



March 2022

# DEFENSE HEALTH CARE

## DOD Expects New IT System Capabilities to Improve Other Health Insurance Processing

Accessible Version

## Why GAO Did This Study

Through DOD's TRICARE health plan, beneficiaries—including servicemembers and dependents—may receive care from the direct care system of military hospitals or clinics, or from the private sector care system of civilian providers administered by contractors. When non-active duty beneficiaries have OHI, DOD is authorized to recover the cost of providing their health care.

Public Law 116-283 includes a provision for GAO to review DOD's OHI billing practices for care received under the TRICARE program. This report (1) describes challenges MTFs may face when processing OHI third-party claims for TRICARE beneficiaries; and (2) examines OHI information contractors submit to DOD for beneficiaries who receive care from civilian providers.

GAO examined relevant documentation for the collection and billing of OHI claims and interviewed DHA officials, including those responsible for MHS GENESIS and its new billing component; contractor officials; and officials from six MTFs selected for variety in military service, use of MHS GENESIS, and amount of OHI payment received in 2018 through 2020—the most recent data available.

## What GAO Recommends

GAO recommends that DHA phase out the OHI repository, including the requirement for contractors to submit OHI information to it. DOD concurred with GAO's recommendation and stated that the implementation of MHS GENESIS and Rev-X will enable the department to phase out the OHI repository.

View [GAO-22-105131](#). For more information, contact Alyssa M. Hundrup at (202) 512-7114 or [hundrupa@gao.gov](mailto:hundrupa@gao.gov).

## DEFENSE HEALTH CARE

### DOD Expects New IT System Capabilities to Improve Other Health Insurance Processing

## What GAO Found

Under the TRICARE health plan—administered by the Department of Defense's (DOD) Defense Health Agency (DHA)—eligible beneficiaries who are not on active duty may have other health insurance (OHI) in addition to their TRICARE coverage. OHI includes medical, dental, or pharmacy services covered through a private insurance provider. When beneficiaries have OHI, TRICARE generally pays secondary to that OHI.

GAO found that military hospitals and clinics, referred to as military medical treatment facilities (MTF), may face various challenges in processing third-party claims. For example, MTF patient registration staff use a manual process for sharing hard copy OHI forms with MTF billing staff, and GAO found that the six MTFs it reviewed used inconsistent processes for sharing these forms. Officials from two of the MTFs told GAO that their billing staff are not receiving OHI forms from their facilities' outpatient clinics, potentially resulting in missed opportunities to bill and collect third-party payments.

However, starting in April 2022, DHA plans to add new system capabilities that it expects will resolve existing challenges. These capabilities, including patient registration and billing, will be integrated into DOD's new electronic health record system, MHS GENESIS, through the implementation of a new component called Revenue Cycle Expansion (Rev-X). Once Rev-X capabilities are available, the OHI information collected at registration and entered into the electronic health record system will automatically be available for billing, according to DHA officials. As a result, MTFs' patient registration staff will not need to share hard copy OHI forms with the MTFs' billing staff, eliminating lost billing opportunities related to OHI forms not being provided.

TRICARE contractors are required to submit the OHI information they obtain from beneficiaries' claims to a repository within DOD's eligibility system for potential use by MTFs in billing third-party claims. However, GAO found that the OHI information contractors submit is of limited use in assisting MTFs because the information is incomplete and may be inaccurate. DHA officials explained that contractors do not always submit all of the required data elements to the repository, and that the information submitted to the repository is not validated. As a result, DHA officials said that MTFs generally use the OHI repository as an indication of whether a beneficiary could have OHI, but not for purposes of filling a claim. Officials stated that MTF staff are responsible for collecting and verifying OHI for each appointment, and that these steps occur at all MTFs.

The requirement for contractors to submit OHI information to the repository will become unnecessary with the implementation of MHS GENESIS and its component, Rev-X. DHA officials told GAO that in September 2020, MHS GENESIS began to replace the repository as the primary source for storing OHI information and explained that the repository may be discontinued when MHS GENESIS is fully implemented. Phasing out the repository and the requirement for contractors to submit OHI information to it will improve efficiency by removing the need to submit information and maintain a repository that is of limited use for MTFs in assisting with their OHI billing activities.

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### **Abbreviations**

ABACUS	Armed Forces Billing and Collection Utilization Solution
DEERS	Defense Enrollment Eligibility Reporting System
DHA	Defense Health Agency
DOD	Department of Defense
IG	Inspector General
MTF	military medical treatment facility
OHI	other health insurance
Rev-X	Revenue Cycle Expansion

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March 29, 2022

The Honorable Jack Reed  
Chairman  
The Honorable James M. Inhofe  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Adam Smith  
Chairman  
The Honorable Mike Rogers  
Ranking Member  
Committee on Armed Services  
House of Representatives

The Department of Defense (DOD) offers health care services to eligible beneficiaries, including active duty servicemembers and their dependents, through its TRICARE health plan.<sup>1</sup> Through TRICARE, which the Defense Health Agency (DHA) administers, eligible beneficiaries may receive care from the direct care system of military hospitals and clinics, referred to as military medical treatment facilities (MTFs). They may also receive care from the private sector care system of civilian providers who participate in TRICARE plans administered by contractors. In fiscal year 2020, DOD provided health care to over 9.6 million beneficiaries at a cost of approximately \$51 billion.

In some instances, beneficiaries—other than active duty—have other health insurance (OHI) coverage, such as through their employer or a private insurance provider.<sup>2</sup> OHI is any health insurance policy that covers medical, dental, or pharmacy services. All non-active duty beneficiaries are required to provide information regarding this additional insurance to the department on an annual basis, or when there is a change in their coverage status. By law, beneficiaries' OHI has an obligation to pay for

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<sup>1</sup>Eligible beneficiaries primarily include active duty personnel and their dependents; medically eligible National Guard and Reserve servicemembers and their dependents; and retirees, their dependents, and survivors. Active duty personnel include Reserve component members on active duty for at least 30 days.

<sup>2</sup>Active duty servicemembers' medical coverage is provided through TRICARE Prime.

services, to the extent of its liability, before TRICARE does. In other words, OHI is the primary payer, and TRICARE is the secondary payer.<sup>3</sup>

Federal law authorizes MTFs to collect payment from beneficiaries' OHI.<sup>4</sup> Each of the military services' MTFs (Army, Navy, and Air Force) has a Uniform Business Office that administers a Third Party Collections program, among other programs.<sup>5</sup> The money collected from third-party payers, such as OHI, represents a revenue source for MTFs and directly supports the operation and maintenance budget of the local MTF where care was provided.<sup>6</sup> In 2019, the DOD Inspector General (IG) reported on DHA and the military services' inadequate management of the Third Party Collections program, including the insufficient collection of OHI payments.<sup>7</sup> The IG estimated that with better management, MTFs could have collected approximately \$70 million more from OHI third-party payers between October 1, 2015, and June 30, 2018.

For health care received outside of MTFs through private sector care, DHA contracts with private companies, referred to as managed care support contractors, in two TRICARE regions (East and West) to develop networks of civilian providers and to provide other customer service and administrative functions, such as claims processing. These contractors rely on civilian providers to collect OHI information from TRICARE beneficiaries and to bill their OHI prior to billing TRICARE. Contractors are also required to submit the OHI information they receive from

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<sup>3</sup>In the case of TRICARE beneficiaries with Medicaid coverage, however, Medicaid is secondary to TRICARE and any other insurers.

<sup>4</sup>10 U.S.C. § 1095(a)(1).

