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United States General Accounting Office
Washington, DC 20548

June 13, 2003

The Honorable John Warner
Chairman
The Honorable Carl Levin
Ranking Minority Member
Committee on Armed Services
United States Senate

The Honorable Duncan Hunter
Chairman
The Honorable Ike Skelton
Ranking Minority Member
Committee on Armed Services
House of Representatives

Subject: *DOD and VA Health Care: Access for Dual Eligible Beneficiaries*

The Department of Defense (DOD) reported that under its current policy, beneficiaries eligible for both TRICARE and the Department of Veterans Affairs' (VA) health care (dual eligible beneficiaries) are not allowed to utilize the services offered by both health care systems for treatment for the same episode of care.¹ For example, if a beneficiary experiences back pain and seeks treatment from VA, the beneficiary must then receive all care related to that back pain from VA. Should the beneficiary then decide to seek treatment for the back pain from TRICARE, any claims related to that care would be denied. According to DOD, this policy was established to ensure continuity of care for beneficiaries and to ensure that there was no duplication of care or of payments from TRICARE or VA. Under the policy, if beneficiaries are dissatisfied with the care provided by VA, they are unable to switch to TRICARE to receive services for the same episode of care.

Section 708 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003² directed the Secretary of Defense to establish a process for resolving issues related to patient safety and continuity of care for beneficiaries who are concurrently eligible for health care through DOD's TRICARE program and through VA. It also

¹According to DOD, an episode of care is generally accepted to be all care related to a single injury or illness.

²Pub. L. No. 107-314, § 708, 116 Stat. 2458, 2585 (2002).

required that the Comptroller General review and report on issues related to dual eligibility.

On April 16, 2003, DOD reported³ to the Congress on a proposal to change its policy and promulgate regulations for coordinating care between DOD and VA. As agreed, we focused our review on the reasonableness of DOD's process. To do so, we reviewed the report submitted to the Congress and TRICARE policies, and interviewed agency officials from DOD and VA. Our work was conducted in June 2003 in accordance with generally accepted government auditing standards.

DOD proposes to change its basic policy to enable dual eligible beneficiaries to access both systems for the same episode of care, thus ensuring full freedom of choice. DOD also proposes to pay for medically necessary care to the extent that such care would be covered by TRICARE. DOD's proposal appears reasonable, and it is in the process of developing regulations to implement it.

An official with the TRICARE Management Activity reviewed a draft of this letter and agreed the information in it is correct. We are sending copies of this letter to the Secretary of Defense, appropriate congressional committees, and other interested parties. We will provide copies of it to others upon request. In addition, it is available at no charge on the GAO Web site at <http://www.gao.gov>. If you or your staff have any questions, please contact me at (202) 512-7101 or Michael T. Blair, Jr., at (404) 679-1944.



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Director, Health Care—Veterans'
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(290272)

³*Report to Congress: Department of Defense Plan for Coordinating Care Between TRICARE and the Department of Veterans Affairs* (Washington, D.C.: April 2003).

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