



DEPARTMENT OF DEFENSE
TRICARE SUPPORT OFFICE
AURORA, COLORADO 80045-6900

MR - 2

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MEMORANDUM FOR U.S. COAST GUARD INVESTIGATIVE SERVICES

ATTN: [REDACTED]
Deputy Director, CGIS
U.S. Coast Guard (RM. 3204)
2100 2nd Street, SW
Washington, DC 20593-0001

SUBJECT: Memorandum of Understanding (Beneficiary Fraud)

Please be advised that we are currently operating and will continue to operate under the procedures established in the proposed Memorandum of Understanding (MOU) pending finalization of the memorandum.

For your convenience, a copy of the proposed MOU containing the recommended changes made by DMDC and this agency is attached. Any recommended changes or comments which your agency may have to the proposed MOU should be submitted in writing to this office.

[REDACTED]
Director, Beneficiary and
Provider Services

Attachment:
Proposed MOU
(without attachment)

MEMORANDUM OF UNDERSTANDING

TRICARE MANAGEMENT ACTIVITY DEFENSE MANPOWER DATA CENTER U.S. AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS U.S. ARMY CRIMINAL INVESTIGATIVE DIVISION U.S. NAVY CRIMINAL INVESTIGATIVE SERVICE U.S. COAST GUARD INVESTIGATIVE SERVICE

SUBJECT: TRICARE Management Activity (TMA), Defense Manpower Data Center (DMDC), U.S. Air Force Office of Special Investigations (AFOSI), U.S. Army Criminal Investigative Division (ACID), U.S. Navy Criminal Investigative Service (NCIS) and U.S. Coast Guard Investigative Service (CGIS) responsibilities relating to the prevention, detection and investigation of beneficiary/sponsor fraud and abuse in TRICARE.

PURPOSE: The purpose of the Memorandum of Understanding (MOU) is to set out the respective responsibilities for the prevention, detection, and investigation of beneficiary and/or sponsor fraud, and abuse relating to TRICARE. Under this agreement, the military criminal investigative organizations (MCIOs), such as AFOSI, ACID, NCIS, and CGIS, will assume primary responsibility for managing and operating such investigations related to beneficiary/sponsor fraud.

Acquisition Management and Support (AMS), under the guidance of TMA, has the responsibility and authority to maintain the integrity of TRICARE and to protect TRICARE funds from fraud. Further, TMA(AMS) is required to provide MCIOs with access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to TRICARE that are related to the investigation of beneficiary/sponsor fraud and abuse.

DMDC has the responsibility and authority to maintain the integrity of the Defense Enrollment Eligibility Reporting System (DEERS) to ensure that beneficiary eligibility status is correctly stated for medical health benefits.

MCIOs have the responsibility and authority to investigate beneficiary/sponsor fraud related to TRICARE. This responsibility is set out in the Interim Guidelines issued by the Department of Defense Inspector General on October 23, 1996. This document is attached to the MOU as Attachment A.

TMA will operate in a supportive role to 1) DMDC in supplying on-line access to the Care Detail Information System (CDIS) for claims history data, and 2) MCIOs with respect to providing documents, program information, and witness support. DMDC will operate in a supportive role to MCIOs with respect to providing documents and information related to beneficiary eligibility status and CDIS downloads. MCIOs will operate in a supportive role to DMDC and TMA in carrying out its mandate in criminal, civil and administrative cases.

TMA(AMS), DMDC and MCIOs mutually agree as follows:

Article I - Description of Products provided or action taken by TMA(AMS).

- A. Provide DMDC on-line access to the Care Detail Information Systems (CDIS) for claims history data. CDIS is an integrated set of databases containing Health Care Service Records (HCSRs) and Health Care Provider Records (HCPRs), history of costs and care summaries for each provider, sponsor and beneficiary.
- B. Provide MCIOs with hardcopy documents related to health care claims/encounters: claim, canceled checks, explanation of benefits, any audit records related to health care services in question.
- C. Provide MCIOs with witness support addressing TRICARE and related documentation as needed for trial, court-martial or settlement.

