



PERSONNEL AND  
READINESS

UNDER SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000

JUN 27 2000

MEMORANDUM FOR SECRETARY OF THE ARMY  
SECRETARY OF THE NAVY  
SECRETARY OF THE AIR FORCE  
EXECUTIVE DIRECTOR, TRICARE MANAGEMENT ACTIVITY

SUBJECT: Debt Collection Assistance Officer Program to Assist Service Members with  
TRICARE Claims Collection Problems

The Defense Health Program provides service members and their families with quality medical care. The results of recent Service surveys tell us that they value the medical care benefit as one of the primary reasons for staying in the military. But, one of the major concerns service members have with military health care, and a key issue at the Secretary of Defense's first military Family Forum, is the current environment of individual debt settlement arising out of TRICARE claims.

When a service member has an outstanding debt arising from a TRICARE claim, the system currently places sole responsibility on the service member for resolving the debt. Each member is forced to negotiate individually with the multiple agencies involved in settling a claim. During this settlement period, the service member contends with bill collectors and must endure the stress of the dunning process -- receiving increasingly threatening collection letters. Indeed, at times the service member may be refused care by the provider in the absence of agreement that the member accepts primary financial responsibility for medical bills. Far too often, the dunning process results in unwarranted adverse information being added to credit records and leaves members with the difficult and time-consuming process involved in removing the adverse information from credit reports. Readiness is reduced if the member has to take time off from work during the process. We owe it to our service members and the Nation to shoulder far more of this burden when the debt arises due to no fault of the member.

The best solution is to have a TRICARE claims system that is error-free, but until that objective can be met, we must provide a single point of contact for our service members, TRICARE-eligible retirees, and their families who will be responsible for assisting in resolution of debt collection issues. That single point will be a Debt Collection Assistance Officer located at each military treatment facility and TRICARE Lead Agent office. Once contacted by a service member, the Debt Collection Assistance Officer will be responsible for contacting all necessary agencies -- military personnel offices, military treatment facilities, TRICARE Lead Agent offices, TRICARE Management Activity, managed care support contractors, even debt collection agencies if appropriate -- in order to resolve an outstanding debt collection issue arising from a TRICARE claim. The Debt Collection Assistance Officer will assume

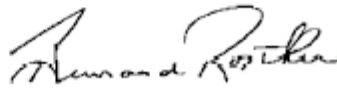
responsibility for researching the TRICARE claim involved and obtaining an official determination as to the appropriate resolution of the TRICARE claim. The Debt Collection Assistance Officer will provide feedback directly to the service member and, if appropriate, provide written documentation necessary to assist the service member in addressing national credit reporting companies regarding unwarranted adverse credit information.

The Departments and Services must ensure a Debt Collection Assistance Officer (single point of contact) is assigned to each military treatment facility and TRICARE Lead Agent office. Congress previously designated that the Services provide Beneficiary Counselor & Assistance Coordinators (BCACs) to serve service members and their families. Departments and Services may integrate the Debt Collection Assistance Officer into the BCAC activities *provided* sufficient resources exist so that when debt collection assistance is requested by our troops, a Debt Collection Assistance Officer is available to respond to the request as the top priority. It is key that the Debt Collection Assistance Officer functions be performed locally and that the local staff member be accountable to a senior officer/official responsible for implementation of this program. For service members in remote locations, the member may contact any Debt Collection Assistance Officer at the convenience of the service member.

The TRICARE Management Activity (TMA) will support the Debt Collection Assistance Officer by ensuring special priority personnel at each contractor are ready to receive and investigate collection cases referred directly from the Officer. TMA also will provide independent evaluation of collection cases when necessary to provide an official determination as to the appropriate resolution of a TRICARE claim and will draft form letters for use by the Debt Collection Assistance Officer. E-mail and phone access with claims processors will be increased worldwide to ensure that communication is always available. TMA will also work with other OSD agencies and Services to communicate this program to our servicemembers.

This program may require additional resources. TMA may need to reallocate its internal resources and priorities to support the Debt Collection Assistance Officer as described above. Services may need to augment their existing local BCAC activities. However painful this expense may be, we must take responsibility for errors in the TRICARE claims system which give rise to debt collection problems for our service members and families.

Action must begin within 30 days to implement this program. TMA will lead a team of representatives from the Services and Lead Agents to define the parameters of the program, identify and plan necessary support and training, and coordinate with the Deputy Surgeons General an implementation plan. A copy of that implementation plan, including any Service supplement, should be forwarded to this office prior to implementation.



Bernard Rostker

CC:  
See Attached List