

GAO Highlights

Highlights of [GAO-22-105131](#), a report to congressional committees

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.

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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.