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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20540

JAN 13 1972

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Dear Senator Proxmire:

This is in response to your request of October 5, 1971, that we look into the inquiry you received from James M. Wambach, D.D.S. Dr. Wambach believes that the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) is being used to provide dental care in excess of the intent of Congress and that information is being widely distributed to boost the program. He further questions the adequacy of safeguards over costs and the quality controls over, and lack of limitations on, dental care furnished under CHAMPUS.

The following information which is pertinent to the questions raised by Dr. Wambach is furnished.

THE PROGRAM

The Dependents' Medical Care Act authorized dependent spouses and children of active duty members of the uniformed services to receive medical care benefits from civilian physicians and hospitals. These benefits included services furnished on an inpatient basis only. The purpose of the act was to create and maintain high morale throughout the uniformed services by providing an improved and uniform program of medical care for members and their dependents. The Dependents' Medical Care Program (now CHAMPUS) became effective on December 7, 1956. CHAMPUS is administered by the Department of the Army from offices at Fitzsimons General Hospital, Denver, Colorado.

The Military Medical Benefits Amendments of 1966 (10 U.S.C. 1071) expanded CHAMPUS to provide additional medical care benefits. They also extended coverage from civilian sources to retired members and their dependents and to the dependents of deceased members. The amendments added outpatient care; drugs; and, for active duty personnel, a special program for care of eligible dependents who are moderately or severely mentally retarded or seriously physically handicapped. Specifically excluded were certain routine examinations and care and dental care, except for handicapping conditions and care furnished as a necessary part of medical or surgical treatment.

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According to the regulations, dental care may be obtained by eligible beneficiaries under the basic program or the program for the handicapped. Dental care under the basic program generally is limited to care required as a direct result of an accident or to adjunctive care; i.e., dental care required for the proper treatment of a medical or surgical condition. Routine dental care currently is not available under CHAMPUS.

Dental care during pregnancy, cited by Dr. Wambach, appears to fall under care authorized in the basic CHAMPUS program. The primary requirement for this type of care is a physician's recommendation that such care is a necessary part of medical or surgical treatment.

Under the program for the handicapped, certain dental conditions are included if they contribute to seriously impaired oral efficiency or serious facial malformation and deficiency which significantly limit one's functional capabilities compared with those of his peers. Care provided under the program for the handicapped is essentially orthodontic treatment.

COSTS

Costs for dental care during the last 3 fiscal years have been incurred mainly under the program for the handicapped, as shown below.

	Fiscal year		
	<u>1969</u>	<u>1970</u>	<u>1971</u>
Basic program dental costs	\$ 380,000	\$ 609,000	\$ 732,000
Program for the handicapped, dental costs	<u>2,026,000</u>	<u>4,103,000</u>	<u>7,042,000</u>
Total	<u>\$2,406,000</u>	<u>\$4,712,000</u>	<u>\$7,774,000</u>

SAFEGUARDS AND QUALITY CONTROLS

Legislation pertaining to the program for the handicapped has been liberally interpreted and applied in

approving care for the handicapped, and questionable approvals of care have increased the costs borne by the Government. The justification cited by CHAMPUS officials for the liberal interpretation of the law is that the purpose of the program is to create and maintain high morale throughout the uniformed services and that the law should be considered beneficial legislation.

Our past reviews of CHAMPUS have indicated that safeguards and quality controls pertaining to the approval of care and to the administration of CHAMPUS were weak. For example, the sole basis for determining whether a dental condition was a serious physical handicap was the Handicapping Labio-Lingual Deviations index which was filled out by the source of care.

This index is a direct adaptation of one developed and tested by the New York State Department of Health for possible use in its public assistance program. It was not adopted by New York State because testing in 1962 showed that it was unreliable unless the determinations were made by medical professionals. A study of the index by New York State showed a 20-percent misclassification, or one wrong case in every five. The originator of the index stated that the weighting factors employed by CHAMPUS were no longer considered of any benefit. CHAMPUS officials agreed that this criteria should be reevaluated.

DISTRIBUTION OF INFORMATION

The CHAMPUS information program has been deficient for many years. Authority and responsibility for developing and implementing a complete public information program was delegated in January 1969 by the Surgeon General, Department of the Army, to the Office of the Civilian Health and Medical Program of the Uniformed Services, which established a public affairs office that became operational in mid-1970.

Broad distribution of information to beneficiaries and to sources of care, in our opinion, has the desirable effects of acquainting more beneficiaries with the program and the

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benefits available, providing more sources of care, and being in consonance with the spirit of the enabling legislation. A further advantage is that the information program facilitates the proper completion of claim forms by beneficiaries. The percentage of rejected claims over the life of the program has been high and has caused extra administrative costs.

ROUTINE DENTAL CARE

Efforts have been under way for several years to expand CHAMPUS to include routine dental care. Since January 1971 three bills have been introduced in the House of Representatives on this subject (H.R. 7926, 1408, and 1013), and CHAMPUS officials have informally estimated that such an expansion might double the costs of the total program.

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The Committee on Appropriations, House of Representatives, has been interested in the increasing costs of CHAMPUS, and the Committee has recently announced that it will hold hearings on the program early in 1972. H

We trust that the information furnished will serve the purpose of your request, and, as requested, we are returning the enclosures forwarded with your letter of October 5, 1971. We have not requested written comments from the Department of Defense on the data we are providing with respect to Dr. Wambach's inquiry.

Sincerely yours,



Deputy Comptroller General
of the United States

Enclosures

The Honorable William Proxmire
United States Senate