DEFENSE HEALTH AGENCY

Improved Oversight of Contractors Needed to Better Ensure the Quality of TRICARE Network Providers

Report to Congressional Committees

September 2024
GAO-24-106434
United States Government Accountability Office

Accessible Version

GAO Highlights

View GAO-24-106434. For more information, contact Sharon M. Silas at (202) 512-7114, or silass@gao.gov
Highlights of GAO-24-106434, a report to congressional committees
September 2024

DEFENSE HEALTH AGENCY

Improved Oversight of Contractors Needed to Better Ensure the Quality of TRICARE Network Providers

Why GAO Did This Study

DHA and TRICARE East and West regional contractors are responsible for ensuring that the 1.1 million TRICARE network providers are competent to deliver quality health care to DOD beneficiaries.

Senate Report 117-130 accompanying the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 includes a provision for GAO to assess the quality assurance program for contracted TRICARE network providers. In this report, GAO assessed for network providers (1) TRICARE contractors' adherence to selected credentialing procedures and DHA's monitoring of the contractors; and (2) TRICARE contractors' exclusion of ineligible providers.

From the 1.1 million TRICARE network providers, GAO reviewed a sample of 100 credentials files for adherence to 12 required DHA and contractor credentialing procedures. GAO selected the files based on TRICARE region size and provider type. GAO also analyzed information from three federal exclusionary and adverse action databases. GAO interviewed DHA officials and TRICARE contractors.

What GAO Recommends

GAO is making three recommendations for DHA to (1) improve its monitoring of the contractors, (2) clarify whether and when contractors should exclude providers with DHA adverse actions, and (3) implement a mechanism for the contractors to identify or receive complete information about DHA adverse actions. DHA concurred with all three recommendations.

What GAO Found

The Department of Defense's (DOD) Defense Health Agency (DHA) oversees TRICARE, its regionally structured health care program, and the managed care support contractors for the two U.S. TRICARE regions—East and West. DHA requires the contractors to verify the credentials of TRICARE providers prior to allowing them in the network and at least every 3 years thereafter. This includes querying federal databases, such as the National Practitioner Data Bank, that contain information about adverse actions taken against providers, some of which may be disqualifying. The TRICARE contractors can delegate these responsibilities for verifying providers' credentials to other entities.

GAO reviewed a nongeneralizable sample of 100 TRICARE network provider credentials files and found that the TRICARE contractors generally adhered to 12 selected procedures when credentialing providers from 2018 through 2023. However, the adherence rate was lower for some procedures GAO reviewed. For example, one contractor did not always document verification that the providers in GAO's review were not listed in a federal database of providers excluded from participating in federal programs. Overall, GAO found that about half of the files it reviewed

with at least one deficiency were credentialed by delegated entities, and that DHA does not have a mechanism to assess contractors' oversight of delegated entities.

GAO also compared the full list of 1.1 million TRICARE providers to the database of excluded providers and reviewed a sample of 42 TRICARE network providers reported to the National Practitioner Data Bank. GAO found six providers in the TRICARE network that should have been ineligible to participate. (See figure.) As of June 2024, of the six providers in GAO's review found ineligible to participate, two providers in the database of excluded providers had been removed from the TRICARE network, one provider in the National Practitioner Data Bank had left the network, and the other three providers' licenses were no longer restricted.

Results of GAO Comparison of TRICARE East and West Provider Network Lists Against Databases for Ineligible Providers, by Database and TRICARE Contractor (2023)

Federal database	TRICARE East	TRICARE West	Total number of ineligible providers identified
List of Excluded Individuals and Entities	0	2	2
National Practitioner Data Bank adverse licensure actions	1	3	4

Source: GAO analysis. | GAO-24-106434

GAO also found that TRICARE contractors credentialed an additional nine providers who had previous DHA adverse actions taken against them. GAO found that DHA (1) has not established policy on whether and when to exclude providers with DHA adverse actions from the TRICARE network, and (2) lacks a mechanism to inform contractors about these actions. Without such clarification and information, DHA may be placing TRICARE beneficiaries at risk for receiving care that does not meet DOD's quality and safety standards by allowing these providers in the network.

Contents

Figure

Abbreviations

DEA	Drug Enforcement Administration
DHA	Defense Health Agency
DOD	Department of Defense
HHS	Department of Health and Human Services
NPDB	National Practitioner Data Bank
OIG	Office of Inspector General
VA	Department of Veterans Affairs

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

September 23, 2024

The Honorable Jack Reed
Chairman
The Honorable Roger Wicker
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mike Rogers
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Department of Defense (DOD) offers health care services to more than 9 million eligible beneficiaries through TRICARE, its regionally structured health care program. TRICARE beneficiaries may obtain health care services through DOD's direct care system of military medical treatment facilities or from its private-sector-care system of civilian providers administered by two managed care support contractors (contractors). Within DOD, the Defense Health Agency (DHA) administers the TRICARE program, including supporting the delivery of high-quality health services and overseeing the contractors for the two U.S. TRICARE regions, East and West.

The TRICARE contractors are responsible for ensuring that the 1.1 million health care providers in the TRICARE network are qualified and competent to deliver health care. To help ensure TRICARE has providers that will produce the best outcomes for its beneficiaries, the contractors credential providers prior to allowing them to participate in the network. Credentialing is the process of collecting and reviewing information to determine whether the provider has suitable abilities and experience to deliver quality health services; information reviewed may include a provider's professional education and training, licensure or certification, work history, and other components of a provider's professional background.

As part of credentialing, the contractors are required to follow certain procedures, such as querying federal databases for potentially adverse information regarding a provider. Such adverse information could include paid medical malpractice claims or adverse actions against the provider's license. Some information that can be found in these databases, such as the loss or restriction of a provider's medical license, can be disqualifying. TRICARE contractors are responsible for establishing and maintaining an accredited provider credentialing program, which helps ensure that ineligible providers are not allowed to participate in the network.

Senate Report 117-130 accompanying the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 includes a provision for us to assess the quality assurance program for the contracting of civilian medical providers in the TRICARE network. In this report, we assess:

1. TRICARE East and West contractors' adherence to selected established procedures for credentialling network providers,
2. TRICARE East and West contractors' exclusion of ineligible providers, and
3. DHA's monitoring of contractor adherence to established credentialing procedures.

To assess TRICARE East and West contractors' adherence to selected established procedures for credentialing network providers, we reviewed a sample of TRICARE network provider credentials files.[1] To develop our sample, we requested a list of network providers from both the TRICARE East and West contractors.[2] From these lists, we selected a nongeneralizable sample of 100 providers to assess documentation in their credentials files for adherence to 12 selected established TRICARE contractor credentialing procedures. We selected these 12 requirements to include those that would exclude providers from participation, as well as requirements that apply at both initial credentialing and recredentialing.

To assess the TRICARE contractors' exclusion of ineligible providers, we selected a nongeneralizable sample of an additional 53 providers with certain types of adverse information. For these 53 providers, we reviewed documentation in their credentials files to determine how the contractors factored disqualifying adverse information (such as a revoked license) into their credentialing decisions and whether ineligible providers were excluded. To identify the sample of 53 providers, we compared the full list of 1.1 million TRICARE network providers, from both regions, against three sets of databases:

- **federal exclusionary databases** that identify providers who are excluded from participating in federally funded health care programs, such as TRICARE as of April 10, 2023. From the list of 1.1 million total network providers, we identified 14 providers that were listed in TRICARE network directories and in either of these exclusionary databases, and made covert calls to determine whether these potentially ineligible providers were accepting TRICARE insurance. From these 14 providers, we identified two that were listed as participating in the network and we reviewed these two providers' credentials files.[3]
- **National Practitioner Data Bank (NPDB) data** on certain licensure and certification actions taken by states and U.S. territories against providers in the TRICARE network, as of July 2023. From the list of 1.1 million total network providers, we identified about 8,000 potential matches. We selected a sample of 42 providers based on factors such as the type of action and the TRICARE region.
- **DHA adverse action data** (i.e., clinical adverse actions and criminal convictions related to health care), reported from January 1, 2018, to March 31, 2023, and extracted by DHA, with military department assistance, from DOD's credentials database. From the list of 1.1 million total network providers, we identified an additional nine TRICARE network providers with DHA adverse actions, and reviewed these nine providers' credentials files.