<sup>5</sup>The Uniform Business Office manages the Medical Services Account program, which is the billing of certain individuals, such as DOD civilians and other government agencies, for services rendered in MTFs to include, but not limited to, the U.S. Coast Guard, the National Oceanic and Atmospheric Administration, and the U.S. Public Health Service. It also manages the Medical Affirmative Claims program, which involves billing liability insurance, such as automobile, products, premises and general casualty, homeowner's and renter's insurance, medical malpractice (by civilian providers), and workman's compensation (other than federal employees).

The Navy administers health care for the Marine Corps.

<sup>6</sup>Other third-party payers include auto insurance companies and workman's compensation.

<sup>7</sup>Department of Defense, Inspector General, *Audit of the DOD's Management of the Third Party Collection Program for Medical Claims*, (Alexandria, VA.: Sept. 16, 2019).

beneficiaries' claims to DOD's eligibility system so that MTFs can potentially use such OHI information for the purposes of third-party billing to collect additional payment.

The William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 includes a provision for us to review DOD's billing practices related to OHI under the TRICARE program.<sup>8</sup> In this report, we

- (1) describe challenges MTFs may face when processing OHI third-party claims for TRICARE beneficiaries, and
- (2) examine the OHI information contractors submit to DOD for beneficiaries who receive care from civilian providers.<sup>9</sup>

To describe challenges MTFs may face when processing OHI third-party claims for TRICARE beneficiaries, we reviewed DHA guidance documents that outline the roles and responsibilities for processing OHI third-party claims at MTFs. We also interviewed DHA officials responsible for developing guidance on collecting OHI and processing related claims. In addition, we selected a non-generalizable sample of six MTFs, and we interviewed officials at those MTFs responsible for collecting OHI and for processing OHI third-party claims.<sup>10</sup> We focused our selection on MTFs that had implemented DOD's new electronic health record, MHS

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<sup>8</sup>Pub. L. No. 116-283, § 758, 134 Stat. 3388, 3724 (2021). The National Defense Authorization Act for Fiscal Year 2017 (NDAA 17) also included a provision for us to examine several issues related to DOD's delivery of health care including identifying potential waste and inefficiency. Pub. L. No. 114-328, § 751, 130 Stat. 2000, 2244-2245 (2016). This is our fifth and final report in response to this (NDAA 2017) provision. See GAO, *DOD Health Care: DOD Should Monitor Implementation of Its Clinical Practice Guidelines*, [GAO-21-237](#) (Washington D.C.: February 5, 2021); *Department of Defense: Telehealth Use in Fiscal Year 2016*, [GAO-18-108R](#) (Washington, D.C.: Nov. 14, 2017); *DOD Health Care: Defense Health Agency Should Improve Tracking of Serious Adverse Medical Events and Monitoring of Required Follow-up*, [GAO-18-378](#) (Washington, D.C.: April 26, 2018); and *DOD Health Care: Improvements Needed for Tracking Coordination of Specialty Care Referrals for TRICARE Prime Beneficiaries*, [GAO-19-488](#) (Washington, D.C.: June 12, 2019).

<sup>9</sup>The provision also asked us to examine the extent to which the Secretary of Defense has implemented the recommendations of DOD's IG 2019 report to improve collections of third-party payments for care at military medical treatment facilities. See appendix I for information on the status of DOD's efforts to implement these recommendations.

<sup>10</sup>The six MTFs we interviewed were Naval Medical Center San Diego (San Diego, CA), Naval Hospital Twentynine Palms (Twentynine Palms, CA), Bassett Army Hospital (Fort Wainwright, AK), Evans Army Hospital (Fort Carson, CO), Joint-Base Elmendorf-Richardson (Elmendorf-Richardson, AK), and 99<sup>th</sup> Medical Group Nellis Air Force Base (Nellis AFB, NV).

GENESIS, which impacts how MTFs will manage OHI information and process related claims. We selected two MTFs from each military service—Army, Navy, and Air Force—based on the distribution of uncollected OHI third-party payments to total amount billed, measured as a percentage, representing one MTF with a high percentage and one MTF with a low percentage for each service. To do this, we reviewed MTF data submitted to DHA from 2018 through 2020 on MTF OHI third-party claims, including data on the number of MTF visits, OHI claims filed, amount billed, and amount collected from these claims.<sup>11</sup> We reviewed relevant documents about compiling these data and interviewed knowledgeable officials about the completeness and accuracy of these data. Based on this, we determined that these data were sufficiently reliable for the purposes of selecting MTFs to include in our review.

Additionally, we interviewed DHA officials responsible for the transition to MHS GENESIS as well as the implementation of a new component that will integrate additional capabilities, such as billing and patient registration, into MHS GENESIS. We used the information obtained from these interviews to determine how the new capabilities for MHS GENESIS will affect MTFs' processing of OHI third-party claims. We also reviewed the DOD IG's 2019 report on OHI third-party claims and interviewed DOD IG and DHA officials to obtain an update on the recommendations made to DHA. (For more information about the status of these recommendations, see appendix I.)

To examine the OHI information contractors submit to DOD for beneficiaries who receive care from civilian providers, we reviewed contractors' provider handbooks, TRICARE manuals, and the OHI reports contractors are required to submit to DHA. We interviewed the two TRICARE contractors (Humana and Health Net), including their claims processing subcontractors, about how they collect and share OHI information obtained from OHI third-party claims with DHA. We interviewed DHA officials who are responsible for monitoring the TRICARE contractors to determine how they are meeting requirements to submit OHI information to the Defense Eligibility Enrollment Reporting System (DEERS), which is the department's system of eligibility used for TRICARE. We also interviewed Defense Manpower Data Center officials who are responsible for the DEERS OHI repository as well as the DHA

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<sup>11</sup>We used data from January 1, 2018, through December 31, 2020 because the current TRICARE contracts began health care delivery on January 1, 2018, and because 2020 data was the most current data available due to ordinary processing delays in filing and recouping money from claims.



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DEERS liaison about the type of OHI information contractors are required to submit and its accuracy and completeness. Finally, we interviewed DHA officials responsible for the transition to MHS GENESIS and its new component to understand how these systems will be used to collect and store OHI. We also compared the collection of OHI to federal standards for internal control.<sup>12</sup> Specifically, we evaluated DOD's requirement for contractors to submit OHI information to DHA in the context of principle 13, which calls for management to use quality information to achieve its objectives.

We conducted this performance audit from March 2021 to March 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

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### OHI Revenue Cycle for DOD's Direct Care System

DHA's Third Party Collections program is part of the revenue cycle that it established to recover the cost of providing health care services to TRICARE beneficiaries from third-party payers, including OHI. Two main offices are responsible for the revenue cycle for OHI claims.

- OHI collection. The Patient Administration Division offices within DHA and the MTFs are responsible for the front end of the revenue cycle, which includes patient registration and the collection of OHI information. DHA's Patient Administration Division monitors procedures for the registration of patients at MTFs, among other things. MTFs also each maintain their own Patient Administration Division offices to implement the policies and procedures outlined by DHA. MTFs' Patient Administration Division staff also train other MTF staff, who are responsible for registering patients for their appointments, including those at outpatient clinics.

