



For Immediate Release
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BAUCUS SEEKS TO IMPROVE COLLECTION OF INDIAN HEALTH CARE REIMBURSEMENT DOLLARS

Finance Chairman requests GAO report on shortfalls in IHS collection policies

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today called for an investigation of the Indian Health Service’s (IHS) policies on collecting reimbursement from private insurance companies for health care services provided to Native Americans. When the Indian Health Service provides care to Native Americans who are enrolled in a private health care plan, that plan is required to reimburse IHS for the cost of the plan’s benefits. The IHS has the authority to write off payments owed from private insurers that the agency deems uncollectable. However, Baucus expressed concern today that debts are too easily forgiven by the agency, leaving millions of desperately needed taxpayer dollars for Indian health care unrecovered. In a letter to Comptroller General David Walker, Baucus requested that the Government Accountability Office (GAO) review IHS policies, processes, and billing history, and make recommendations as to how the agency can ensure that vital Indian health care funds are not being unnecessarily wasted.

“Officials at IHS should be bending over backwards to collect every cent that private insurance companies owe for the care provided to Native Americans. But it appears instead that the agency is writing off debt left and right without exhausting every effort to get those taxpayer dollars back,” said Baucus. **“I’m confident that this GAO investigation will pinpoint exactly where IHS can do better, and I plan to keep a very close eye on this problem until they do. We need these dollars to pay for the health care that Native Americans so desperately need and deserve.”**

The text of the Senator’s letter follows here.

February 12, 2008

David M. Walker
Comptroller General of the United States
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Comptroller General Walker:

The Indian Health Care Improvement Act provides direct authority for the Indian Health Service (IHS) to collect reimbursement for health care provided to American Indians/Alaska Natives from private insurance companies and other sources. Since the enactment of the reimbursement provision, the IHS has had a very difficult time collecting from private insurance companies despite enhancements in its computerized system, the Resource Patient and Management System (RPMS).

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It is my understanding that IHS has engaged in a practice of regularly writing off claims as uncollectible when claims are denied or when collection would involve considerable effort.

Given the size of the IHS system and the number of patients served, I am concerned that the IHS may be potentially under-collecting hundreds of millions of dollars from private sources and that taxpayers are picking up the tab for the difference.

I request that GAO perform a study that evaluates and analyzes the following:

- IHS accounting policy for writing off accounts receivable from third-party insurance and health maintenance organizations as uncollectible and a comparison of this policy to actual practice;
- processes and internal controls over billings and collections from third-party insurance and health maintenance organizations;
- IHS claims filed with third party private insurance and health maintenance organizations since 1995, exclusive of Medicare and Medicaid claims, including the amount of denied claims and the amount of claims written off; and
- information about denied claims according to area, facility, year, private organization, and denial reason or code.

Based on the above study, I also request that GAO make any recommendations necessary to improve IHS accounting systems, policies, and collection procedures to help ensure that IHS is collecting amounts that are rightfully due from private health providers and safeguarding the federal government's interests and financial funding for IHS programs.

Sincerely,

Max Baucus

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