _____	\$ _____
E. Indirect Supervision and Administrative Salaries per FTE [(D)÷(B)]			\$ _____
F. Total Salaries of Regional, District and Headquarters Personnel ⁽⁸⁾	\$ _____	\$ _____	\$ _____
G. Regional, District and Headquarters Salaries per FTE [(F)÷(B)]			\$ _____
H. Personnel Benefits ⁽⁹⁾	\$ _____	\$ _____	\$ _____
I. Personnel Benefits Costs per FTE [(H)÷(B)]			\$ _____
J. Total Cost of Personnel Service [(C) + (E) + (G) + (H)]	\$ _____	\$ _____	\$ _____
<u>Gross Workyear Cost For Current Year</u>			
A. Total Salaries of Direct Labor Personnel ⁽⁶⁾	\$ _____	\$ _____	\$ _____
B. Number of Direct Labor Personnel Full-Time Equivalents (FTEs)	_____	_____	_____
C. Average Salary of Direct Labor Personnel [(A)÷(B)]			\$ _____

D. Total Salaries of Indirect Supervision and Administrative Personnel ⁽⁷⁾	\$ _____	\$ _____	\$ _____
E. Indirect Supervision and Administrative Salaries per FTE [(D)÷(B)]			\$ _____
F. Total Salaries of Regional, District and Headquarters Personnel ⁽⁸⁾	\$ _____	\$ _____	\$ _____
G. Regional, District and Headquarters Salaries per FTE [(F)÷(B)]			\$ _____
H. Personnel Benefits ⁽⁹⁾	\$ _____	\$ _____	\$ _____
I. Personnel Benefits Costs per FTE [(H)÷(B)]			\$ _____
J. Total Cost of Personnel Service [(C) + (E) + (G) + (I)]	\$ _____	\$ _____	\$ _____

Personnel Cost For Contract Administration and Related Support Services
Furnished to the NASA

DOD COMPONENT _____			
<u>Gross Workyear Cost For Budget Year</u>			
	Civilian (a)	Military (b)	Total (a) + (b)
A. Total Salaries of Direct Labor Personnel ⁽⁶⁾	\$ _____	\$ _____	\$ _____
B. Number of Direct Labor Personnel Full-Time Equivalents (FTEs)	_____	_____	_____
C. Average Salary of Direct Labor Personnel [(A)÷(B)]			\$ _____

D. Total Salaries of Indirect Supervision and Administrative Personnel ⁽⁷⁾	\$ _____	\$ _____	\$ _____
E. Indirect Supervision and Administrative Salaries per FTE [(D)÷(B)]			\$ _____
F. Total Salaries of Regional, District and Headquarters Personnel ⁽⁸⁾	\$ _____	\$ _____	\$ _____
G. Regional, District and Headquarters Salaries per FTE [(F)÷(B)]			\$ _____
H. Personnel Benefits ⁽⁹⁾	\$ _____	\$ _____	\$ _____
I. Personnel Benefits Costs per FTE [(H)÷(B)]			\$ _____
J. Total Cost of Personnel Service [(C) + (E) + (G) + (I)]	\$ _____	\$ _____	\$ _____

Notes:

- (6) Include the salary expenses of direct civilian and military personnel, e.g., contract administrators, and auditors.
- a. Civilian. The cost of civilian personnel assigned full time to NASA requirements should reflect the annual salary for the applicable pay grades. Otherwise, an hourly rate of 1/2087 of the annual rate shall be used and a leave and holiday factor of 18 percent of pay cost added.
 - b. Military. The cost of military personnel assigned full time to NASA requirements should be based on the annual Military Composite Pay rates. Otherwise, an hourly rate of 1/2080 of the annual Military Composite Pay rate shall be used and a leave and holiday factor of 14 percent of pay cost added.
- (7) Include the indirect salary expenses for civilian and military personnel that perform supervisory and administrative (clerical) functions. Such costs are computed as indicated in (6)a. and (6)b. above.

- (8) Include the salary expenses for civilian and military personnel at the district, regional and headquarters level. Such costs are computed as indicated in (6)a. and (6)b. above.
- (9) Include the fringe benefit expenses for all civilian and military personnel included in items (A), (D) and (F).
- a. Civilian. Fringe benefits are computed by multiplying civilian personnel costs by the civilian fringe benefit rate. The fringe benefit rate must be that reported for the applicable fiscal year on the OP-8 exhibit, "Civilian Personnel Costs."
- b. Military. Fringe benefits are computed by multiplying separately the officer and enlisted salaries by 6 percent for officers and 18 percent for enlisted personnel.

Variances In The Reimbursement Cost For Contract Administration and Related Support Services Furnished to the NASA

DOD COMPONENT	Ratio of PY to CY ⁽¹⁰⁾	Ratio of CY to BY ⁽¹¹⁾
<u>Gross Workyear Cost</u>		
Average Salary of Direct Labor Personnel	%	%
Indirect Supervision & Administrative Salaries Per FTE	%	%
Regional, District and Headquarters Salaries Per FTE	%	%
Average Personnel Benefits Costs Per FTE	%	%
Total Cost of Personnel Services	%	%
Total Travel Costs	%	%
Other Support Costs	%	%
Total Gross Workyear Cost	%	%
<u>Direct Work-Hours</u>		
Annual Leave	%	%
Sick Leave	%	%
Other Leave (e.g., Military, Jury, Administrative)	%	%
Training Time	%	%
Total Direct Work-Hours	%	%
Gross Cost Per Direct Labor Hour	%	%

Provide narrative explaining variance in any element greater than 3 percent:

Notes:

(10) Computed using the cost and hour data from page 2. Divide the current year amount for each element by the prior year amount, subtract 1 and multiply by 100.

(11) Computed using the cost and hour data from page 2. Divide the budget year amount for each element by the current year amount, subtract 1 and multiply by 100.