



THE ASSISTANT SECRETARY OF WAR
1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MEMORANDUM FOR UNDER SECRETARY OF WAR (COMPTROLLER)

SUBJECT: Calendar Year 2025 Direct Care Inpatient Room and Board Billing Rates and Guidance

The attached document contains the Department of War's (DoW) Calendar Year (CY) 2025 Uniform Business Office (UBO) Direct Care Inpatient Room and Board Billing Rates and Guidance. The rates are to be used by military medical treatment facilities, effective October 1, 2025, and/or until superseded. We request this package be posted on the DoW Reimbursement Rates website. ([https://comptroller.defense.gov/Financial-Management/ Reports/rates2025/](https://comptroller.defense.gov/Financial-Management/Reports/rates2025/)), under the Financial Management Reports section labeled "Direct Care Inpatient Room and Board Billing Rates." The methodology for developing the rates is outlined in title 32 of the Code of Federal Regulations, section 220.8.

My point of contact for this action is Ms. DeLisa Prater, UBO Program Manager, (703) 275-6380, or e-mail: delisa.e.prater.civ@health.mil.

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Stephen L. Ferrara, M.D.
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OFFICE OF MANAGEMENT AND BUDGET

Calendar Year 2025 Cost of Inpatient Hospital and Medical Care Treatment Furnished by the Department of Defense Medical Treatment Facilities; Certain Rates Regarding Recovery from Tortiously Liable Third Persons

AGENCY: Office of Management and Budget, Executive Office of the President.

ACTION: Notice.

SUMMARY:

By virtue of the authority vested in the President by Section 2(a) of Pub. L. 87–693 and delegated to the Director of the Office of Management and Budget by the President through Executive Order No. 11060, as amended by Executive Order No. 12608 of September 9, 1987, the rates referenced below are hereby established. These rates are for use in connection with the recovery from tortiously liable third persons for the inpatient medical services furnished by military treatment facilities of the Department of War. They are the same rates as the inpatient third party reimbursement rates that were set on October 1, 2025, for billing medical insurers. The rates were established in accordance with the requirements of the Office of Management and Budget Circular A–25, requiring reimbursement of the full cost of all services provided. The CY 2025 inpatient medical rates referenced are effective for billing tort liability upon publication of this notice in the *Federal Register* and will remain in effect until further notice. Previously published inpatient rates remain in effect until further notice. Pharmacy rates are updated periodically. A full disclosure of the rates is posted at <https://health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>.

Russell Vought,

Director, Office of Management and Budget

**Department of War
Calendar Year 2025 Direct Care
Inpatient Room and Board Billing Rates and Guidance**

1 Calendar Year (CY) 2025 Room and Board Rates and Charges.

1.1 Overview

The CY 2025 Direct Care Inpatient Room and Board rates are set to be effective October 1, 2025. Once approved, rates will be in effect until superseded.

1.1.1 As of CY 2024, all military medical treatment facilities (MTF) use Itemized Resource Utilization (IRU) based rates, 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.

1.1.2 The CY 2025 rates are derived from the previous fiscal year's inpatient costs, excluding medications, supplies, procedures performed, or any additional expenses other than providing a room and bed for a patient.

1.1.2.1 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.

1.1.2.2 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.

1.2 Room and Board Rates

Room and Board rates are the weighted average of occupied bed day (OBD) rates at each MTF within a Regional Charge Table.

1.2.1 Each MTF rolls up to a Regional Charge Table. Appendix A lists which Regional Charge Table applies to each inpatient MTF.

1.2.2 The Room and Board rates are shown at Appendix B. Full Cost, Step-down, and Intensive Care rates are shown.

1.2.3 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.

1.2.4 To determine appropriate pricing for Trauma Intensive Care Unit (ICU), Burn Unit, and other accommodation services (revenue codes 010X-095X), a cost-based methodology using specific costs and OBD will be used. This methodology leverages Functional Cost Codes (FCC) within the Expense Assignment System (EAS) version IV to calculate regional charges based on the actual costs incurred in each geographic region. Until cost-based data by FCC becomes available for applicable MTFs, an Intensive Care Rate will be used for Trauma ICU and Burn Unit accommodation revenue codes.

1.2.5 Regular Room and Board rates are based on a Full Cost rate, which is then adjusted to determine specific rates such as the Interagency Average Rate (IAR), the International Military Education and Training (IMET) rate, and the Third-Party Collection (TPC) rate.

1.2.5.1 For CY 2025, the IMET rate for foreign military personnel is a 39.11 percent discount from 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. The program is authorized by 22 U.S.C. § 2347. Funding is appropriated to the International Affairs budget of the Department of State. Not all foreign national patients participate in the IMET program.

1.2.5.2 The IAR is used to bill other federal agencies. For Calendar Year 2025, the IAR is calculated as an 8.42 percent discount from the Full Cost rate.