We also conducted interviews with officials from DHA and officials from both the TRICARE East and West region contractors to obtain information about their implementation of credentialing requirements and provider participation exclusion criteria. We assessed each of the provider case studies against TRICARE contractor

[1]We selected a nongeneralizable sample of 100 TRICARE network provider credentials files to reflect consistency with TRICARE network provider distribution in both regions by selecting 70 from the TRICARE East region and 30 from the TRICARE West region. For additional information on the factors that we sought to capture in this sample, see Appendix I.

[2]The TRICARE West provider list was as of April 4, 2023. The TRICARE East provider list was as of June 1, 2023.

[3]Credentials files include the providers' applications, as well as documentation of other credentialing procedures, such as verification of the providers' licenses.

established credentialing procedures and assessed DHA procedures against federal internal control standards related to risk assessment.[4]

To assess DHA's monitoring of contractor adherence to credentialing procedures, we reviewed DHA oversight and review of deliverables required by the TRICARE East and West region contracts, as well as assessed DHA's oversight of the credentialing process. We interviewed officials from DHA and the TRICARE contractors about DHA's oversight procedures. We also assessed whether DHA monitoring was consistent with federal internal control standards related to monitoring activities.[5] See appendix I for additional details on our methodology, including how we selected providers for our samples and the criteria we used to review the provider credentials files and to conduct the case studies.

We conducted this performance audit from November 2022 to September 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We conducted our related investigative work in accordance with investigation standards prescribed by the Council of the Inspectors General on Integrity and Efficiency.

Background

TRICARE

DOD contracts with private sector companies—referred to as managed care support contractors—to maintain a network of TRICARE community providers. Contractors are required to meet certain quality standards for the region of the network they oversee by employing quality assurance processes, such as provider credentialing.

Within DOD, DHA administers the TRICARE program, including overseeing the managed care support contracts and setting policy for both the direct and private-sector-care systems. In 2016, DHA awarded the fourth generation of TRICARE contracts (also known as the T-2017 contracts) to Humana Government Business (Humana) for TRICARE East and to Health Net Federal Services for TRICARE West.[6]

Credentialing in TRICARE

Initial credentialing. For providers in its TRICARE network, DHA establishes broad credentialing requirements via DHA policies and its contracts for the TRICARE East and West regions. By contract, the

[4]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 2014). Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

[5]GAO-14-704G.

[6]The next generation of TRICARE contracts (T-5 contracts) were awarded in December 2022 to Humana for TRICARE East and TriWest Healthcare Alliance for TRICARE West. The start of T-5 health care delivery is January 2025, according to DHA officials.

contractors are to be accredited by URAC, a nationally recognized accrediting organization.[7] Both contractors are accredited by URAC and must adhere to URAC's credentialing standards to remain accredited. Consistent with URAC credentialing standards, contractors are required to verify TRICARE network providers' credentials during initial credentialing and recredentialing at least every 3 years.

Further, under the TRICARE contracts, each provider needs to meet certain minimum qualifications, such as maintaining a current, valid, unrestricted professional license (or certification if not a licensed provider) at the full clinical practice level in the state(s) where services are being rendered.[8] Further, contractors establish their own additional credentialing procedures and policies for TRICARE network participation in instances where DHA policy and the TRICARE contracts are silent.

The contractors' credentialing procedures for provider participation in the TRICARE network include verifying professional qualifications, such as state medical licenses or certifications, professional education, and board certifications, and verifying privileges to render care at medical facilities, if held by the provider.[9] During credentialing, the contractors also are required to check for a history of adverse actions taken against the provider by various entities by reviewing provider disclosures, conducting a criminal history screening, and querying federal databases, which may contain information that renders the provider ineligible for network participation. As part of this process, contractors query the following federal databases:

- *the National Practitioner Data Bank* (NPDB). The NPDB is an electronic repository administered by the U.S. Department of Health and Human Services (HHS) that collects and releases information on providers such as those who have been disciplined by a state licensing board or have a paid malpractice claims history.[10] The NPDB also includes information about adverse actions that have been taken by health care entities against a provider, including any adverse actions taken by DHA. Appearing on the NPDB is not necessarily disqualifying for participation in TRICARE.
- *federal exclusionary databases.* The *List of Excluded Individuals and Entities* and the System for Award Management databases are administered by the HHS Office of Inspector General (OIG) and the General Services Administration, respectively. These databases track providers who are excluded from participating in federally funded health care programs for a variety of reasons, such as convictions for Medicare fraud or patient abuse. Unlike the NPDB, appearing on these federal exclusionary databases automatically disqualifies a provider from participation in federally funded health care programs in any capacity, including TRICARE.

[7]URAC is a nonprofit organization that develops evidence-based measures, standards, and guidelines for the purpose of improving the quality of health care. URAC was originally incorporated under the name Utilization Review Accreditation Commission; that name was shortened to URAC in 1996.

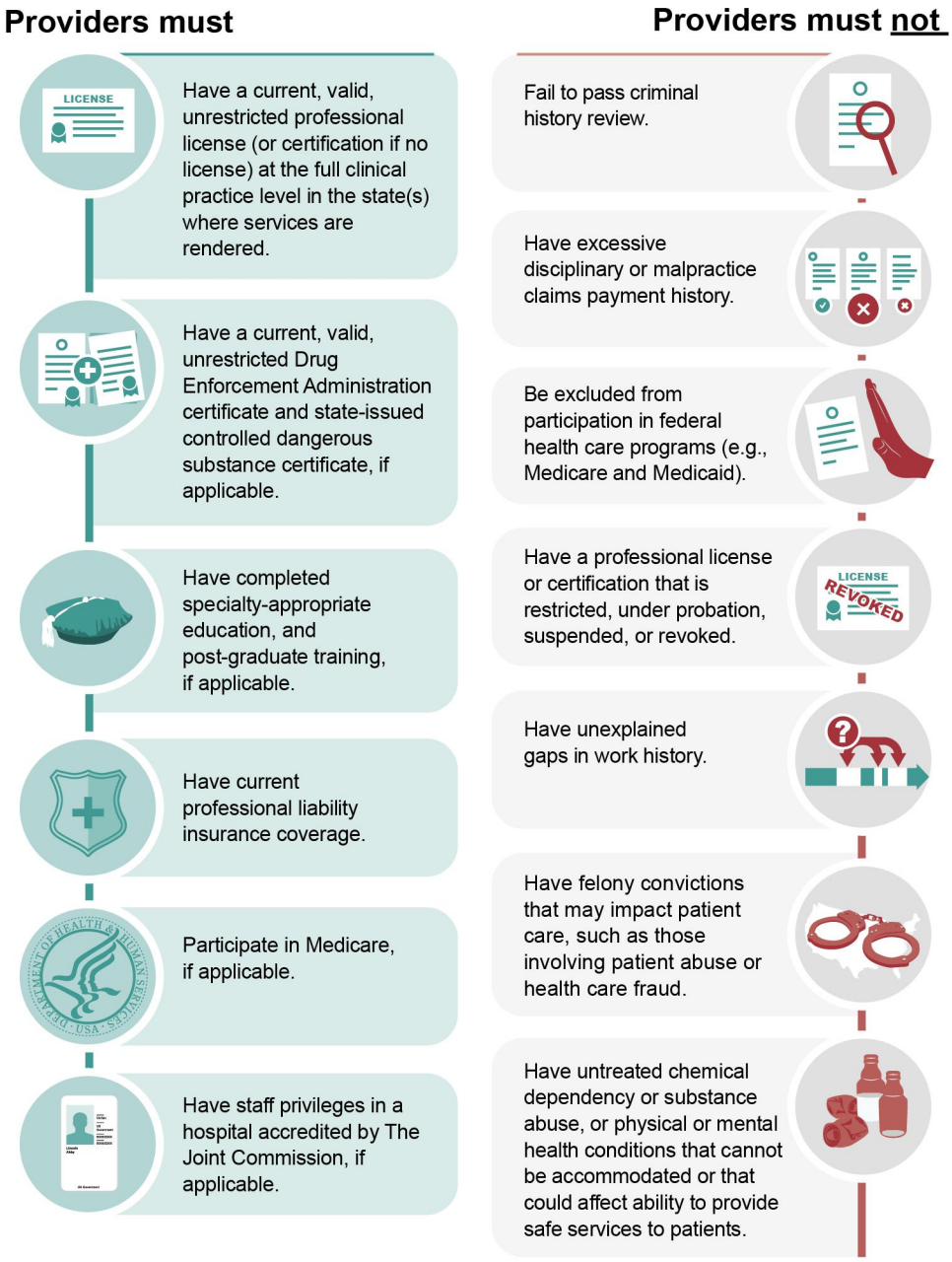
[8]Full clinical practice level is defined as an unrestricted license that is not subject to limitations on the scope of practice ordinarily granted all other applicants for a similar specialty in the granting jurisdiction.

