

COLLECTION ACTIONS AGAINST BENEFICIARIES

1.0. GENERAL

1.1. It is the intent of the Department of Defense that no patient, family member or sponsor shall be subjected to ongoing collection action undertaken by or on behalf of a provider of services or supplies, as a result of the inappropriate non-payment, partial payment or denial of claims for services which should have been covered under TRICARE.

1.2. When the Department becomes aware that such collection action has been initiated, it will intervene on behalf of the party against whom the collection action has been taken, acting through a Debt Collection Assistance Officer (DCAO). There will be a DCAO designated at each MTF as well as at each Regional Director.

1.3. While the Department will assist in the resolution of collection matters, the ultimate responsibility for resolving collection matters lies with the patient, family member or sponsor. The Department will not provide legal representation to resolve these issues. TRICARE can only assume responsibility for collection assistance for medically necessary supplies and services as authorized for coverage under TRICARE regulation. There is no authority for the government to pay attorneys' fees, court costs, collection agency fees, accrued interest, late charges, etc.

1.4. Historically, many collection actions have resulted from the provider's violation of the participation agreement or balance billing in violation of applicable statute. When it has been determined that balance billing or violation of the participation agreement is at issue, the matter will continue to be handled in accordance with the existing program integrity guidelines contained in [Chapter 14, Section 6](#).

2.0. DEBT COLLECTION ASSISTANCE PROGRAM INTERVENTION ACTIONS

Upon notification of a problem DoD will assume responsibility to investigate and, when appropriate, resolve and/or assist in the clarification of collection issues for TRICARE beneficiaries. The most frequent sequence of events anticipated is:

- Beneficiary calls or is referred to DCAO.
- DCAO assumes responsibility for coordinating investigation and case conclusion.

2.1. Possible actions leading to case conclusions could include:

2.1.1. DCAO requests/encourages collection agency suspension of collection action pending investigation,

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- 2.1.2.** Expedited payment by MCSC or MTF. All requests for expedited payment shall be coordinated through the prime TRICARE contractor for the Region. When research reveals a processing error by the contractor or subcontractor, any additional payment due shall be processed on an expedited basis, and the MCSC's report to the DCAO shall reflect an expected date of payment.
- 2.1.3.** Beneficiary liability identified on investigative reports from MCSC (DCAO assists beneficiary with understanding payment issues),
- 2.1.4.** Referral of the debtor to military legal assistance officers for assistance under authority of 10 U.S.C. Section 1044.
- 2.1.5.** Additional review at TMA of issues unresolved by DCAO or MCSC,
- 2.1.6.** Referral to Program Integrity, TMA, for balance billing violations,
- 2.1.7.** Provider education, and/or
- 2.1.8.** The DCAO will report back in writing to the beneficiary the result of the actions undertaken to address his/her collection case.
- 2.1.9.** The DCAO will provide the beneficiary with a letter taking responsibility for the investigation and resolution/clarification of claims collection problems.
- 2.1.10.** The DCAO cannot provide legal advice. If such advice is required, the individual should seek the assistance of an attorney. Military legal assistance officers provide assistance with collection matters on a regular basis.

3.0. RESPONSIBILITIES

3.1. MTF/Regional Director/MMSO

- Provide a DCAO to handle collection concerns for beneficiaries.
- DCAO issues case resolution letters to the beneficiary.
- Publicize DCAO e-mail addresses, mailing addresses, fax numbers and phone numbers to beneficiaries, both CONUS and OCONUS.
- DCAO obtains required Privacy Act releases from the beneficiary to permit research and disclosure to the DCAO by all parties.
- DCAO maintains and provides records and statistics on collection activity.
- DCAO refers all unresolved collections actions cases to TMA (Office of Collection Claims Evaluation, Aurora) if case is not resolved after 30 days of initial receipt of case at MCSC.

3.2. Military Personnel Offices

- Implement and ensure a TRICARE briefing and enrollment during all reassignment activities to include orientation on the Debt Collection Assistance Program.
- Assist beneficiaries in addressing legitimate extraordinary financial obligations.