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<sup>12</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014). Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

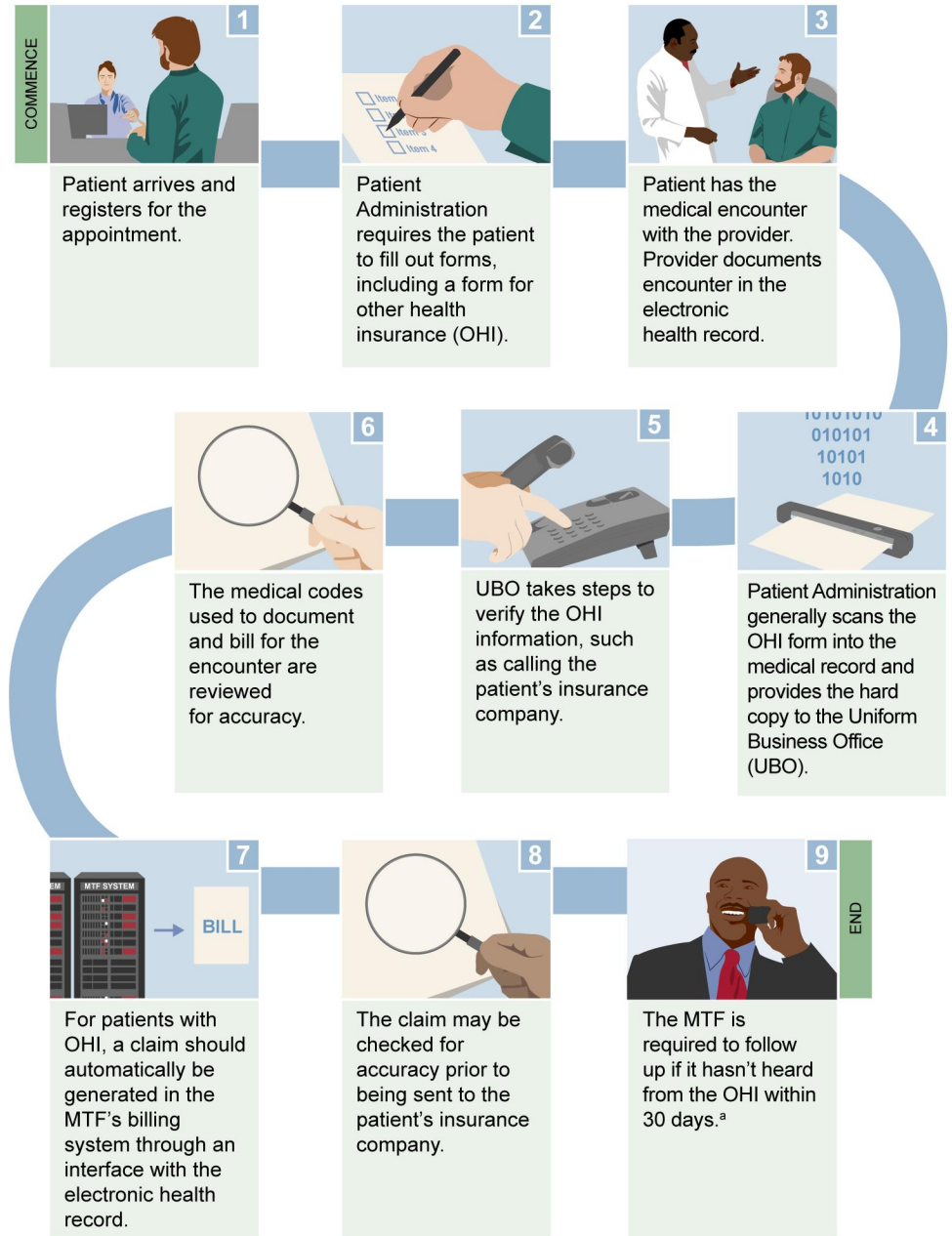
- OHI billing. The Uniform Business Offices within DHA and at the MTFs are responsible for the back end of the revenue cycle—billing and collecting payment—and have several programs, including the Third Party Collections program, which are focused on obtaining payment from OHI and other third parties.<sup>13</sup> DHA’s Uniform Business Office sets policy on third-party collections, among other things, for the department.<sup>14</sup> MTFs also each have their own Uniform Business Offices that focus on identifying billable services; seeking payer information; generating accurate and complete claims; receiving appropriate collections; and submitting and following up on OHI claims. (See fig. 1.)

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<sup>13</sup>DHA’s Uniform Business Office also manages the Medical Services Account program which is the billing of certain individuals, such as DOD civilians and other government agencies for services rendered in MTFs to include, but not limited to, the U.S. Coast Guard, the National Oceanic and Atmospheric Administration, and the U.S. Public Health Service. It also manages the Medical Affirmative Claims program, which involves billing liability insurance, such as automobile, products, premises and general casualty, homeowner’s and renter’s insurance, medical malpractice (by civilian providers), and workers’ compensation (other than federal employees).

<sup>14</sup>DHA’s Uniform Business Office does not engage in direct claim submission and collection activities.

**Figure 1: An Overview of How Other Health Insurance Claims for TRICARE Beneficiaries Are Supposed to Be Generated at Military Medical Treatment Facilities (MTF)**



Source: GAO analysis of Defense Health Agency interviews and documents. | GAO-22-105131

<sup>a</sup>The MTF is required to transfer the claim to its local Judge Advocate General or the Department of Treasury if it hasn't heard from the OHI within 120 days.

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## DOD IG Reports on Third Party Billing at MTFs

From 2014 through 2019, the DOD IG issued nine reports related to third-party billing at MTFs.<sup>15</sup> In its 2019 report, the DOD IG found that DHA and the nine MTFs it reviewed did not adequately manage the Third Party Collections program to ensure collection of all available funds from delinquent OHI medical claims. Specifically, the DOD IG identified over 250,000 delinquent claims from October 1, 2015, to June 30, 2018 valued at \$86.9 million that were more than 120 days old at the nine selected MTFs. The DOD IG estimated that without proper management of the Third Party Collections program, the nine MTFs did not collect approximately \$70.7 million of the \$86.9 million from those claims. In its 2019 report, the DOD IG made 16 recommendations directed at DHA and 56 recommendations directed at the military services' medical commands and the nine selected MTFs to improve the collection and follow-up on OHI claims. (See appendix I.)

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## DHA Transitions

As of January 2022, DHA is undergoing two major transitions that will impact the collection of OHI and the submission of related third-party claims.

- MTF administrative responsibilities. As required by the National Defense Authorization Act for Fiscal Year 2017, administrative operations for MTFs, including third-party billing, are being

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<sup>15</sup>See: Department of Defense, *Audit of the DOD's Management of the Third Party Collection Program for Medical Claims*, (Alexandria, VA.: Sept. 16, 2019); *Follow-up of Delinquent Medical Service Account Audits* (Alexandria, VA.: December 19, 2018); *Medical Service Accounts at U.S. Army Medical Command Need Additional Management Oversight* (Alexandria, VA.: January 27, 2017); *Delinquent Medical Service Accounts at Landstuhl Regional Medical Center Need Additional Management Oversight* (Alexandria, VA.: April 28, 2016); *Delinquent Medical Service Accounts at David Grant Air Force Medical Center Need Additional Management Oversight* (Alexandria, VA.: September 24, 2015); *Follow up Audit: DOD Military Treatment Facilities Continue to Miss Opportunities to Collect on Third-Party Outpatient Claims* (Alexandria, VA.: July 24, 2015); *Delinquent Medical Service Accounts at Naval Medical Center Portsmouth Need Additional Management Oversight* (Alexandria, VA.: March 4, 2015); *Delinquent Medical Service Accounts at William Beaumont Army Medical Center Need Additional Management Oversight* (Alexandria, VA.: September 16, 2014); *Delinquent Medical Service Accounts at Brooke Army Medical Center Need Additional Management Oversight* (Alexandria, VA: August 13, 2014).

transitioned from the military services to DHA.<sup>16</sup> According to DHA officials, as of November 2021 this transition has been completed for MTFs within the United States but not for MTFs located outside of the United States.<sup>17</sup>

- New electronic health record system. DHA is incrementally transitioning MTFs to a new electronic health record system, called MHS GENESIS, with estimated completion by December 2023. As of October 2021, DHA reported that it had completed implementation for seven of the 24 planned “waves,” which represent groups of MTFs. As part of this transition, DHA plans to integrate patient accounting, medical coding, and patient registration capabilities into MHS GENESIS through a new component called Revenue Cycle Expansion (Rev-X).<sup>18</sup> DHA plans to begin the incremental process of bringing Rev-X online at MTFs in April 2022, with an estimated completion date of March 2024.

