



**INSPECTOR GENERAL**  
DEPARTMENT OF DEFENSE  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500

JUN 12 2018

The Honorable Charles E. Grassley  
Chairman  
Committee on the Judiciary  
United States Senate  
Washington, D.C. 20510-6275

Dear Mr. Chairman:

This is in response to your letter dated May 23, 2018, regarding Report No. DODIG-2018-084, "TRICARE North Region Payments for Applied Behavior Analysis Services for the Treatment of Autism Spectrum Disorder," March 13, 2018.

Below are the responses to the seven questions contained in your letter.

**QUESTION 1** - *The language used in the OIG's second recommendation is broad and general and inexact: There is no action other than recoupment that is acceptable, correct?*

RESPONSE – The recommendation requested the Defense Health Agency (DHA) to decide upon the appropriate action, as a management decision, for those claims in question. One such recommendation involves the recoupment of overpayments. There are many different actions that the DHA may take, according to 32 CFR 199.9 and the TRICARE Operations Manual. For instance, the DHA could exclude, suspend, educate, or refer the Applied Behavior Analysis (ABA) provider for investigation if warranted. Each ABA provider may require a different action by DHA for the claims submitted by ABA providers. The audit highlighted recoupment as a possible action in the report because recoupment is likely an appropriate action to take when a provider submits insufficient or no documentation for their ABA claims.

**QUESTION 2** - *Why do the \$81.2 million in overpayments need to be re-reviewed by DHA?*

RESPONSE – The audit report projected \$81.2 million in overpayments to show the magnitude of the problem and to show that the DHA should be performing more comprehensive reviews in the future. The TRICARE North Region consisted of 1,388,073 claim line items, valued at \$120.1 million, for all ABA services provided to beneficiaries in 2015 and 2016. The audit consisted of reviews of a statistical sample of 389 claim line items and, from the reviews of the 389 claim line items, the report projected \$81.2 million was improperly paid. To be able to take action on any of the other claim line items that were not part of the statistical sample, the DHA (not the DoD OIG) would need to perform reviews of the remaining claims to determine if they were improperly paid. The DHA would not need to re-review the 389 claim line items in our sample.

**QUESTION 3** - *OIG auditors identified up to \$81.2 million in potential overpayments; So why didn't the OIG auditors complete the job, validate the numbers, and then hand it off to DHA for collection?*

RESPONSE – The audit performed reviews of a statistical sample of 389 claim line items and projected \$81.2 million in improper payments. The audit completed analysis of the 389 claim line items and provided the results for the improper payments identified to the DHA for appropriate action such as recoupment. The audit did not review all of the 1,388,073 ABA claim line items in the TRICARE North Region because it would take years for the ABA providers to provide the supporting documentation and then review it. The DHA, as a management function of the ABA program, should perform the review of the remaining 1,388,073 ABA claim line items, rather than the OIG DoD, which provides oversight on DoD programs, such as TRICARE.

**QUESTION 4 -** *DHA was supposed to be watch-dogging the money but failed in that responsibility; Why does OIG have confidence that DHA will correct the problem? What's the timetable?*

RESPONSE - The DHA is responsible for payment to the ABA providers and, therefore, are responsible to correct the problems identified in the audit report. DHA officials have additional personnel to assist them in thoroughly reviewing ABA claims.

The audit did not request a timetable from the DHA. However, the audit recommended that the reviews on ABA claims be conducted on an annual basis, and the DHA agreed with the recommendation.

**QUESTION 5 -** *Under existing DoD regulations, DHA is required to maintain effective internal controls; Regular reviews designed to detect overpayments should be part of that process; Since DHA failed to follow those rules, why didn't the DoD OIG recommend that responsible officials at DHA be held accountable for failing to properly control the taxpayers' money? Making \$81.2 million in overpayments is a sign of carelessness and negligence and must not be tolerated.*

RESPONSE –The DHA requested the audit (see enclosed), which indicated that the DHA is seeking to address improper payments for ABA claims. DHA officials also wanted to use the findings in the audit report to help them perform focused and thorough reviews on ABA claims. Additionally, the DHA initiated the DoD Comprehensive Autism Care Demonstration, which modified coverage of ABA claims effective July 25, 2014. ABA is complex and evolving program; therefore, the DHA requested the DoD OIG review to assist it in identifying issues with program. .

**QUESTION 6 -** *Has anyone been held accountable for such careless waste and misuse of precious tax dollars? If not, why?*

RESPONSE – Although the audit did not make an accountability recommendation, the audit staff asked DHA officials if anyone has been held accountable. As of this date, and the staff has not yet received a response. Knowing of your interest, when the response is provided we will advise your staff.

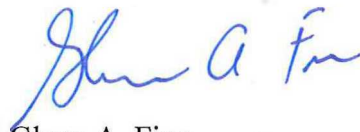
**QUESTION 7 -** *Since this oversight work began in February 2017 and the true scope of the problem was well-known by January 2018, the recovery process should be well*

*underway; To date, what portion of the \$81.2 million in overpayments has been recovered? If none has been recovered, when will the recovery process begin?*

RESPONSE – On May 31, 2018, DHA officials responded that their contractor has recouped \$17,631.61 from ABA providers that did not provide any supporting documentation. This amount recouped to date is part of the sample of 269 claim line items valued at \$39,553 that the audit identified as improper payments. The DHA did not provide a timeline on when it will begin to perform the comprehensive reviews and subsequent collections recommended in the audit report that address the \$81.2 million in projected improper payments.

We appreciate your interest in oversight work. If you have any questions regarding this matter, or would like a briefing from our auditors, please contact Kathie R. Scarrah, Director, Office of Legislative Affairs and Communications, at (703) 604-8324.

Sincerely,



Glenn A. Fine  
Principal Deputy Inspector General,  
Performing the Duties of the Inspector General



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TRICARE HEALTH PLAN DIRECTORATE (J-10)**  
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NOV 29 2016

MEMORANDUM FOR ACTING DOD INSPECTOR GENERAL

SUBJECT: REQUEST FOR AUDIT OF TRICARE PAYMENTS FOR AUTISM SERVICES  
IN THE TRICARE NORTH AND WEST REGIONS

Thank you for conducting a recent audit of TRICARE payments (Project No. D2016-D000CJ-0134.000) to determine whether DoD appropriately paid for autism services in the TRICARE South Region. Based on preliminary feedback on these audit results, it is apparent the audit was a worthwhile effort to identify potentially fraudulent practices by providers participating in the Department's Comprehensive Autism Care Demonstration.

Therefore, I request your consideration for a similar audit of our TRICARE North and West Regions. My point of contact is Ms. Danita Hunter, Chief, Policy and Benefits Office at 703-681-8665, [danita.f.hunter.civ@mail.mil](mailto:danita.f.hunter.civ@mail.mil).

*Michael W. O'Bar*

Michael W. O'Bar, SES  
Director for TRICARE Health Plan (J-10)