[9]Privileges are the specific set of clinical services that a provider is approved to perform independently at a medical facility, based on the provider's education, professional license, experience, competence, ability, health, and judgment. Adverse privileging actions either limit the care providers are allowed to deliver at a facility or prevent the provider from delivering care at that facility altogether.

[10]Established by Congress in 1986, the NPDB is a workforce tool that prevents practitioners from moving state to state for employment without disclosure or discovery of previous damaging performance. The NPDB collects and releases information on providers who have been disciplined by a state licensing board, professional society, or health care entity, such as a hospital, or who have been named in a medical malpractice settlement or judgment, among other things. Industry standards call for health care entities to query the NPDB to determine if a provider has a history of substandard care and misconduct before appointing a provider to the entity's medical staff and when renewing appointments.

See figure 1 for a summary of TRICARE network provider participation requirements and disqualifying factors.

Figure 1: Selected Credentialing Requirements for TRICARE Network Providers



Source: GAO analysis of federal regulations, Defense Health Agency policies, and TRICARE contracts and contractor policies; Department of Health and Human Services (seal), GAO (illustrations). | GAO-24-106434

Accessible Data for Figure 1: Selected Credentialing Requirements for TRICARE Network Providers

Providers must	Providers must not
• Have a current, valid, unrestricted professional license (or certification if no license) at the full clinical practice level in the state(s) where services are rendered. • Have a current, valid, unrestricted Drug Enforcement Administration certificate and state-issued controlled dangerous substance certificate, if applicable. • Have completed specialty-appropriate education, and post-graduate training, if applicable. • Have current professional liability insurance coverage. • Participate in Medicare, if applicable. • Have staff privileges in a hospital accredited by The Joint Commission, if applicable.	• Fail to pass criminal history review. • Have excessive disciplinary or malpractice claims payment history. • Be excluded from participation in federal health care programs (e.g., Medicare and Medicaid). • Have a professional license or certification that is restricted, under probation, suspended, or revoked. • Have unexplained gaps in work history. • Have felony convictions that may impact patient care, such as those involving patient abuse or health care fraud. • Have untreated chemical dependency or substance abuse, or physical or mental health conditions that cannot be accommodated or that could affect ability to provide safe services to patients.

Source: GAO analysis of federal regulations, Defense Health Agency policies, and TRICARE contracts and contractor policies; Department of Health and Human Services (seal), GAO (illustrations). I GA0-24-106434

While some types of adverse information are automatically disqualifying, such as a restriction on a current license, other information is not. After contractors verify providers' credentialing information, they evaluate and categorize all provider applications into one of the following three categories based on the level of adherence to network participation and eligibility requirements:

- ***Clean applications.*** These applications meet all requirements and do not require additional review.
- ***Applications requiring further review.*** These applications contain potentially adverse information that is not disqualifying but warrants further review by the contractors' medical directors and the credentials committees. For example, applications that contain non-disqualifying licensure actions or medical malpractice payments.
- ***Applications not meeting minimum eligibility requirements.*** These applications are denied and providers are excluded from participation in the TRICARE network. For example, applications that contain disqualifying disciplinary actions or sanctions, such as being listed in federal exclusionary databases.

Recredentialing. When providers apply to be recredentialed, contractors must check for any changes in qualifications and eligibility. For example, contractors are required to reverify the provider's licenses and query federal databases. Contractors do not need to reverify information that does not change, such as the provider's professional education, training, and work history prior to joining the TRICARE network.

Delegation. TRICARE East and West contractors may contract out credentialing responsibilities for certain providers with other entities (we refer to these in this report as delegated entities) using what TRICARE

contractors refer to as delegation agreements.[11] These agreements are typically used to approve groups of providers for participation in the network who have already undergone credentialing by the delegated entity. The delegation agreements require the delegated entity to follow the same credentialing standards as the TRICARE contractors, and the TRICARE contractors maintain responsibility for conducting oversight of the delegated entities.

Continuous monitoring. In addition to initial credentialing and recredentialing, TRICARE East and West contractors are responsible for continuously monitoring the eligibility of providers to participate in the network. Both TRICARE East and West contractors monitor certain credentials on an ongoing basis to ensure that all providers continue to meet the conditions of network participation between 3-year recredentialing cycles. For example, TRICARE East and West contractors monitor the federal exclusionary databases to identify any network providers who were recently added.

TRICARE Contractors Generally Followed Selected Credentialing Procedures for Files We Reviewed

Our review of credentialing documentation for 100 TRICARE network providers found that when credentialing network providers from 2018 through August 2023, the TRICARE contractors generally adhered to the 12 selected credentialing procedures we reviewed.[12] The adherence rate was lower for one or both contractors for some credentialing procedures we reviewed. For example, for the 100 total providers we reviewed, both contractors did not always document verification of providers' professional state licensure or certifications for all states in which the providers (two providers from each contractor) held licenses. Of the 70 TRICARE East providers we reviewed, five files did not have documentation showing verification of the providers' absence from the HHS OIG *List of Excluded Individuals and Entities*. Of the 30 TRICARE West providers we reviewed, seven files did not have documentation showing verification of the providers' status on the NPDB. (See table 1 for additional information about 12 credentialing requirements we reviewed and deficiencies we identified among 100 TRICARE network providers.)

Table 1: Contractor Adherence to 12 Selected Credentialing Procedures for 100 Network Providers GAO Reviewed, by TRICARE Contractor

Credentialing procedure	TRICARE East (Number adhering to procedures/number reviewed)	TRICARE West (Number adhering to procedures/number reviewed)
Verified the professional state licensure and/or certification for all states in which the provider holds licenses	68/ 70	28/ 30

[11]Use of delegation agreements is consistent with URAC standards, which state that an organization may delegate credentialing functions but retains accountability for the delegated entity's compliance with URAC credentialing standards, as well as authority to make the final credentialing determination for any provider.