In September 2021, we reported on DHA’s implementation of MHS GENESIS.<sup>19</sup> We found that DHA had made progress in implementing the new electronic health record system by improving system performance and addressing issues experienced at initial sites. However, some incidents identified during testing—such as system defects—remained unresolved. Additionally, implementation of MHS GENESIS faced training and communication challenges. Specifically, test results and selected system users indicated that training for MHS GENESIS, and the dissemination of information about system changes, were ineffective. As a result, we made three recommendations, including that DOD develop an approach to retesting incidents, improve training, and develop a plan to ensure MHS GENESIS users are aware of system changes. DOD concurred with these recommendations.

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<sup>16</sup>Pub. L. No. 114-328, § 702, 130 Stat. 2000, 2193 (2016) (codified, as amended, at 10 U.S.C. § 1073c).

<sup>17</sup>In July 2021, DOD reported overseeing 49 inpatient hospitals and medical centers (32 in the U.S.), 465 ambulatory care and occupational health clinics (373 in the U.S.), and 192 dental clinics (149 in the U.S.), which are considered MTFs.

<sup>18</sup>Rev-X is part of the same IT platform as MHS GENESIS and is intended to combine the business and clinical aspects of delivering health care.

<sup>19</sup>See GAO, *Electronic Health Records: DOD Has Made Progress in Implementing a New System, but Challenges Persist* [GAO-21-571](#) (Washington D.C.: September 20, 2021).

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## OHI Claims in the Private Sector Care System

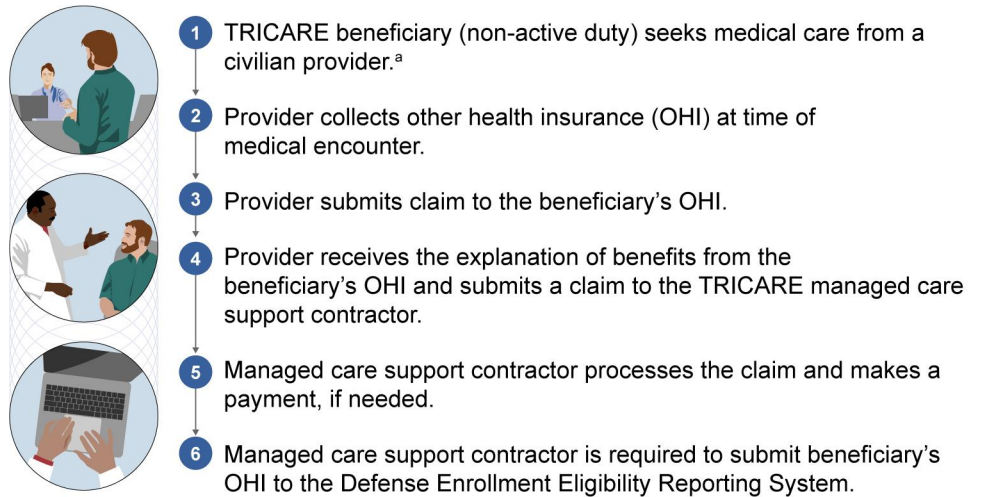
Unlike MTFs that focus on OHI as a source of cost recovery, OHI is a source of cost avoidance in the private sector care system meaning that OHI may allow for the contractor to avoid paying the total amount of the TRICARE claim. Contractors' OHI process is also different from that of MTFs' because they do not directly interact with TRICARE beneficiaries at health care appointments. Instead, contractors rely on civilian providers participating in TRICARE to collect OHI from TRICARE beneficiaries and to bill third-party payers prior to billing TRICARE. Once civilian providers have billed and collected payment from the OHI, they may submit a TRICARE claim to the contractors. As a result, contractors can see that a beneficiary has OHI when they receive a TRICARE claim from a civilian provider that includes information about the prior adjudication of the claim, such as an explanation of benefits statement, from the other insurance carrier. Contractors then review the OHI information received to determine whether to make a payment on the claim.

Additionally, contractors are required to submit OHI information obtained from their claims adjudication process to DOD's DEERS.<sup>20</sup> Defense Manpower Data Center officials, who manage DEERS, told us that the system has an OHI repository that they developed in 2004 to increase MTFs' access to beneficiaries' OHI information to assist the MTFs with billing for third-party claims. To help ensure that contractors are providing OHI information, DHA also requires the contractors to submit a summary report on a monthly basis that includes the total number of beneficiaries with OHI identified and recorded in the OHI repository during that time. (See fig. 2.)

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<sup>20</sup>Eligible beneficiaries are generally registered in DEERS to receive their TRICARE benefit.

**Figure 2: An Overview of the Process for Other Health Insurance Claims for TRICARE Beneficiaries Who Obtain Care from Civilian Providers**



Source: GAO analysis of managed care support contractor and Defense Health Agency documents. | GAO-22-105131

<sup>a</sup>A beneficiary who is part of the active component (on active duty) is required to enroll in TRICARE Prime.

The two contractors told us that they also have recoupment programs through subcontractors that determine whether all beneficiaries with OHI have been identified. If new OHI is identified, the contractors will recoup payments they have made to the civilian providers that treated these beneficiaries based on the dates of coverage. The contractors estimated that they have recovered over \$75 million collectively from 2018 through 2020 through this effort.

## DHA Expects New System Capabilities to Resolve Various Challenges with Third-Party OHI Billing

We found that MTFs may face various challenges in processing third-party claims, including issues with coordination in sharing OHI forms and data challenges related to MHS GENESIS, DOD's new electronic health record system. However, DHA officials told us they expect Rev-X, a new component that will be integrated with MHS GENESIS, will address these challenges through its additional capabilities for patient registration, medical coding, and patient accounting.

**Coordination between patient registration and billing offices.** The Patient Administration Division and Uniform Business Office staff at MTFs use a manual process for sharing the hard copy forms that they use to collect patients' OHI information, and we found that this process was inconsistent across the six MTFs we reviewed. Some of the MTFs' processes we identified may result in missed opportunities to bill and collect OHI payments. For example, officials from two of the six MTFs in our sample said that their Patient Administration Division staff only collect and deliver hard copy OHI forms from the hospital—and not their outpatient clinics—to the Uniform Business Office. The Uniform Business Office officials from these MTFs stated that they are not receiving OHI forms from the facilities' outpatient clinics, potentially resulting in missed opportunities for billing at those MTFs. The lack of a consistent process across the MTFs may be due, in part, to a lack of specificity in DHA's guidance for these offices. Specifically, DHA's guidance does not outline how the Patient Administration Division staff should coordinate with the Uniform Business Office to share patient registration information or how the Uniform Business Office should coordinate with patient registration officials in collecting the OHI forms.<sup>21</sup>

However, the transition to MHS GENESIS and the additional capabilities that will be available through the implementation of Rev-X should resolve internal coordination issues related to OHI third-party claims as it will eliminate the need for a manual exchange of hard-copy documents between the MTFs' Patient Administration Divisions and Uniform Business Offices, according to DHA officials. This is due, in part, to the billing capabilities provided through Rev-X that will replace the current billing system, Armed Forces Billing and Collection Utilization Solution (ABACUS). DHA officials explained that when Rev-X is integrated into MHS GENESIS, the OHI information collected in MHS GENESIS at registration will be electronically available for billing. As a result, there will be no need for MTFs' Patient Administration Division officials and other patient registration staff, including those in outpatient clinics, to share hard copy OHI forms with the MTFs' Uniform Business Offices, eliminating lost billing opportunities related to OHI forms not being provided.

