MTF and civilian contexts when the CHAMPUS PRO performs the review.

2. Public Comments

One commenter suggested that the provisions for integration of CHAMPUS Peer Review Organization and military utilization review activities are unclear. Also, the commenter indicated that the provisions allowing separate determinations of medical necessity by the MTF and CHAMPUS, with the military decision not binding on CHAMPUS would place the provider and beneficiary at risk.

Response. We disagree that separate decisions of medical necessity place beneficiaries and providers at risk in this context. We believe just the opposite is true. The rule simply provides that if an MTF reserves authority to make its own determinations on medical necessity, which it might do for reasons relating to management and operation of that particular facility, those determinations are not binding on CHAMPUS. The CHAMPUS system has a wellestablished decision-making structure, complete with numerous procedural requirements and appeal mechanisms. The preservation of the functioning of this structure protects the interests of beneficiaries and providers.

3. Provisions of the Final Rule

The final rule is consistent with the proposed rule.

V. Regulatory Procedures

Executive Order 12866 requires certain regulatory assessments for any

"economically significant regulatory action," defined as one which would result in an annual effect on the economy of \$100 million or more, or have other substantial impacts.

This is not an economically significant regulatory action under the provisions of Executive Order 12866; however, OMB has reviewed this rule as significant under other provisions of the Executive Order. One commenter on the proposed rule questioned this assessment, since the imposition of enrollment fees on many retirees would have an economically significant impact. We point out that, while the cost sharing structure of TRICARE Prime is changed significantly from standard CHAMPUS cost sharing, the overall effects on beneficiary out-ofpocket costs are relatively minor. For retirees, their family members and survivors, TRICARE Prime enrollment fees in essence replace the deductibles and high inpatient care cost sharing under standard CHAMPUS. The mix of cost sharing requirements in TRICARE Prime is expected to produce aggregate annual out-of-pocket cost reductions for these beneficiaries of about \$100 per person, compared to what would be expected absent the program.

The Regulatory Flexibility Act (RFA) requires that each Federal agency prepare, and make available for public comment, a regulatory flexibility analysis when the agency issues a regulation which would have a significant impact on a substantial number of small entities. The Department of Defense has certified that

this regulatory action would not have a significant impact on a substantial number of small entities.

This rule will impose additional information collection requirements on the public, associated with beneficiary enrollment, under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3511). Information collection requirements have been forwarded to OMB for review. The collection instrument serves as an application form for enrollment in TRICARE Prime. The information is needed to indicate beneficiary agreement to abide by the rules of the program and to obtain necessary information to process the beneficiary's request to enroll in TRICARE Prime. The third party administrator chosen to manage the enrollment program, which will be the managed care support contractor in each region, will make enrollment applications available to those who wish to enroll in Prime. The following information is included in the information requirements that have been forwarded to OMB for review:

Number of Respondents: 300,000. Responses Per Respondent: 1. Annual Responses: 300,000. Average Burden Per Response: 15 Minutes.

Annual Burden Hours: 75,000.

Other information collected includes necessary data to determine beneficiary eligibility, other health insurance liability, premium payment, and to identify selection of health care provider.

TABLE 1.—CONSOLIDATED SCHEDULE OF BENEFICIARY CHARGES

	TRICARE prime	TRICARE standard	Medicare eligible beneficiaries
Services from TRICARE Network Providers.	Uniform HMO Benefit cost sharing applies (see Table 3), except unauthorized care covered by point-of-service rules.	TRICARE Extra cost sharing applies (see Table 2).	Cost sharing for Medicare participating providers applies.
Services from non-network providers.	TRICARE Prime point-of-service rules apply: deductible of \$300 per person or \$600 per family; cost share of 50 percent.	Standard CHAMPUS cost sharing applies.	Standard Medicare cost sharing applies.
Internal resource sharing agreements.	Same as military facility cost sharing.	Same as military facility cost sharing.	Where applicable, same as military facility cost sharing.
External resource sharing agreements.	For professional charges, same as military facility cost sharing; for facility charges, same as Uniform HMO Benefit cost sharing.	For professional charges, same as military facility cost sharing; for facility charges, same as TRICARE Extra cost sharing.	Where applicable, for professional charges, same as military facility cost sharing; for facility charges, same as standard Medicare cost sharing.
PRIMUS and NAVCARE Clinics	Same as military facilities	Same as military facilities	Same as military facilities.