[12]We reviewed credentials files from the contractors for each of the 100 selected providers. Credentials files include the providers' applications, as well as documentation of other credentialing procedures, such as verification of the providers' licenses. Our adherence assessments were based on whether steps were documented, although it is possible that a contractor may have completed a procedure but not documented it or failed to provide documentation. We followed up with the contractors after our initial review to request any missing documentation.

Credentialing procedure	TRICARE East (Number adhering to procedures/number reviewed)	TRICARE West (Number adhering to procedures/number reviewed)
Verified the provider's National Practitioner Data Bank (NPDB) report status	70/ 70	23/ 30
Verified the provider's absence from the *List of Excluded Individuals and Entities*	65/ 70	29/ 30
Verified the provider's absence from the System for Award Management	65/ 70	22/ 30
Verified the provider's professional medical liability insurance	70/ 70	28/ 30
Received the provider's signed attestation statement	68/ 70	27/ 30
Verified the provider's board certification, if applicable	46/ 49	22/ 22
Verified the provider's Drug Enforcement Administration (DEA) certification, if applicable	55/ 55	23/ 24
Verified the absence of felony convictions for providers undergoing initial credentialing[a]	26/ 26	12/ 16
Verified education and/or training for providers undergoing initial credentialing[a]	24/ 26	16/ 16
Verified professional work history, and an explanation of any gaps for providers undergoing initial credentialing[a]	25/ 26	16/ 16
Verified hospital privileges and/or affiliations, if applicable[b]	51/ 52	24/ 25

Source: GAO analysis of TRICARE network provider credentials files. | GAO-24-106434

Notes: We selected 100 TRICARE network providers credentialed between 2018 and August 2023, to reflect consistency with TRICARE network provider distribution in both regions by selecting 70 network providers from the TRICARE East region (Humana Government Business) and 30 from the TRICARE West region (Health Net Federal Services). Not all established credentialing procedures are applicable to all 100 providers.

[a]According to the contractors' procedures for credentialing, the contractors are only required to verify these credentialing elements during initial credentialing. Of the 100 providers reviewed, 42 were for providers undergoing initial credentialing: 26 from TRICARE East and 16 from TRICARE West.

[b]According to DOD policy, privileged health care providers include physicians; physician assistants; nurse practitioners; and certain other medical professionals with credentials that allow for independent diagnosis or treatment of specific medical conditions. Not all providers included in our sample had hospital privileges. Of the 100 providers we reviewed, 77 were for providers who had hospital privileges or affiliations: 52 from TRICARE East and 25 from TRICARE West.

In total, we found that about half of the files we reviewed that had at least one credentialing deficiency were credentialed by delegated entities. More than half of TRICARE network provider credentialing is conducted by delegated entities, according to both TRICARE contractors.[13] Later in this report, we discuss DHA's monitoring of TRICARE contractors' and delegated entities' adherence to credentialing procedures.

TRICARE Contractors Did Not Always Exclude Ineligible Providers or Those with DHA Adverse Actions Taken against Them

TRICARE Contractors Did Not Exclude Six Ineligible Providers We Identified

We identified six providers in the TRICARE network that should have been ineligible to participate in the network based on contractor credentialing procedures. Specifically, we compared the entire TRICARE East

[13]TRICARE East officials estimate that approximately 60 percent of credentialing is performed by a delegated entity; TRICARE West officials estimate that 56 percent of credentialing is performed by a delegated entity.

and West network lists of 1.1 million providers to federal exclusionary databases and found two providers on the *List of Excluded Individuals and Entities* that the TRICARE West contractor did not properly exclude.

Additionally, we reviewed a nongeneralizable sample of 42 TRICARE East and West providers with adverse licensure action reports in the NPDB and found four providers with disqualifying actions against their medical licenses that the TRICARE East and West contractors did not exclude.[14] See table 2.

Table 2: GAO Review of TRICARE East and West Network Provider Lists against Federal Databases to Identify Ineligible Providers, by Database and TRICARE Contractor

na	Number of ineligible providers identified	Number of ineligible providers identified	na
Database	**TRICARE East**	**TRICARE West**	**Total number of ineligible providers identified**
List of Excluded Individuals and Entities[a]	0	2	2
National Practitioner Data Bank (NPDB) adverse licensure action reports[b]	1	3	4
Total	1	5	6

Source: GAO analysis of TRICARE network provider lists and federal data. | GAO-24-106434

[a]We compared the entire list of TRICARE East (approximately 807,000 providers) and TRICARE West (approximately 338,000 providers) network providers to the Department of Health and Human Services Office of Inspector General's *List of Excluded Individuals and Entities* as of April 2023. TRICARE West contractor officials told us that the two providers we identified on the list were included in their credentials database and the TRICARE network list by mistake and, as of June 2024, had been removed.

[b]The Department of Health and Human Services performed a matching analysis of the entire list of TRICARE East and West network providers against its database to identify providers with an adverse licensure action report in the NPDB as of July 2023. We selected a sample of 42 providers (23 from TRICARE East and 19 from TRICARE West) from the results to include variation in the provider type and specialty, as well as geographic location across the TRICARE regions. We reviewed credentials files for the 42 providers to determine whether the adverse licensure action was disqualifying, based on TRICARE East and West contractor credentialing procedures.

Three of the six ineligible providers the contractors did not exclude became ineligible after the contractor's approval of the providers' most recent credentialing decisions. The fact that they were not identified raises questions about the effectiveness of the contractor's ongoing monitoring process and creates potential patient safety risks by allowing ineligible providers to continue participating in the TRICARE network.

For the two providers we identified on the *List of Excluded Individuals and Entities*, TRICARE West officials stated that a "system issue" and a "human error" resulted in the two providers not being removed from their credentialing system after they became ineligible to participate in the TRICARE network.[15] Additionally, for a provider whose license was revoked after their most recent credentialing, TRICARE West officials stated that they did not receive a report until after the provider had left the network. TRICARE East officials stated that they are conducting a review of their internal review process to identify solutions to prevent overlooked sanctions.

[14]When we followed up with the TRICARE contractors in June 2024 about the four providers with disqualifying licensure actions in the NPDB, we found that three of the licenses were no longer restricted or on probation and the other provider had already left the network. For the other 38 providers we reviewed, we found that the adverse licensure actions that were reported to the NPDB were not disqualifying.

[15]TRICARE West officials told us in June 2024 that the two providers on the *List of Excluded Individuals and Entities* had been removed from the network directory on the TRICARE website.

TRICARE Networks Included Nine Providers against Whom DHA Has Taken Adverse Actions

We identified nine providers in the TRICARE network as of March 2023 whose ability to practice in the Military Health System had been previously limited or revoked by DHA. For example, the networks included four providers whose clinical privileges or authority to practice in a military medical treatment facility were revoked based on quality or safety concerns.[16] See table 3.

Defense Health Agency's Adverse Actions Procedures

When concerns about a provider's care arise, the Defense Health Agency's (DHA) adverse action procedures begin with the temporary removal of all or a portion of a provider's authority to practice, followed by a quality assurance investigation, and subsequent reviews and opportunities for provider appeal at the facility and DHA-level. If concerns are substantiated, the process may result in a clinical adverse action against the provider, such as reduction, restriction, or revocation of their authority to practice in the military medical treatment facility. Final DHA decisions to take an adverse action are reportable to the National Practitioner Data Bank and state(s) of licensure.