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<sup>21</sup>See Defense Health Agency, *Healthcare Benefit Eligibility Verification and Patient Registration Procedures*, DHA Procedural Instruction 6010.01 (January 14, 2020). Defense Health Agency, *Military Medical Treatment Facility (MTF) Uniform Business Office (UBO) Operations*, DHA Procedures Manual 6015.01 (October 24, 2017).



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**Data challenges.** Officials from each of the six MTFs we interviewed stated that data challenges related to MHS GENESIS could include inefficiencies and additional work for Uniform Business Office staff as they process third-party claims, including OHI claims. These officials explained that these data challenges are related to patient eligibility categories, medical coding, and the transfer of OHI information. However, DHA officials told us that they expect Rev-X to address these challenges.

- Patient eligibility categories. Officials from three MTFs told us that the designation of beneficiaries into the correct patient eligibility category by Patient Administration Division staff—which is important for billing—has been problematic since the transition to MHS GENESIS. Patient Administration Division staff are to designate patient eligibility categories, such as retiree or dependent, upon a patient’s registration for their appointment. However, MHS GENESIS presents numerous patient eligibility category options during patient registration, and staff may mistakenly choose the wrong category, according to MTF and DHA officials. Officials explained that the legacy system that MHS GENESIS is replacing presented fewer patient eligibility category options at registration based on patient information, which made selection of the correct category easier for registration staff. DHA and MTF officials said choosing the wrong patient category can lead to errors in the billing system, which can lead to the system not generating bills, including OHI bills.

However, Rev-X will eliminate the need to choose patient eligibility categories because it will use a different method that will be easier for patient registration staff to use and, thus, less prone to billing errors, according to DHA and MTF officials. For each appointment, patient registration staff will select a patient profile that includes more information than just the category of the patient, such as eligibility, reason for visit, and current health plan(s).<sup>22</sup> According to DHA officials, this information should help registration staff better determine which health plan, such as OHI, will cover the visit for billing purposes. Prior to transitioning to Rev-X, DHA officials have updated training for patient registration staff using MHS GENESIS, including an interactive guide to help officials understand how to choose patient categories.

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<sup>22</sup>MHS GENESIS officials told us that the patient profile updates would be released at all MTFs in February 2022 prior to the implementation of other Rev-X capabilities.

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Officials also told us that in September 2020, they tried to mitigate this issue through a separate configuration change to MHS GENESIS.<sup>23</sup>

- Medical coding. When a provider documents a patient's health care visit in MHS GENESIS, the information about the visit feeds into a separate medical coding system, where staff assign codes to the services provided. However, officials from three MTFs we interviewed told us that medical coding staff have seen an increase in errors since they began using MHS GENESIS because the medical coding does not consistently translate correctly from MHS GENESIS to the separate medical coding system. As a result, the medical coding system may then transfer inaccurate codes into ABACUS, DOD's billing system. When MTF staff check medical coding information in ABACUS—based on the information that was originally entered into MHS GENESIS—MTF officials told us that they have been identifying coding errors, which they must correct. However, DHA and MTF officials explained that Rev-X—that will be integrated with MHS GENESIS—will have its own medical coding system. This should eliminate the need to use a separate system to assign medical codes to patient encounters in MHS GENESIS, thereby removing this source of coding errors.
- Transfer of OHI information. Officials at the six MTFs we reviewed told us that since they implemented MHS GENESIS, OHI information—such as insurance policy numbers—has not been transferring accurately from MHS GENESIS to ABACUS because the two systems are not integrated and have difficulties sharing information. To address this difficulty, MTF officials must enter OHI information separately into MHS GENESIS and ABACUS, creating additional work. DHA and MTF officials explained that this issue should be resolved with the implementation of Rev-X because Rev-X will be integrated with MHS GENESIS. As a result, once staff enter OHI information for a patient into MHS GENESIS, staff will not need to separately enter such information into Rev-X.

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<sup>23</sup>In September 2020, officials stated that they implemented a configuration change into MHS GENESIS requiring the registration staff to first choose a beneficiary category, which then narrows down the patient category options to only those that apply to the beneficiary.

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## OHI Information Submitted by the Contractors Is of Limited Use in Assisting MTFs with Their Third-Party Billing

Based on our discussions with DHA and Defense Manpower Data Center officials and reviews of related documentation, we found that the OHI information contractors submit to the DEERS OHI repository is of limited use in assisting MTFs' third-party billing because the information is incomplete and may be inaccurate.

Specifically, we found that the OHI data contractors submit to the DEERS OHI repository is incomplete because some submissions do not include all of the required data elements. The TRICARE Systems Manual outlines specific OHI data elements contractors are to submit to the repository for each beneficiary with OHI: policy, carrier, policyholder, types of coverage provided (i.e. medical or pharmacy), employer information offering coverage, if applicable, and the effective period of the policy.<sup>24</sup>

Contractors are required to submit this information for applicable beneficiaries into DEERS within 2 business days. However, DHA and Defense Manpower Data Center officials explained that contractors may not collect all of these data elements from providers because the contractors only need enough OHI information to avoid paying claims, which can be as minimal as just the name of the OHI.<sup>25</sup> Officials also explained that if the contractor does not have a required data element, it will enter a placeholder, which is a set of numbers used to fulfill a data requirement when the information is unknown. DHA officials told us that as long as the contractor is submitting at least one of the OHI data elements for each beneficiary and reporting about the number of beneficiaries with OHI monthly—even with placeholders—they are meeting the contractual requirement to submit data to the OHI repository. According to the Defense Manpower Data Center, since 2018, almost 20 percent of entries across beneficiaries have placeholders.

Furthermore, DHA officials said that the OHI information that contractors submit to the DEERS OHI repository may not be accurate because DHA

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<sup>24</sup>TRICARE manuals outline requirements that are incorporated into the TRICARE contracts.

<sup>25</sup>TRICARE contractors require civilian providers to bill OHI before submitting a claim and use OHI to avoid paying the full amount of claims submitted by the civilian provider.

and the Defense Manpower Data Center do not validate such information. According to these officials, the responsibility to validate the information is on the end-user, such as the MTF, who may use the information for billing the OHI. DHA officials further explained, however, that MTFs do not use the repository for billing purposes but rather only generally as an indication of whether a beneficiary could have OHI. DHA officials told us that MTF staff are responsible for collecting and verifying OHI for each appointment, and that these steps are to occur at all MTFs.

However, the requirement for contractors to submit OHI information to the DEERS OHI repository will become unnecessary with the implementation of MHS GENESIS and its component, Rev-X. According to DHA officials, MHS GENESIS began to replace DEERS as the primary source for storing OHI information in September 2020. Furthermore, when the new component, Rev-X, begins coming online at MTFs in April 2022, MTF staff will continue to enter OHI information directly into MHS GENESIS and Rev-X will help staff to verify that information in real time with the patient during registration.<sup>26</sup> This will eliminate the need for subsequent validation or other steps to ensure complete and accurate information for billing, according to DHA officials. DHA officials told us that they may discontinue using the OHI DEERS repository when MHS GENESIS is fully implemented, but they did not know the exact timing of any changes or how this would impact contract requirements.<sup>27</sup> According to federal standards for internal control, departments should use quality information to achieve their objectives, which includes identifying information requirements in an iterative and ongoing process, and modifying these requirements as needed.<sup>28</sup> Phasing out the OHI repository and the requirement for contractors to submit OHI information to the DEERS repository will improve efficiency by removing the need to submit information and maintain a repository that is of limited use for MTFs in assisting with their OHI billing activities.