1.2.5.3 The TPC rate is equivalent to the Full Cost rate.

1.2.5.4 The full TPC rate and IAR are used to bill insurance carriers, pay patients, and other payers.

1.3 Determining Inpatient Room and Board Charges

Each MTF providing inpatient care has a regionally assigned Room and Board Full Cost Rate, Step-down Rate, and Intensive Care Rate (as detailed in Appendix B).

1.3.1 Institutional Claims

(a) To calculate total room and board charges for institutional claims, the number of inpatient stay days (excluding the date of discharge) is multiplied by the MTF's applicable regional daily rate (from Appendix B).

(b) The institutional claim will also include itemized charges for supplies and ancillary services (laboratory, radiology, pharmacy, etc.) provided during the inpatient stay, which payers will use for reimbursement purposes.

(c) Examples of how to calculate the reimbursement charges for room and board are shown in Section 2 below.

1.3.2 Professional Claims – Professional fee charges related to an inpatient stay are captured separately on a professional claim form.

1.3.3 Regional Room and Board Rates – Appendix B lists the regional Room and Board Rates. These and other itemized rates found on the Charge Description Master (CDM) will be published at: <https://health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Uniform-Business-Office/UBO-Rates-Overview/MHS-UBO-Rates>.

1.3.4 Step-down Rate – The step-down rate is 1.1 multiplied by the Full Cost rate.

1.3.5 Intensive Care Rate – The Intensive Care rate is 1.2 multiplied by the Full Cost rate.

1.3.6 Institutional Revenue Codes – 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.

1.3.7 Family Member Rate (FMR) – The CY 2025 FMR is \$23.45 per day. The FMR is established by authority of 10 U.S.C. § 1078.

Table 1. Revenue Codes

Institutional Revenue Code	CDM Description	Rate Type
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
160	Warrior Care	Step Down Rate
200	Intensive Care Unit	Intensive Care Rate
174	NICU	Intensive Care Rate
207	Burn Care Unit	Burn Care Rate or Intensive Care Rate to be utilized until cost-based data is available
208	Trauma Intensive Care Unit	Trauma Intensive Care Rate or Intensive Care Rate to be utilized until cost-based data is available

2. Calculating Room and Board Charges

The cost to be recovered for an inpatient stay is the product of the regionally applied Room and Board rate *plus* other itemized inpatient charges. This encompasses the costs of both inpatient institutional and professional services.

Example: 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. Here are the variables for this example:

- **Regional Charge Table:** Texas
- **Date of Admission:** October 1, 2025
- **Date of Discharge:** October 11, 2025
- **Revenue Code:** 151 – Med/Surg, Full Cost Rate

Table 2 - Example Calculations

Date of Admission	Date of Discharge	Length of Stay	Regional Charge Table
October 1, 2025	October 11, 2025	10 days	Texas
Revenue Code	CDM Description	Room and Board Rate	Total Room and Board Rate Charges
151	Med/Surg (Full cost rate)	\$1,933.89	\$19,338.90

- **Obtain the Room and Board Rate from Appendix B:** The rate for Texas is \$1,933.89.
- **Total Room and Board Rate Charges:** Multiply the Total Inpatient Days (10) by the Room and Board Rate (\$1,933.89).
- Additional ancillary and other facility charges may be accrued on an institutional claim as well.

Appendix A. Regional Charge Table by MTF

DMIS ID	MTF NAME	REGIONAL CHARGE TABLE
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

DMIS ID	MTF NAME	REGIONAL CHARGE TABLE
0125	AMC MADIGAN-LEWIS	Puget Sound
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 2025

Regional Charge Table	Full Cost Rate	Step Down Rate (1.1X)	Intensive Care Rate (1.2X)
Alaska	\$2,347.26	\$ 2,581.98	\$2,816.71
Colorado	\$2,835.84	\$ 3,119.42	\$3,403.00
Florida	\$3,054.31	\$3,359.74	\$3,665.18
Georgia	\$1,767.55	\$1,944.31	\$2,121.07
Kansas	\$2,094.06	\$2,303.46	\$2,512.87
Kentucky	\$1,967.28	\$2,164.01	\$2,360.74
Mississippi	\$1,906.06	\$2,096.66	\$2,287.27
National Capital Region	\$2,889.78	\$3,178.76	\$3,467.73
Non-Us	\$2,404.72	\$2,645.20	\$2,885.67
North Carolina	\$1,901.41	\$2,091.55	\$2,281.70
Puget Sound	\$4,424.70	\$4,867.17	\$5,309.63
Sacramento	\$2,371.26	\$2,608.39	\$2,845.51
San Diego	\$2,573.94	\$2,831.33	\$3,088.72
Texas	\$1,933.89	\$2,127.28	\$2,320.67
Tidewater	\$1,542.14	\$1,696.35	\$1,850.56

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