Source: GAO summary of DHA procedures. I GAO-24-106434

[16]In June 2024, the TRICARE West contractor removed two of the four providers from its network after we identified the DHA adverse actions. TRICARE West officials also told us that another one of the four providers we identified had already been removed from the network due to an expired license. The TRICARE West contractor did not remove the fourth provider because at the time of our request, the provider had been reinstated by DHA. The TRICARE East contractor did not remove any of the five providers that we identified in our review because these providers were still eligible to participate in the network.

Table 3: Number of TRICARE Network Providers with Final DHA Adverse Action Decisions by Action Type and U.S. TRICARE Region, as of July 2023

	Number of providers by type of final DHA adverse action decision[a]				
TRICARE Region	**Revocation of clinical privileges/practice[b]**	**Reduction of clinical privileges/practice[c]**	**Restriction of clinical privileges/ practice[d]**	**Permanent suspension of clinical privileges/ practice[e]**	**Total**
TRICARE East	2	1	1	1	5
TRICARE West	2	0	2	0	4[f]

Source: GAO analysis of data from the Defense Health Agency (DHA) and Military Departments. | GAO-24-106434

[a]DHA's adverse action procedures include multiple reviews and due process proceedings. Such actions may be based on misconduct, impairment, incompetence, or any conduct that adversely affects, or could adversely affect, the health or welfare of a patient. Final DHA decisions to take an adverse action are reportable to the National Practitioner Data Bank and state board(s) of licensure.

[b]Revocation is the permanent removal of all of a provider's clinical privileges or ability to practice.

[c]Reduction is the permanent removal of a portion of a provider's clinical privileges or ability to practice.

[d]Restriction is a temporary or permanent limit placed on provider's clinical privileges or ability to practice.

[e]While summary suspension is generally the temporary removal of all or a portion of a health care provider's privileges or ability to practice, taken during the clinical adverse action process, this provider left DHA while under summary suspension, resulting in an action of permanent suspension of clinical privileges.

[f]In June 2024, the TRICARE West contractor removed from its network two of the providers after we identified the DHA adverse actions. TRICARE West officials also told us that another one of the four providers we identified had already been removed from the network due to an expired license. The TRICARE West contractor did not remove the fourth provider because at the time of our request, the provider had been reinstated by DHA. The TRICARE East contractor did not remove any of the five providers that we identified in our review because these providers were still eligible to participate in the network.

Allowing providers whom DHA has identified with quality and safety concerns to deliver care in the community through TRICARE creates risk to beneficiaries. Federal internal control standards call for management to identify, analyze, and respond to risks related to achieving defined objectives.[17] Not excluding providers with DHA adverse actions, or at least routinely documenting consideration of such information, could raise questions about the quality and safety of care that TRICARE beneficiaries may receive in the community.

We identified two reasons that the TRICARE contractors allowed in the network providers who had previous DHA adverse actions taken against them:

1. DHA has not clarified in policy whether and under what circumstances the TRICARE contractors should exclude providers with DHA adverse actions from TRICARE network participation.[18]
2. DHA does not have a mechanism for providing complete and timely information to the contractors about DHA adverse actions at the time of credentialing.

No DHA policy on prior DHA adverse actions. DHA has not established policy clarifying whether and under what circumstances the TRICARE contractors should exclude providers against whom DHA has taken adverse

[17]GAO-14-704G.

[18]Comparatively, the Department of Veterans Affairs (VA), in accordance with the VA MISSION Act of 2018, prohibits contractors from including providers in its community care network who, among other things, have been removed from employment with the VA due to conduct that violated VA policy relating to the delivery of safe and appropriate health care or have been suspended from employment with the VA. Pub. L. No. 115-182, § 108, 132 Stat. 1393, 1416 (2018). For our review of the Department of Veterans Affairs' implementation of this requirement, see GAO, *Veterans Community Care Program: Immediate Actions Needed to Ensure Health Providers Associated with Poor Quality Care Are Excluded*, GAO-21-71 (Washington, D.C.: Feb. 1, 2021).

actions. DHA relies on the contractors to establish their own procedures regarding DHA adverse actions. However, the two contractors' procedures on DHA adverse actions are inconsistent:

- In August 2023, the TRICARE West contractor established a procedure to exclude providers who had been removed from providing care in the military or from providing care through VA health care programs for clinical performance issues. TRICARE West officials said these providers would be removed from the network during their next recredentialing cycle.
- The other contractor, TRICARE East, does not have procedures for consideration of adverse actions against a provider's privileges from DHA, VA, or any other health care entity in credentialing decisions.[19]

No DHA mechanism to inform contractors about adverse actions DHA has taken against providers. Further, even if DHA clarifies credentialing procedures for adverse actions, DHA does not have a mechanism for contractors to receive complete and timely information about adverse actions DHA has taken in the past against providers. When we asked the contractors about the providers we identified, officials from both TRICARE East and West told us that DHA did not notify them about the actions. As previously noted, one of the contractors removed two of the providers with adverse actions from its network following our inquiry.

Absent a mechanism for contractors to receive this information, contractors may become aware of adverse actions DHA has taken against providers in a few ways, each of which contain limitations, as described below:[20]

- **DHA notification to external entities.** DHA procedures state that when a DOD military medical treatment facility removes a provider from care to investigate concerns—in a process known as summary suspension—DHA's permission for the provider to practice outside of that military medical treatment facility is revoked, and the facility must notify any other DOD or external entity where the provider has DHA's permission to practice. However, we reported in April 2024 that DOD military medical treatment facilities were not always conducting these required notifications to external entities.[21] As a result of such instances of reporting limitations, contractors must rely on provider disclosure on applications or wait for such information to be reported to the NPDB.
- **DHA reporting to the NPDB.** DHA is required to report summary suspensions over 30 days and final adverse actions to the NPDB. However, TRICARE contractors may not become aware of any such reports until they query the NPDB as part of the 3-year recredentialing cycle.[22] Additionally, we reported in April

[19]In November 2023, the TRICARE East contractor considered creating a requirement to explicitly require the credentials committee to review initial credentialing and recredentialing files for providers with adverse privileging actions reported to the NPDB by both DHA and other health care entities. However, as of June 2024, the TRICARE East contractor has not revised its procedures.

[20]DHA officials and TRICARE East and West contractors said that DHA may communicate concerns about individual providers through meetings or quality reports. However, these reports are not routine.

[21]Specifically, we recommended that DHA should, among other things, modify its monitoring to capture adherence to the requirement to notify other entities of a provider's summary suspension. For our review of DHA's implementation of its clinical adverse action procedures, including reporting providers to the NPDB, see GAO, *Military Health Care: DOD Should Improve Its Process for Clinical Adverse Actions against Providers,* GAO-24-106107 (Washington, D.C.: April 11, 2024).

[22]One of the two TRICARE contractors is enrolled in the NPDB continuous query, which notifies the contractor when there is a new NPDB report for one of their enrolled providers. This contractor would have more timely information about NPDB reports, once DHA submits them.

2024 that DHA did not always submit required reports or do so within the required 30-day time frame.[23] These reporting delays mean that TRICARE contractors may not have timely information about actions the agency has taken to limit or prohibit the provider's ability to deliver care at DOD military medical treatment facilities.

- **Provider disclosure.** Providers are required to disclose on their applications any history of adverse actions taken against them. However, four of the nine providers we reviewed did not disclose their DHA adverse actions, and for one other provider, the final DHA adverse action occurred after the contractor approved the provider.