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<sup>26</sup>Rev-X capabilities will allow for OHI discovery prior to the patient's appointment and when officials check-in the patient for their appointment, they can verify that OHI information. Additionally, registration officials will verify any OHI information when it is provided during check-in.

<sup>27</sup>Officials also told us that MHS GENESIS will continue to interface with DEERS for other purposes.

<sup>28</sup>[GAO-14-704G](#).

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## Conclusions

TRICARE OHI claims represent a revenue source for MTFs, and with DHA's implementation of a new electronic health record system, MHS GENESIS, and a new component, Rev-X, DHA anticipates that it will be able to address many of the challenges surrounding OHI third-party claims, such as the coordination and data sharing issues we identified. As DHA and the MTFs fully implement these new system capabilities, it will be important for them to ensure that they fully address these challenges, as expected, which will facilitate MTFs' ability to maximize cost recovery. Furthermore, phasing out the OHI DEERS repository and the need for contractors to submit OHI information to it will help ensure that contractors are fulfilling requirements in the most efficient and helpful manner to the billing process.

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## Recommendation for Executive Action

We are making the following recommendation to the Department of Defense:

The Director of the Defense Health Agency should phase out the use of the DEERS OHI repository, including the requirement for TRICARE contractors to submit OHI information to DEERS. (Recommendation 1)

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## Agency Comments

We provided a draft of this report to DOD for review and comment. In its written comments, reproduced in appendix II, DOD concurred with our recommendation and stated that its implementation of MHS GENESIS and Rev-X will enable the department to begin phasing out the use of the DEERS OHI repository. DOD also provided technical comments, which we have incorporated, as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7114 or [hundrupa@gao.gov](mailto:hundrupa@gao.gov). Contact points for our

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Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.

A handwritten signature in black ink that reads "Alyssa M. Hundrup". The signature is written in a cursive, flowing style.

Alyssa M. Hundrup  
Director, Health Care

# Appendix I: Status of the Department of Defense (DOD) Inspector General (IG) Recommendations

In September 2019, the DOD IG issued a report on DOD's Third Party Collections program for medical claims.<sup>1</sup> As part of its review, the DOD IG examined DOD's policies and procedures and analyzed a sample of other health insurance (OHI) third-party claims from nine selected military medical treatment facilities (MTFs). The DOD IG found that the Defense Health Agency (DHA) and the selected MTFs did not adequately manage the Third Party Collections program to ensure collection of all available funds from delinquent OHI medical claims. The DOD IG made 72 total recommendations to the military service medical commands, the MTFs it reviewed, and to DHA. Of these recommendations, the DOD IG directed 16 to DHA.

The DOD IG closed one of the 16 recommendations to DHA in August 2021. The recommendation was for DHA to coordinate with MTFs that have implemented MHS GENESIS—the department's new electronic health record system—to identify whether these facilities have had errors with the selection of patient category in the system; and, as appropriate, to require front desk personnel who register patients to take patient category training at least annually.<sup>2</sup> The DOD IG closed this recommendation based on DHA's patient category finder tool, which is an interactive guide to assist MTF staff in choosing the correct patient category.

DHA provided the DOD IG with plans to address each of the remaining 15 recommendations in August 2021. Based on its review of these plans, the DOD IG determined that DHA addressed 11 recommendations, but these recommendations remain open awaiting additional evidence from DHA.

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<sup>1</sup>Department of Defense, Inspector General, *Audit of the DOD's Management of the Third Party Collection Program for Medical Claims*, (Alexandria, VA.: Sept. 16, 2019).

<sup>2</sup>Patient category is a classification that tells whether a patient is billable or not billable, and if billable, the appropriate payment method and rates to apply.

**Appendix I: Status of the Department of Defense (DOD) Inspector General (IG) Recommendations**

(See table 1.) However, the DOD IG determined that DHA's planned actions for the other four recommendations were not sufficient. (See table 2.) DHA officials told us that they have been meeting with DOD IG officials on a monthly basis to discuss these and other outstanding recommendations. Additionally, DHA is in the process of transitioning MTFs to MHS GENESIS and is preparing for the transition in April 2022 to a new component, called Revenue Cycle Expansion (Rev-X), and these efforts will affect the timeline for closing some of DHA's remaining recommendations, according to DHA officials.

**Table 1: Department of Defense (DOD) Inspector General's (IG) Recommendations Directed to the Defense Health Agency (DHA) that Remain Open Pending Additional Evidence as of August 2021**

DOD IG recommendations to DHA	DHA's proposed action	Additional evidence needed for closure per the DOD IG
<p>1. Review all military treatment facilities (MTF) to determine which are not submitting claims to insurance providers in compliance with the time requirements in DHA Procedures Manual 6015.01<sup>a</sup>, and coordinate with commanders of those medical facilities to implement additional controls that enforce the requirements.</p>	<p>DHA is in the process of designing custom reporting tools and infrastructure to consolidate and track standardized metrics. These reports will include metrics to assist with measurement of timely and accurate filing of claims outlined by insurance requirements and the DHA Procedural Manual 6015.01. DHA officials said that they expect MHS GENESIS and Revenue Cycle Expansion (Rev-X) will improve their reporting and tracking capabilities, but they do not yet know the extent of these improvements.</p>	<p>DHA needs to provide:</p> <ul style="list-style-type: none"> <li>• receipt of date of completion,</li> <li>• examples of the reports produced,</li> <li>• analysis showing the reports are effective in measuring timely and accurate filing of claims, and</li> <li>• what actions it will take to resolve untimely and inaccurate filing of claims.</li> </ul>
<p>2. Review all MTFs to determine which are not obtaining pre-authorization for treatment for beneficiaries with other health insurance (OHI), and coordinate with commanders of those medical facilities to develop and implement a process for obtaining pre-authorization when services rendered for a beneficiary require a pre-authorization from their other insurance provider.</p>	<p>Rev-X, a component of MHS GENESIS that has not yet fully been implemented, will include the functionality to allow personnel to proactively obtain pre-authorization from insurance providers. Currently, DHA does not have a way to systematically obtain pre-authorization from an insurance provider if it is not aware of the appointment in advance.</p>	<p>DOD IG officials plan to follow up with DHA to determine if they have any potential interim solutions.</p>