NOTE: The product to be provided or action to be taken is based on available resources.

Article II - Description of Products provided or action taken by DMDC.

- A. Review non-Medicare cases for potential fraud due to false documentation submitted to obtain a Uniformed Military Identification Card or failure to provide documentation resulting in eligibility change due to marriage, divorce or death. Review CDIS for dollar amount loss to the government.
- B. Refer cases of beneficiary/sponsor potential fraud to the appropriate MCIO for investigation. (Note: Cases subject to the legislative waiver authority for Medicare or based on over age 65 erroneous eligibility determination for TRICARE are not to be referred or treated as potential fraud.)
- C. Provide MCIOs with hardcopy documents (DD Form 1172) and CDIS downloads for beneficiaries/sponsors identified as being erroneously determined eligible for health care benefits. CDIS downloads would include only those services provided on/after the beneficiary's eligibility for such benefits ended for other than Medicare eligibility due to disability or end stage renal disease.
- D. Provide feedback to the Joint Uniformed Services Advisory Committee members for those cases in which an ID card was issued in error and not as a result of the presentation of false documents/information.

Article III - Description of Products provided or action taken by MCIOs.

- A. Review referred cases of potential fraud for acceptance. (Dollar limits set for acceptance of cases will be at the discretion of the appropriate MCIO.)**
- B. Advise DMDC of acceptance of case.**
- C. Request support (documentation and/or witness) for potential fraud case, via fax or in writing, from TMA(AMS) Program Integrity Branch, military medical facilities, Defense Finance Accounting Services and other agencies as appropriate to determine the extent of the dollar loss caused by the alleged beneficiary/sponsor fraud.**
- D. Ensure TRICARE information and documents obtained from TMA or DMDC (CDIS) are handled consistent with existing statutory and regulatory provisions protecting confidentiality of patient records, including, but not limited to, the Privacy Act of 1974 and Confidentiality of Alcohol, Drug Abuse Patient Records (42 CFR).**
- E. Agree to provide updates or status reports to TRICARE on the investigation at least every 60 days. TMA is available to provide documentation, witness support, and consultation on issues concerning the allegations of the fraud. TMA also requests that a final report of disposition be provided. If the case is not accepted for prosecution, TMA has other alternatives administratively that can be pursued, to include instituting recoupment, if appropriate.**

Article IV - Medicare Eligibility.

The parties recognize that the category of cases involving individuals who are (or were) Medicare eligible and are not TRICARE eligible and were listed as TRICARE eligible generally involve erroneous payments and not fraud. Absent specific allegations of fraud against TRICARE, instances involving the payment of TRICARE services for individuals ineligible for TRICARE because they were Medicare eligible will not be developed as fraud cases. It is further recognized that even if such cases are developed, absent specific intent to commit fraud, the erroneous payment, pursuant to statutory legislation, is waivable for Medicare eligible beneficiaries who are under age 65 and, therefore, when waived there would be no monetary recovery to the program.

Article V - Handling of TRICARE Funds Recovered by the MCIOs.

MCIOs will, to the extent feasible, recommend to the Judge Advocate General that any and all TRICARE funds recovered through civil settlements and/or criminal prosecution be returned to TMA, Resource Management Directorate. "TRICARE funds" means money paid out by TRICARE for the delivery of health care, through its contractors, that is the subject of a civil action or criminal prosecution but does not include any amount designated as penalties, fines, or multiple damages.

Article VI - Period of Agreement.

This agreement is effective upon signature of the Director, TMA(AMS); Director, DMDC; and the appropriate signature authority for the individual MCIOs.

Date:

Director, Acquisition Management
and Support
TRICARE Management Activity
Department of Defense

Date:

Director, Defense Manpower Data Center

Date:

Brigadier General, USAF
Commander
Air Force Office of Special
Investigations

Date:

Brigadier General
Commanding General
U.S. Army Criminal Investigative Division

Date:

Director
U.S. Navy Criminal Investigative Service

Date:

Deputy Director
Coast Guard Investigative Service

Attachment:
DoD-IG Interim Guidelines