Without complete and timely information, DHA may risk beneficiaries receiving care that is below DOD's quality and safety standards by allowing providers with DHA adverse actions to participate in the TRICARE network. For example:

- For one provider in our review of TRICARE network providers, DHA reduced the provider's privileges so the provider could no longer deliver care to minors. According to the NPDB report, this DHA action was based on inappropriate sexual behavior involving minors outside of the workplace. DHA took this action while the provider was already in the TRICARE network. When the provider was recredentialed by the TRICARE contractor's delegated entity almost 3 years after the final DHA action, the provider did not disclose the action. However, the credentials file included a copy of DHA's report to the NPDB, as well as the credentials committee's approval of the provider's recredentialing. DHA and contractor policies do not prohibit this provider from participating in the network and contractor officials confirmed that the provider is not limited to treating adult DOD beneficiaries under TRICARE.
- For another provider in our review, DHA restricted the provider's privileges to allow for a temporary period of supervised practice and remediation. This provider underwent initial TRICARE contractor credentialing and was approved for network participation less than three months after the DHA adverse action. Although DHA reported the restriction to the NPDB, the provider did not disclose the action and there is no evidence that the TRICARE contractor's credentials committee considered it as part of the approval. DHA policies do not prohibit this provider from participating in the network, nor did the contractor at the time of the credentialing decision. Contractor officials confirmed that this provider is not subject to supervision when delivering care to DOD beneficiaries under TRICARE.

Establishing a mechanism for the TRICARE contractors to obtain complete and timely information about adverse actions would help ensure that they have access to information that may impact a provider's ability to provide safe, high-quality care in the TRICARE network.

[23]Specifically, we recommended that DHA should, among other things, strengthen its monitoring of DHA's timeliness in completing steps in the clinical adverse action process, which includes reporting providers to the NPDB. See GAO-24-106107.

DHA Monitors Contractors' Credentialing Procedure Adherence, but Does Not Have Mechanisms to Assess Contractors' Oversight of Delegated Entities

DHA Monitors TRICARE East and West Contractors' Adherence to Contract Procedures through Contractor-Performed Audits and Attendance at Contractor Committee Meetings

The T-2017 TRICARE contracts require contractors to annually submit a Provider Credentialing and Privileging File Audit Report for DHA review. During the audits the contractors assess the extent to which they complied with URAC credentialing requirements and contractor policies related to credentialing, such as whether a provider's license and relevant Drug Enforcement Administration certificate was valid at the time of credentialing. In these annual audits, contractors and DHA officials work together to select a sample of credentials files for the contractor to audit.[24] Specifically, officials from DHA's TRICARE Health Plan Office select an audit sample from a contractor-provided list of network providers who were credentialed directly by the contractor in the year since the last audit.[25] If there are findings or deficiencies identified during the annual file audits, the contractors are responsible for submitting a Corrective Action Plan to DHA.

In reviewing files, DHA officials stated that they follow URAC credentialing requirements and their own clinical expertise in determining which file elements to review. If DHA officials and TRICARE East and West contractors identify a deficiency that can be corrected immediately at the time of the audit, they do so but continue to identify it as a deficiency. Otherwise, contractors must create a corrective action plan to address deficiencies, per the TRICARE Operations Manual.

- Contractors must send a written corrective action plan to DHA within 5 days of completing the audit and must outline the files found as noncompliant.
- Within 30 days of completing the audit, contractors must correct all the deficiencies identified to reach full compliance.

According to DHA officials, contractors generally pass these audits with high scores, and deficiencies are rare. However, our more targeted review of credentials files of providers that appeared in the NPDB or DHA adverse action data identified deficiencies in the contractors' credentialing process and raises concerns about the process used for DHA oversight of the contractors.

[24]The contractor is required to sample a certain number or percentage of network provider files and meet a minimum threshold percentage of compliance. According to DHA officials, the audit sample is selected to include a mix of newly credentialed and recredentialled providers, and occasionally targets a specific provider type. The sample also contains a mix of files of providers and facilities.

[25]According to DHA officials, although the sample that DHA selects for contractors to review for its required annual audits does not include providers credentialed by delegated entities, the contractors must conduct initial and annual audits of these providers on their own, per URAC policy. DHA officials said that they expect delegated entities to follow TRICARE requirements and for TRICARE East and West contractors to conduct sanctions monitoring for delegated entities just as they would for providers credentialed by the contractors.

DHA officials also serve on the contractors' credentialing and patient safety review committees. DHA representatives attend committee meetings where they observe credentialing decisions as non-voting members with no veto power over committee decisions, according to these officials. Rather, DHA representatives can provide credentialing committee members with input on credentialing decisions, clinical expertise, and assistance interpreting DHA policies. DHA officials participating in contractor committee meetings can include medical directors, nurse consultants for clinical quality management, and behavioral health consultants.

Monitoring of DHA's Contractors Could Be Strengthened by Improving Contractors' Oversight of Delegated Entities

We found limitations in the oversight of actions taken by contractors' delegated entities that may hinder DHA's monitoring of the TRICARE contractors. Specifically, as described above, we found that about half of the files we reviewed that had at least one credentialing deficiency were credentialed by delegated entities (14 of 30). Further, six of the nine providers whose ability to practice in the Military Health System had been previously limited or revoked by a DHA adverse action decision were credentialed by delegated entities, as were two of the six ineligible providers we identified in the network.

DHA has no existing mechanism to evaluate the quality and frequency of the contractors' oversight of the delegated entities' adherence to credentialing procedures. DHA officials told us that they do not directly oversee delegated entities, which perform the majority of network provider credentialing, due to a lack of contractual privity.[26] Instead, DHA expects the TRICARE contractors to perform this oversight in accordance with their delegated agreements and URAC credentialing standards.

There is no contractual requirement for contractors to provide DHA with information about agreements with delegated entities, though participating in contractor credentialing committee meetings provides DHA with some information about contractor arrangements with delegated entities, according to DHA officials. For example, DHA officials are present at credentialing committee meetings where information about delegated entities is discussed, including the scores for credentialing audits of the delegated entities performed by the contractor. According to these DHA officials, both contractors provide the name, delegated entity type, and overall audit compliance score during these committee meetings.

The TRICARE contracts require that contractors establish and maintain a network of providers that produce the best quality clinical outcomes for beneficiaries and perform provider credentialing file audits. Further, internal controls call for agency management to establish and operate monitoring activities, which includes ongoing monitoring and separate evaluations.[27] DHA requires annual contractor-performed audits of the TRICARE contractors' credentialing practices. However, these audits encompass TRICARE network providers who were credentialed in house by TRICARE contractor employees, which represent less than half of the network providers credentialed, as most providers are credentialed by delegated entities rather than TRICARE

[26]Privity of contract is that connection or relationship that exists between two or more contracting parties. DHA is not a party to any contract between the TRICARE contractors and the delegated entities, so it lacks any oversight right.

[27]GAO-14-704G.

contractors directly.[28] Thus, DHA has direct visibility into the credentialing process for fewer than half of the providers in the network. As a result, DHA does not have reasonable assurance that TRICARE contractors are maintaining a network of eligible providers that produce the best quality clinical outcomes for TRICARE beneficiaries.

Conclusions

As part of its mission to provide health care to military service members and their families, DHA is responsible for ensuring that providers in its TRICARE community network are qualified and competent by overseeing the contractors that manage the network of providers. We found TRICARE contractors generally followed the 12 selected credentialing procedures we reviewed.

However, the contractors did not always exclude ineligible providers or those with DHA adverse actions taken against them. Specifically, we found nine providers listed as participating in the TRICARE network whose ability to practice in the Military Health System had been previously limited or revoked by DHA adverse actions against them—including four providers whose clinical privileges or authority to practice in a military medical treatment facility were revoked based on quality or safety concerns.

