

exception of the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,  
D. Michael Hutchinson,  
*Acting Chairman, Committee for the  
Implementation of Textile Agreements.*  
[FR Doc. 02-28120 Filed 11-5-02; 8:45 a.m.]

**BILLING CODE 3510-DR-S**

## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Determination under the African Growth and Opportunity Act (AGOA)

October 31, 2002.

**AGENCY:** Committee for the  
Implementation of Textile Agreements  
(CITA).

**ACTION:** Determination.

**SUMMARY:** The Committee for the  
Implementation of Textile Agreements  
(CITA) has determined that handloomed  
fabric and handmade articles made from  
such handloomed fabric that are  
produced in and exported from  
Botswana qualify for preferential  
treatment under Section 112(a) of the  
African Growth and Opportunity Act.  
Therefore, imports of eligible products  
from Botswana with an appropriate  
AGOA Visa will qualify for duty-free  
treatment under the AGOA.

**EFFECTIVE DATE:** November 18, 2002.

**FOR FURTHER INFORMATION CONTACT:**  
Anna Flaaten, International Trade  
Specialist, Office of Textiles and  
Apparel, U.S. Department of Commerce,  
(202) 482-3400.

**SUPPLEMENTARY INFORMATION:** The  
African Growth and Opportunity Act  
(Title I of the Trade and Development  
Act of 2000, Pub. L. No. 106-  
2000)(AGOA) provides preferential tariff  
treatment for imports of certain textile  
and apparel products of beneficiary sub-  
Saharan African countries. In a letter to  
the Commissioner of Customs dated  
January 18, 2001, the United States  
Trade Representative directed Customs  
to require that importers provide an  
appropriate export visa from a  
beneficiary sub-Saharan African country  
to obtain preferential treatment under  
section 112(a) of the AGOA (66 FR  
7837). The first digit of the visa number  
corresponds to one of 9 groupings of  
textile and apparel products that are  
eligible for preferential tariff treatment.  
Grouping "9" is reserved for Handmade,  
handloomed, or folklore articles.

In Section 2 of Executive Order 13191  
of January 17, 2001, CITA is authorized  
to "consult with beneficiary sub-  
Saharan African countries and to  
determine which, if any, particular

textile and apparel goods shall be  
treated as being handloomed,  
handmade, or folklore articles" (66 FR  
7272). Consultations were held on  
October 9, 2002, and CITA has now  
determined that handloomed fabrics  
and handmade articles made from such  
handloomed fabrics produced in and  
exported from Botswana are eligible for  
preferential tariff treatment under  
section 112(a) of the AGOA. In the letter  
published below, CITA directs the  
Commissioner of Customs to allow entry  
of such products of Botswana under  
Harmonized Tariff Schedule provision  
9819.11.27, when accompanied by an  
appropriate export visa in grouping "9."

**James C. Leonard III,**  
*Chairman, Committee for the Implementation  
of Textile Agreements.*

### Committee for the Implementation of Textile Agreements

October 31, 2002.

Commissioner of Customs,  
*Department of the Treasury, Washington, DC  
20229.*

Dear Commissioner: Department of the  
Treasury, Washington, DC 20229. Dear  
Commissioner: The Committee for the  
Implementation of Textiles Agreements  
(CITA), pursuant to Sections 112(a) of the  
African Growth and Opportunity Act (Title I  
of Pub. L. No. 106-2000) (AGOA) and  
Executive Order 13101 of January 17, 2001,  
has determined that, effective on November  
18, 2002 handloomed fabric produced in  
Botswana and handmade articles produced  
in Botswana from such handloomed fabric  
shall be treated as being handloomed,  
handmade, or folklore articles under the  
AGOA, and that an export visa issued by the  
Government of Botswana for Grouping "9" is  
a certification by the Government of  
Botswana that the article is handloomed,  
handmade, or folklore. CITA directs you to  
permit duty-free entry of such articles  
accompanied by the appropriate visa and  
entered under heading 9819.11.27 of the  
Harmonized Tariff Schedule of the United  
States.

Sincerely,  
James C. Leonard III,  
*Chairman, Committee for the  
Implementation of Textile Agreements.*  
[FR Doc. 02-28195 Filed 11-5-02; 8:45 am]

**BILLING CODE 3510-DR-S**

## DEPARTMENT OF DEFENSE

### Office of the Secretary

### TRICARE; Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); Fiscal Year 2003 Diagnosis Related Group (DRG) Updates

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

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

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

It also provides the updated fixed loss  
cost outlier threshold, cost-to-charge  
ratios and the Internet address for  
accessing the updated adjusted  
standardized amounts and DRG relative  
weights to be used for FY 2003 under  
the TRICARE DRG-based payment  
system.

**DATES:** The rates, weights and Medicare  
PPS changes which affect the TRICARE  
DRG-based payment system contained  
in this notice are effective for  
admissions occurring on or after  
October 1, 2002.

**ADDRESSES:** TRICARE Management  
Activity (TMA), Medical Benefits and  
Reimbursement Systems, 16401 East  
Centretech Parkway, Aurora, CO 80011-  
9066.

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

Questions regarding payment of  
specific claims under the TRICARE  
DRG-based payment system should be  
addressed to the appropriate contractor.

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

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

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

## I. Medicare PPS Changes Which Affect the TRICARE DRG-Based Payment System

Following is a discussion of the changes CMS has made to the Medicare PPS that affect the TRICARE DRG-based payment system.