**Appendix I: Status of the Department of  
Defense (DOD) Inspector General (IG)  
Recommendations**

<b>DOD IG recommendations to DHA</b>	<b>DHA's proposed action</b>	<b>Additional evidence needed for closure per the DOD IG</b>
<p>3 and 4. Review all MTFs to determine which are not</p> <ul style="list-style-type: none"> <li>conducting follow-up in compliance with the requirements in DHA Procedures Manual 6015.01, and coordinate with commanders of those medical facilities to immediately revise procedures to ensure claims are followed up on in accordance with DHA Procedures Manual 6015.01 and DOD Financial Management Regulation Volume 16, Chapter 2 requirements; and</li> <li>transferring eligible third-party claims that are delinquent for more than 120 days to the Treasury Cross-Servicing Program<sup>b</sup>, and coordinate with commanders of those medical facilities to enforce requirements for medical facilities to transfer eligible delinquent claims to the Treasury's program.</li> </ul>	<p>DHA established a pilot Debt Adjudication Management Program that addresses delinquent patient debt with a standardized approach. The program is being piloted at three MTFs with plans to expand once the pilot is completed. As of August 2021, the pilot program is expected to report out in December 2021.</p>	<p>DHA must provide a copy of the results of the pilot program to the DOD IG to verify that it includes procedures for following up on claims at the required intervals in accordance with DHA Procedures Manual 6015.01 and DOD Financial Management Regulation Volume 16, Chapter 2, requirements. Also, the DOD IG will verify that it includes procedures for transferring eligible claims to the Treasury Cross-Servicing Program.</p>
<p>5. Review all MTFs to determine which are not managing claims requiring refunds; and, as appropriate, coordinate with commanders of those medical facilities to initiate refunds to insurance providers, identify funds spent that the medical facility was not entitled to spend, and take action to mitigate any risk to the medical facilities' mission.</p>	<p>DHA reported that it does not currently have the authority or the mechanisms to identify funds spent that the medical facility was not entitled to spend at all locations. DHA officials told us that they have the authority to investigate issues that are brought to their attention, such as fraud, waste, and abuse, and have completed reports related to these issues. Further, DHA will verify with the Budget Office what other authorities are available now that the responsibilities of MTFs in the United States have completed their transition to DHA.</p>	<p>DHA needs to provide</p> <ul style="list-style-type: none"> <li>receipt of date of completion,</li> <li>examples of the reports produced,</li> <li>analysis showing the reports are effective in measuring timely and accurate filing of claims, and</li> <li>what actions it will take to resolve untimely and inaccurate filing of claims.</li> </ul>
<p>6. Review all MTFs to determine which are not providing legal support to the Uniform Business Office and coordinate with commanders of those medical facilities to provide legal support to collect on Third Party Collection program claims, and report on the benefits of the DHA providing centralized legal resources for all DOD medical facilities to support cost recovery programs and take action as appropriate.</p>	<p>DHA will conduct a data call to determine the extent to which medical facilities are receiving legal support, use the data obtained to determine the costs and benefits of centralizing legal support, and take action as appropriate based on that determination.</p>	<p>DHA needs to provide</p> <ul style="list-style-type: none"> <li>receipt of date of completion,</li> <li>results of the data call, and</li> <li>results of its cost benefit analysis.</li> </ul>
<p>7. In addition to training, DHA needs to coordinate with commanders at all medical facilities operating MHS GENESIS to implement procedures to correct patient category codes in MHS GENESIS when patient category code errors are identified.</p>	<p>DHA will develop written guidance on procedures to correct patient category codes in MHS GENESIS.</p>	<p>DHA must implement the written guidance on procedures to input correct patient category codes and provide documentation. DHA officials told us that they plan to provide its related Standard Operating Procedure to the DOD IG.</p>

**Appendix I: Status of the Department of  
Defense (DOD) Inspector General (IG)  
Recommendations**

DOD IG recommendations to DHA	DHA's proposed action	Additional evidence needed for closure per the DOD IG
8. Determine whether changing the field name in MHS GENESIS to assist front desk personnel has resolved errors with assigning credentialed provider to patient encounters at medical facilities using MHS GENESIS and if not, identify an alternative course of action.	DHA will investigate whether changing the field name in MHS GENESIS resolved credentialed provider errors at MTFs using MHS GENESIS. If it is found unresolved, DHA will identify an alternative course of action.	DHA needs to <ul style="list-style-type: none"> <li>determine whether the new field name resolved the issue,</li> <li>provide evidence supporting the determination, and</li> <li>if not resolved, provide evidence that an alternative course of action was implemented.</li> </ul>
9. Coordinate with commanders at all medical facilities operating MHS GENESIS to identify all patient encounters that are not assigned a credentialed provider or are missing medical coding or doctor's notes, and develop a course of action to process and bill the claims through the appropriate cost recovery program.	DHA will coordinate with MTF commanders operating MHS GENESIS to identify patient encounters without assignment of credentialed providers and missing medical coding or provider documentation, and develop a course of action to facilitate appropriate billing of the encounter.	DHA must provide evidence of commander coordination, and that it implemented a course of action.
10. Report the dollar impact of not collecting billed amounts from OHI on prescriptions written for more than a 30-day supply and as appropriate, implement procedures to require Uniform Business Office personnel, who manage third-party collections, to collect at least the reasonable charges on pharmaceutical claims equal to the allowable portion covered by the insurance policies.	DHA plans to initiate a data call to identify missed opportunities for reimbursement for 90-day prescriptions. DHA will update policy regarding billing 90-day prescriptions to payers. To aid in resolving issues and reducing the number of denials of non-payment of any portion of claims for 90-day prescriptions DHA hosts webinars for MTFs.	DHA must <ul style="list-style-type: none"> <li>complete the data call, and</li> <li>provide evidence of the analysis of the data call, issuance of policy for 90-day prescriptions, and updated webinars.</li> </ul>
11. Review denials management programs of all medical treatment facilities and, when applicable, coordinate with facility commanders to develop and implement procedures for reviewing and validating denials before writing off claims, along with implementing an approach for reviewing denials by beneficiary.	The DHA/ Uniform Business Office support contract includes a new initiative to monitor accounts receivable management at the DHA level. The plan for this initiative includes the design and deployment of a denials governance structure which will provide standardized guidance on the recovery and prevention of denials. In addition, DHA plans to continue offering webinar training on Denials Management.	While DHA provided the support contract to the DOD IG, DHA must provide evidence of the webinars and new initiative.

Source: DOD IG documents and DHA statements. | GAO-22-105131

<sup>a</sup>DHA, *Military Medical Treatment Facility (MTF) Uniform Business Office (UBO) Operations*, DHA Procedural Manual 6015.01 (October 24, 2017).

<sup>b</sup>According to the Department of the Treasury's website, Treasury's Cross-Servicing Program is its program to deal with delinquent debt. Federal agencies must transfer debts to the Cross-Servicing Program within a specific time frame. If the agency relies on Fiscal Service to submit the debt for offset on the agency's behalf, the agency must submit the debt to Cross-Servicing before it is 120 days delinquent. If the agency does not rely on Fiscal Service to submit the debt for offset, then the agency must submit the debt to Cross-Servicing before it is 180 days delinquent.

**Appendix I: Status of the Department of Defense (DOD) Inspector General (IG) Recommendations**

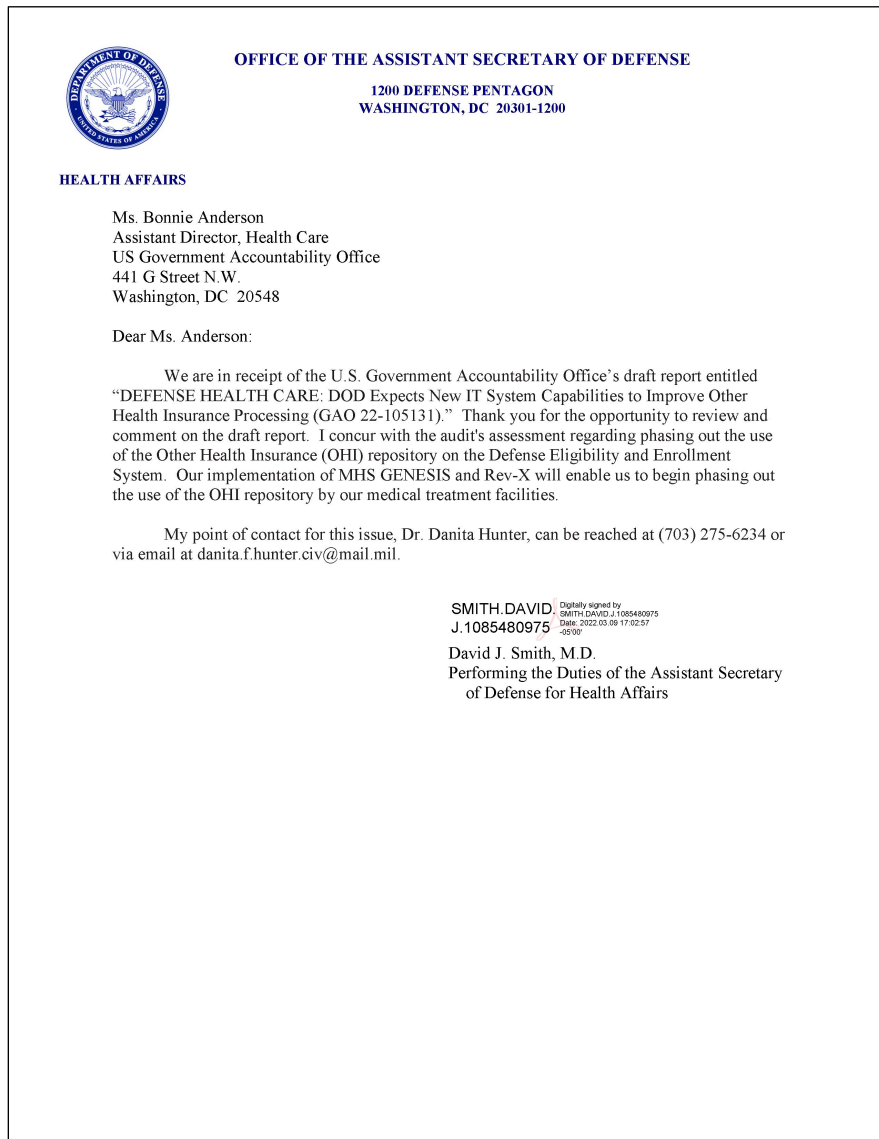
**Table 2: Department of Defense (DOD) Inspector General (IG) Recommendations Directed to Defense Health Agency (DHA) that It Considers Not Addressed as of August 2021**