Allowing providers whom DHA has identified with such concerns to deliver care to DOD beneficiaries in the community through TRICARE creates risk to beneficiaries. DHA should clarify policy and ensure its TRICARE contractors have complete and timely information on providers, including any adverse actions taken against the provider. Without doing so, DHA does not have reasonable assurance that its TRICARE network providers are qualified and competent to deliver safe, high-quality care to service members and their families.

DHA does not have direct visibility into the credentialing process for TRICARE network providers and their delegates because it does not have a mechanism to evaluate the contractors' oversight of delegated entities, who conduct most TRICARE provider credentialing. As a result, DHA does not have reasonable assurance that contractors are maintaining a network of eligible providers. This adds potential risks for TRICARE beneficiaries receiving care from these providers. Since the next generation of contracts have been awarded with the start of T-5 health care delivery in January 2025, it is critical that DHA effectively monitors its TRICARE contractors, including the contractors' oversight of their delegates.

Recommendations for Executive Action

We are making a total of three recommendations to DHA:

The Director of DHA should assess the risk of allowing providers, against whom DHA has taken adverse actions, to participate in the TRICARE network and clarify whether and under what circumstances the TRICARE managed care support contractors should exclude such providers. (Recommendation 1)

[28]DHA officials told us in July 2024 that they are making changes to the annual contractor-performed audits of the TRICARE contractors' credentialing practices.

The Director of DHA should develop and implement a mechanism for the TRICARE managed care support contractors to identify or receive complete and timely information about adverse actions taken by DHA to use as part of their process for credentialing providers for TRICARE network participation. (Recommendation 2)

The Director of DHA should improve monitoring of TRICARE managed care support contractors by establishing a routine mechanism to separately evaluate the quality and frequency of the contractors' oversight of delegated entities' adherence to credentialing procedures. (Recommendation 3)

Agency Comments

We provided a draft of this report to DHA for review and comment. DHA provided written comments which are reproduced in appendix II. In its written comments, DHA concurred with our recommendations.

In concurring with our first recommendation, DHA stated that it would update its policies and contracts to require the TRICARE managed care support contractors to exclude providers that have had privileges fully revoked from military medical treatment facilities in the TRICARE network.

In concurring with our second recommendation, DHA stated that it would require its TRICARE managed care support contractors to perform continuous NPDB monitoring for all network providers, including those credentialed by delegated entities.

In concurring with our third recommendation, DHA stated that it would require its TRICARE managed care support contractors to include delegated providers in their Annual Provider Credential File audits as well as update its manuals and contracts to require its TRICARE managed care support contractors to submit monthly delegated entity audit schedules and results.

DHA estimates that these actions to address the first two recommendations would be completed by January 1, 2025, and that the actions to address the third recommendation would be completed by January 1, 2026.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, and other interested parties. In addition, the report will be available at no charge on GAO's website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-7114 or SilasS@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

Sharon M. Silas
Director, Health Care

Appendix I: Objectives, Scope, and Methodology

The objectives of our report were to assess

1. TRICARE East and West contractors' adherence to selected established procedures for credentialling network providers,
2. TRICARE East and West contractors' exclusion of ineligible providers; and
3. the Defense Health Agency's (DHA) monitoring of contractor adherence to established credentialing procedures.

TRICARE Contractor Adherence to Selected Established Credentialing Procedures

We assessed how DHA's contractors implement their credentialing procedures for TRICARE network providers.[1] To do so, we reviewed a sample of TRICARE network provider credential application files. We also conducted interviews with officials from DHA and the TRICARE contractors.

TRICARE network provider credentials files review. We reviewed a sample of 100 network provider credentials files from the two TRICARE contractors for providers initially credentialed or recredentialed from 2018 through August 2023.

We began by compiling lists of providers based on contractor-provided lists from both the TRICARE East and TRICARE West contractors of all active TRICARE network providers.[2] These lists were used to request provider credentials files from the contractors.

We selected and reviewed provider credentials files from the contractors to create a sample of 100 network provider credentials files from the two TRICARE contractors for providers initially credentialed or recredentialed between 2018 and August 2023. The final selected sample, which contained variation in geographic location and provider types but was not generalizable, included

- 70 providers from TRICARE East and 30 providers from TRICARE West, which reflects the TRICARE network provider distribution across regions by selecting [i.e., approximately 807,000 TRICARE providers are located in the East region (TRICARE East) and 338,000 TRICARE providers are located in the West region (TRICARE West)]; and

[1]We reviewed the 4th generation of TRICARE contracts awarded in 2016 to Humana Government Business (Humana) for TRICARE East and to Health Net Federal Services for TRICARE West, also known as the T-2017 contracts.

[2]We identified accuracy and completeness concerns during our review obtaining network provider information from the TRICARE East contractor. For example, during a 4-month period, from March 2023 to June 2023, we received multiple inaccurate and incomplete provider lists that did not include more than 100,000 active network providers and included providers no longer in the TRICARE East network. The contractor agreed with our data reliability assessments and was able to provide a correct list.

- providers credentialed directly by each contractor, as well as those credentialed by delegated entities.[3]

See table 4 below for a summary of the number of TRICARE network providers examined for adherence to contractor credentialing policies and procedures.

Table 4: Number of TRICARE Network Providers Examined for Adherence to Contractor Credentialing Procedures

Methodology	Number of TRICARE network providers
Network providers listed in TRICARE East online directory	807,000
Network providers listed in TRICARE West online directory	338,000
Credentials files of select TRICARE East network providers reviewed for adherence to credentialing policies and procedures	70
Credentials files of select TRICARE West network providers reviewed for adherence to credentialing policies and procedures	30

Source: GAO and TRICARE Contractors. | GAO-24-106434

To conduct this review, we selected 12 credentialing requirements to determine whether the contractor

- verified the professional state licensure and/or certification for all states in which the provider holds licenses,
- verified the provider's National Practitioner Data Bank (NPDB) report status,
- verified the provider's absence from the Department of Health and Human Services Office of the Inspector General's (HHS OIG) *List of Excluded Individuals and Entities*,
- verified the provider's absence from the System for Award Management,
- verified the provider's professional medical liability insurance,
- received the provider's signed attestation statement,
- verified the provider's board certification, if applicable,
- verified the provider's Drug Enforcement Administration (DEA) certification, if applicable,
- verified the absence of felony convictions for providers undergoing initial credentialing,
- verified education and/or training for providers undergoing initial credentialing,
- verified professional work history, and an explanation of any gaps for providers undergoing initial credentialing, and
- verified hospital privileges and/or affiliations, if applicable.

Finally, we conducted interviews with officials from DHA and the two TRICARE contractors to obtain information about their implementation of credentialing procedures and exclusion criteria for provider participation.

[3]TRICARE East officials estimate that approximately 60 percent of credentialing is performed by a delegated entity; TRICARE West officials estimate that 56 percent of credentialing is performed by a delegated entity.

TRICARE East and West Contractors' Exclusion of Ineligible Providers

We examined the TRICARE contractors' consideration of adverse information about providers as part of credentialing decisions, including whether contractors exclude ineligible providers. We also made covert calls to providers listed in TRICARE network directories and on federal exclusionary lists of providers with adverse actions to determine whether these providers were participating in the networks. Finally, we conducted interviews with officials from DHA and the TRICARE contractors.

