

Study: Defense Dept. Didn't Bill Insurers

by MALIA RULON - Associated Press Writer

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WASHINGTON DC - The Defense Department is failing to collect at least \$44 million a year from private insurance companies for health care services provided to military-related patients, according to congressional findings obtained Friday by The Associated Press.

Investigators with the General Accounting Office examined billing practices at the largest 35 of 132 military treatment facilities, and said third-party insurance companies often aren't billed because the necessary information is not properly collected or recorded.

The Defense Department acknowledged that "additional funds could have been collected," but said that staff has been working over the past three years to strengthen its billing practices.

"We had previously identified the issues outlined by the GAO and have aggressively implemented business process improvements," said William Winkenwerder, assistant secretary of Defense for health affairs.

Military soldiers and their families are eligible for free or less-expensive health care at military facilities, but if patients have private health insurance, the government is allowed by law to seek reimbursement.

Investigators found that from 2000-2002, officials collected about \$122 million a year from private insurance companies. However, that number should be millions higher, investigators said.

For example, investigators found that the five Army treatment facilities had identified 4.5 percent of patients as having additional health insurance when there were actually double that amount, or 96,000 patients, who had extra insurance coverage.

That oversight cost taxpayers \$8.7 million, the report said.

"Managed effectively, DOD's Third Party Collections Program could collect tens of millions of dollars more each year to offset the cost of providing health care to DOD retirees and their dependents and active duty dependents," said the report, which was expected to be released next week.

Winkenwerder took exception to that statement, saying in his written response to the audit that the money collected from private insurance companies goes, by law, to "supporting the

maintenance and operation" of the facilities, not to determine their budget.

Rep. Dennis Kucinich, the ranking Democrat on the Government Reform subcommittee on national security, emerging threats and international relations, called the audit another example of the Defense Department failing to account for millions of taxpayer dollars.

"The complete failure of the DOD to keep accurate records is allowing private insurance companies to gouge the military health care system, reducing resources to provide care to those who need it most," said Kucinich, D-Ohio, who asked for the audit along with Rep. Janice D. **Schakowsky**, D-Ill.

A similar audit of three medical treatment facilities done in 2002 had revealed a pattern of failing to bill and collect from private insurance companies.

Kucinich remains a long-shot candidate in the Democratic presidential primary, although Sen. John Kerry of Massachusetts already is expected to be the party's nominee.