### A. DRG Classifications

Under both the Medicare PPS and TRICARE DRG-based payment system, cases are classified into the appropriate DRG by a Grouper program. The Grouper classifies each case into a DRG on the basis of the diagnosis and procedure codes and demographic information (that is, sex, age, and discharge status). The Grouper used for the TRICARE DRG-based payment system is the same as the current Medicare Grouper with two modifications. The TRICARE system has replaced Medicare DRG 435 with two age-based DRGs (900 and 901), and has implemented thirty-four (34) neonatal DRGs in place of Medicare DRGs 385 through 390. For admissions occurring on or after October 1, 2001, DRG 435 has been replaced by DRG 523.

The TRICARE system has replaced DRG 523 with the two age-based DRGs (900 and 901). For admissions occurring on or after October 1, 1995, the CHAMPUS grouper hierarchy logic was changed so the age split (age <29 days) and assignments to MDC 15 occur before assignment of the PreMDC DRGs. This resulted in all neonate tracheostomies and organ transplants to be grouped to MDC 15 and not to DRGs 480–483 or 495. For admissions occurring on or after October 1, 1998, the CHAMPUS grouper hierarchy logic was changed to move DRG 103 to the PreMDC DRGs and to assign patients to PreMDC DRGs 480, 103 and 495 before assignment to MDC 15 DRGs and the neonatal DRGs. For admissions occurring on or after October 1, 2001, DRGs 512 and 513 were added to the PreMDC DRGs, between DRGs 480 and 103 in the TRICARE grouper hierarchy logic.

For FY 2003, CMS will implement classification changes, including surgical hierarchy changes. The TRICARE Grouper will incorporate all changes made to the Medicare Grouper.

### B. Wage Index and Medicare Geographic Classification Review Board Guidelines

TRICARE will continue to use the same wage index amounts used for the Medicare PPS. In addition, TRICARE will duplicate all changes with regard to the wage index for specific hospitals that are redesignated by the Medicare Geographic Classification Review Board.

### C. Hospital Market Basket

TRICARE will update the adjusted standardized amounts according to the final updated hospital market basket used for the Medicare PPS according to CMS's August 1, 2002, final rule.

### D. Outlier Payments

Since TRICARE does not include capital payments in our DRG-based payments, we will use the fixed loss cost outlier threshold calculated by CMS for paying cost outliers in the absence of capital prospective payments. For FY 2003, the fixed loss cost outlier threshold is based on the sum of the applicable DRG-based payment rate plus any amounts payable for IDME plus a fixed dollar amount. Thus, for FY 2003, in order for a case to qualify for cost outlier payments, the costs must exceed the TRICARE DRG base payment rate (wage adjusted) for the DRG plus the IDME payment plus \$30,707 (wage adjusted). The marginal cost factor for cost outliers continues to be 80 percent.

### E. Blood Clotting Factor

For FY 2003, the updated HCPCS codes and payment rates for blood clotting factors can be found in the TRICARE Reimbursement Manual, Chapter 6, Section 4, which is accessible through the Internet at <http://www.tricare.osd.mil> under the sequential headings TRICARE Beneficiaries, Other Resources, TRICARE Manuals, TRICARE Reimbursement Manual. TRICARE uses the same ICD–9–CM diagnosis codes as CMS for add-on payment for blood clotting factors.

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

Passage of The Benefits Improvement and Protection Act (BIPA) of 2000, modified the transition for the IDME adjustment that was first established by the Balanced Budget Act (BBA) of 1997 and revised by the Balanced Budget Refinement Act of 1999. The formula multiplier for the TRICARE IDME adjustment has been revised to 1.02 for FY 2003 and thereafter.

### G. National Operating Standard Cost as a Share of Total Costs

The FY 2003 TRICARE National Operating Standard Cost as a Share of Total Costs used in calculating the cost outlier threshold is 0.915.

## II. Cost to Charge Ratio

For FY 2003, the cost-to-charge ratio used for the TRICARE DRG-based payment system will be 0.5062, which is increased to 0.5132 to account for bad

debts. This shall be used to calculate the adjusted standardized amounts and to calculate cost outlier payments, except for children's hospitals. For children's hospital cost outliers, the cost-to-charge ratio used is 0.5604.

## III. Updated Rates and Weights

The updated rates and weights are accessible through the Internet at <http://www.tricare.osd.mil> under the sequential headings TRICARE Provider Information, Rates and Reimbursements, and DRG Information. Table 1 provides the ASA rates and Table 2 provides the DRG weights to be used under the TRICARE DRG-based payment system during FY 2003 and which is a result of the changes described above. The implementing regulations for the TRICARE/CHAMPUS DRG-based payment system are in 32 CFR part 199.

Dated: October 30, 2002.

**L.M. Bynum,**

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

[FR Doc. 02–28108 Filed 11–5–02; 8:45 am]

**BILLING CODE 5001–08–M**

## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### Defense Science Board

**AGENCY:** Department of Defense.

**ACTION:** Notice of advisory committee meetings.

**SUMMARY:** The Defense Science Board will meet in closed session on January 20–30, 2003; May 21–22, 2003; and October 22–23, 2003, at the Pentagon, Arlington, Virginia.

The mission of the Defense Science Board is to advise the Secretary of Defense and the Under Secretary of Defense for Acquisition, Technology & Logistics on scientific and technical matters as they affect the perceived needs of the Department of Defense. At these meetings, the Defense Science Board will discuss interim findings and recommendations resulting from ongoing Task Force activities. The Board will also discuss plans for future consideration of scientific and technical aspects of specific strategies, tactics, and policies as they may affect the U.S. national defense posture and homeland security.

In accordance with Section 10(d) of the Federal Advisory Committee Act, Public Law 92–463, as amended (5 U.S.C. App. II), it has been determined that these Defense Science Board meetings concern matters listed in 5 U.S.C. 552(b)(1) and that, accordingly,