DOD IG recommendations to DHA	DHA's proposed action	Additional action(s) needed per the DOD IG
<p>1. Review all military medical treatment facilities (MTFs) to determine which are not collecting other health insurance (OHI) information at all clinics in accordance with DHA Procedures Manual 6015.01<sup>a</sup>, and coordinate with commanders of those medical facilities to enforce existing OHI collection regulations, and as appropriate, take administrative action for noncompliance.</p>	<p>DHA had begun designing custom reporting tools and infrastructure to consolidate and track standardized Uniform Business Office metrics. DHA officials told us that they are continuing to work on ways to monitor whether MTFs are collecting OHI information. They also anticipate the implementation of MHS GENESIS and Rev-X will allow for more opportunity to track the collection of OHI because of its capabilities.</p>	<p>The DOD IG stated that this recommendation will be resolved when DHA identifies how it will enforce collection of OHI across all MTFs and what actions they will take for poor performance or noncompliance. Further, the recommendation will remain open until DHA provides more information on these reporting tools.</p>
<p>2. Coordinate with medical facility commanders to implement procedures to ensure claims are accurate before submission to the insurance provider.</p>	<p>The current billing system includes functionality to automatically “scrub” claims for a substantial and pre-defined set of potential errors once billing is initiated on the account. DHA will implement policy requiring the use of that functionality. DHA requested examples of errors found by DOD IG and the IG has provided these examples. DHA told us that Rev-X will also have the capability to review a claim for errors, but they need to better understand the current IG concerns in order to know if Rev-X will address them.</p>	<p>The DOD IG stated that this recommendation will be resolved when DHA identifies what actions it will take to ensure all claims are accurate before submission to insurance providers.</p>
<p>3. Coordinate with medical facility commanders to develop a course of action and enforce existing DHA requirements that Uniform Business Office personnel review previous patient encounters for potentially billable events when new OHI is identified for a beneficiary.</p>	<p>This information is addressed in the existing DHA Uniform Business Office Manual but detail needs to be developed regarding enforcement.</p>	<p>The DOD IG stated that the recommendation remains open until the details of enforcement are completed and the audit team reviews the changes.</p>
<p>4. Review and verify, at least annually, that billing personnel at all medical facilities in the military health system are meeting the DHA Procedures Manual 6015.01 and the DOD Financial Management Regulation Volume 16, Chapter 2 requirements for following-up on delinquent debt.</p>	<p>DHA is determining how to address this recommendation.</p>	<p>The DOD IG stated that the recommendation remains open until DHA provides more information.</p>

Source: DOD IG documents and DHA statements. | GAO-22-105131

<sup>a</sup>DHA, *Military Medical Treatment Facility (MTF) Uniform Business Office (UBO) Operations*, DHA Procedural Manual 6015.01 (October 24, 2017).

## Appendix II: Comments from the Department of Defense



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**GAO DRAFT REPORT DATED JANUARY 21, 2022  
GAO-22-105131 (GAO CODE 105131)**

**“DEFENSE HEALTH CARE: DOD EXPECTS NEW IT SYSTEM CAPABILITIES TO  
IMPROVE OTHER HEALTH INSURANCE PROCESSING”**

**DEPARTMENT OF DEFENSE COMMENTS  
TO THE GAO RECOMMENDATION**

**RECOMMENDATION:** The Director of DHA should phase out the use of the DEERS OHI repository, including the requirement for TRICARE contractors to submit OHI information to DEERS.

**DoD RESPONSE:** Concur with the audit's assessment regarding phasing out the use of the Other Health Insurance (OHI) repository on the Defense Eligibility and Enrollment System. Our implementation of MHS GENESIS and Rev-X will enable us to begin phasing out the use of the OHI repository by our medical treatment facilities.

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## Agency Comment Letter

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### Text of Appendix II: Comments from the Department of Defense

#### Page 1

Ms. Bonnie Anderson Assistant Director, Health Care  
US Government Accountability Office  
441 G Street N.W.  
Washington, DC 20548

Dear Ms. Anderson:

We are in receipt of the U.S. Government Accountability Office's draft report entitled "DEFENSE HEALTH CARE: DOD Expects New IT System Capabilities to Improve Other Health Insurance Processing (GAO 22-105131)." Thank you for the opportunity to review and comment on the draft report. I concur with the audit's assessment regarding phasing out the use of the Other Health Insurance (OHI) repository on the Defense Eligibility and Enrollment System. Our implementation of MHS GENESIS and Rev-X will enable us to begin phasing out the use of the OHI repository by our medical treatment facilities.

My point of contact for this issue, Dr. Danita Hunter, can be reached at (703) 275-6234 or via email at [danita.f.hunter.civ@mail.mil](mailto:danita.f.hunter.civ@mail.mil).

David J. Smith, M.D.

Performing the Duties of the Assistant Secretary  
of Defense for Health Affairs

Page 2

**GAO Draft Report Dated January 21, 2022**

**GAO-22-105131 (gao code 105131)**

**“DEFENSE HEALTH CARE: DOD Expects New IT System Capabilities to Improve Other Health Insurance Processing”**

**DEPARTMENT OF DEFENSE COMMENTS**

**TO THE GAO RECOMMENDATION**

**RECOMMENDATION:** The Director of DHA should phase out the use of the DEERS OHI repository, including the requirement for TRICARE contractors to submit OHI information to DEERS.

**DoD RESPONSE:** Concur with the audit's assessment regarding phasing out the use of the Other Health Insurance (OHI) repository on the Defense Eligibility and Enrollment System. Our implementation of MHS GENESIS and Rev-X will enable us to begin phasing out the use of the OHI repository by our medical treatment facilities

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## Appendix III: GAO Contact and Staff Acknowledgments

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### GAO Contact

Alyssa M. Hundrup, 202-512-7114, [hundrupa@gao.gov](mailto:hundrupa@gao.gov)

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### Staff Acknowledgments

In addition to those named above, key contributors to this report were: Bonnie Anderson (Assistant Director), Danielle Bernstein (Analyst-in-Charge), Sam Amrhein, Gail-Lynn Michel, Ethiene Salgado-Rodriguez, and Jennifer Whitworth.



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