3.3. TMA (Office Of Collection Claims Evaluation)

- Provide independent evaluation of unresolved collection cases.
- Prepare form letters for DCAO's use in resolving collection issues.
- Consolidate reports from Managed Care Support Contractors for information and reporting purposes.
- Maintain DCAO directory on MHS web site.
- Publicize DCAO position at all MTFs/Regional Director offices.
- Provide a standardized, electronic format for collection reports.

3.4. MCSC

3.4.1. Designate specific individuals and provide resources to work collection issues with DCAOs during normal weekday business hours.

3.4.2. Provide Web-site access and/or e-mail addresses, mailing addresses, fax numbers and direct phone number(s) of specialized collections research and support staff to DCAOs.

3.4.3. Meet required response time for problem resolution (Standard: 85% within 10 days, 100% within 30 days). Resolution is the completion of research by the MCSC (and/or their subcontractor(s)) to define the course of actions that have taken place on the claims that have gone to collection, to correct previous erroneous actions, if any, by the MCSC or its subcontractors, and to define clearly the remaining liability, if any, which is the responsibility of the patient. The date of resolution is the date a final, case-specific response is furnished to the Debt Collection Assistance Officer (DACO). The response to the DCAO should include all the information listed in [paragraph 3.4.6.](#), below. If applicable, the response to the DCAO should note that a check is being issued to the beneficiary or provider on a priority basis, and the approximate date payment is expected.

3.4.4. Maintain records and processing statistics on collection activity. The records to be maintained shall include a detailed chronological record of all actions taken, including names and telephone numbers of all parties contacted in the course of the actions taken, as well as copies of all correspondence sent and received.

3.4.5. When violation of the participation agreement or balance billing is not at issue, issue letters to providers and conduct provider education when the provider was at fault.

3.4.6. Reports of all completed collection cases shall be furnished to the Office of Claims Collection Evaluation at TMA-Aurora in an Excel spreadsheet format on a monthly basis, by the 15th calendar day of the following month. Reports shall include:

- Name of sponsor
- Sponsor SSN
- Service of sponsor
- Status of sponsor
- Name of patient
- Relationship to sponsor
- Healthcare option involved in collection (Prime, Extra or Standard)
- Date(s) of service at issue
- Date of claim(s) submission
- Provider participation status on claim
- Claim development history
 - Was claim developed, and when
 - Reason for development
 - Was requested information received, and when
- Claim adjudication and payment history
 - Amount billed
 - Amount allowed
 - Reason(s) for difference
 - Cost share amount(s)
 - Amount applied to deductible
 - Amount paid
 - To provider
 - To beneficiary
 - Payment date
 - Payee
 - Remaining beneficiary liability and reason
- Any other information pertinent to understanding the resolution of the case (e.g., letter to provider, provider assent to contact MCSC prior to any future collection actions, etc.).

3.4.7. In newsletters and other materials, publicize and educate beneficiaries and providers on the Debt Collection Assistance Officer Program. This would include informing providers of the availability of the MCSC's support services to assist in resolution of claims

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problems, and encouraging providers to contact the MCSC's priority unit for assistance prior to initiating any collection action against beneficiaries. If the MCSC participates in beneficiary, sponsor or provider training, workshops or briefings at MTFs or elsewhere in the Region in accordance with specific regional requirements, the Debt Collection Assistance Officer Program should also be covered.

3.4.8. Upon initial program implementation, MCSC debt collection unit personnel shall participate via VTC in a meeting to be scheduled by the Regional Director DCAO. Other participants will include MTF DCAOs and Beneficiary Counseling and Assistance Coordinators (BCACs). Subsequent periodic VTC meetings may also be scheduled at the discretion of the Regional Director DCAO, and the MCSC staff shall participate in these as well.

3.4.9. MCSC personnel will cooperate with the Regional Director DCAO as the latter defines a plan and training materials for use in the training of MTF DCAOs.