To assess the TRICARE contractors' exclusion of ineligible providers, we selected a nongeneralizable sample of 53 providers with certain types of adverse information. For these 53 providers, we reviewed documentation in their credentials files to determine how the contractors factored disqualifying adverse information (such as a revoked license) into their credentialing decisions and whether ineligible providers were excluded. To identify the sample of 53 providers, we compared the full list of 1.1 million TRICARE network providers, from both regions, against three sets of databases to determine how contractors' credentialing decisions were informed by providers' presence on any of the following databases that could render them ineligible to participate in TRICARE:

- **federal exclusionary databases** that identify providers who are excluded from participating in federally funded health care programs, such as TRICARE as of April 10, 2023. The exclusionary databases included the HHS OIG's *List of Excluded Individuals and Entities*, and the U.S. General Services Administration System for Award Management. From the list of 1.1 million total network providers, we identified 14 providers that appeared in TRICARE network directories and in either of these exclusionary databases and made covert calls to determine whether these potentially ineligible providers were accepting TRICARE insurance. Two of these 14 providers appeared on the *List of Excluded Individuals and Entities* were listed in the TRICARE Directory as current TRICARE providers and were selected for inclusion in our case study analysis.
- **National Practitioner Data Bank (NPDB) data** on certain licensure and certification actions taken by states and U.S. territories against providers in the TRICARE network, as of July 2023. From the list of 1.1 million total network providers, we identified about 8,000 potential matches. We selected a sample of 42 providers with matches from this database based on factors such as the type of action and the TRICARE region.
- **DHA data on adverse action cases** (i.e., clinical adverse actions and criminal convictions related to healthcare) investigated from January 1, 2018, to March 31, 2023, and extracted by DHA, with military department assistance, from DOD's credentials database. From the list of 1.1 million total network providers, we identified an additional nine TRICARE network providers with DHA adverse actions and reviewed these nine providers' credentials files.

See Table 5 for information on the number of files reviewed by database described above.

Table 5: Number of TRICARE Network Providers Identified through Database Matching and Examined through Case Studies

Methodology	Number of TRICARE network providers
Database matching between a list of current network providers and those listed in online directories, against National Practitioner Data Bank (NPDB) and the Department of Health and Human Services Office of the Inspector General's (HHS OIG) List of Excluded Individuals and Entities databases and a list of Defense Health Agency (DHA) providers with adverse actions.	1.1 million
Review of provider case studies selected from the NPDB database matching.	42
Review of case studies selected from matching with list of DHA providers with adverse actions.	9
Review of case studies selected from matching with the HHS OIG List of Excluded Individuals and Entities	2

Source: GAO. | GAO-24-106434

We also conducted interviews with officials from DHA and representatives from both the TRICARE East and West region contractors to obtain information about their implementation of credentialing requirements and provider participation exclusion criteria. Finally, we assessed each of the provider case studies against TRICARE contractor credentialing procedures and assessed DHA procedures against federal internal control standards related to risk assessment.[4]

DHA monitoring of TRICARE Contractors' Adherence with Credentialing Procedures

We examined DHA's efforts to ensure that credentialing procedures are being followed by the current TRICARE East and West contractors and to oversee the quality of TRICARE network providers more broadly. We also assessed whether these efforts are effective in helping to ensure that contractors are following their established procedures and excluding providers who are not eligible to participate in the network due to adverse actions taken against them.

We examined steps that DHA takes to ensure that credentialing procedures are being followed to oversee the quality of TRICARE network providers. To do so, we reviewed DHA policies and procedures related to the oversight of contractors and their credentialing procedures and compared them to those of URAC.[5] We also reviewed DHA policies and procedures related to network quality assurance, including the processing of beneficiary complaints about network providers, as well as reviewed DHA oversight and review of deliverables required by the TRICARE contracts, such as the Provider Credentialing and Privileging File Audit Reports and any corrective action resulting from the audits. We interviewed officials from DHA and the TRICARE contractors and a delegated entity to gather information about DHA's oversight procedures. Finally, we

[4]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 2014). Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

[5]URAC is a nonprofit organization that develops evidence-based measures, standards, and guidelines for the purpose of improving the quality of health care. URAC was originally incorporated under the name Utilization Review Accreditation Commission; that name was shortened to URAC in 1996.

assessed whether DHA monitoring was consistent with federal internal control standards related to monitoring activities.[6]

[6]GAO-14-704G.

Appendix II: Comments from the Defense Health Agency

DEFENSE HEALTH AGENCY
7700 ARLINGTON BOULEVARD, SUITE 5101
FALLS CHURCH, VIRGINIA 22042-5101

Ms. Sharon Silas
Director, Health Care
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Silas:

The DoD response to the Government Accountability Office's (GAO) draft report, GAO-24-106434, "DEFENSE HEALTH AGENCY: Improved oversight of Contractors Needed to Better Ensure the Quality of TRICARE Network Providers," dated August 2, 2024 (GAO Code 106434) is attached.

My point of contact is Colonel Eric Weber, Chief, Clinical Oversight and Integration, who can be reached at (619) 400-9127.

Sincerely,

CROSLAND.TELITA.1017383040 Digitally signed by CROSLAND.TELITA.1017383040 Date: 2024.08.28 15:11:12 -04'00'

TELITA CROSLAND
LTG, USA
Director

Attachment:
As stated

GAO DRAFT REPORT DATED AUGUST 1, 2024,
GAO-24-106434 (GAO CODE 106434)

"DEFENSE HEALTH AGENCY: IMPROVED OVERSIGHT OF CONTRACTORS NEEDED TO BETTER ENSURE THE QUALITY OF TRICARE NETWORK PROVIDERS"

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION

RECOMMENDATION 1: The Government Accountability Office (GAO) recommends the Director, Defense Health Agency (DHA), should assess the risk of allowing providers, against whom DHA has taken an adverse action, to participate in the TRICARE network and clarify whether and under what circumstances the TRICARE managed care support contractors should exclude such providers.

DoD RESPONSE: The DoD concurs. The DHA currently assesses the risk of allowing providers to participate in the TRICARE network by requiring TRICARE managed care support contractors (MCSCs) to query the National Practitioner Data Bank (NPDB) for any clinical adverse action reports on providers seeking to join the TRICARE network. The DHA will update its policies and contracts to require the MCSCs to exclude providers that have had privileges fully revoked from a military medical treatment facility (MTF) from the TRICARE network.

As defined in DHA-PM 6025.13 Volumes 3 and 4, the DHA reports clinical adverse actions, including adverse practice actions and adverse privileging actions, to the NPDB. When the DHA has taken a clinical adverse action and the provider's privileges have been restored/reinstated or are eligible for restoration/reinstatement, the MCSC may consider the provider for participation in the TRICARE network; however, the provider must be presented, reviewed, and approved by a vote of the MCSC's full Credentialing Committee.

The TRICARE MCSCs will hold new provider applicants to these criteria effective the date the requirement is published in the TRICARE Policy Manual. For providers who are already in the network, the MCSCs will apply these standards upon recredentialing The DHA will informally detail the plan for the new requirements to the MCSCs by January 1, 2025.

RECOMMENDATION 2: The GAO recommends that the DHA Director should develop and implement a mechanism for the TRICARE MCSCs to identify or receive complete and timely information about adverse actions taken by DHA to use as part of their process for credentialing providers for TRICARE network participation.

DoD RESPONSE: The DoD concurs with the GAO's recommendation. The DoD will develop and implement a mechanism for the TRICARE MCSCs to identify complete and timely information about clinical adverse actions taken by DHA to use as part of their processes for credentialing providers for TRICARE participation. To do this, the DoD will require its MCSCs

to perform continuous NPDB monitoring for 100 percent of network providers, including those credentialed by delegated entities.

As described in Recommendation 1, DHA will not allow providers against whom DHA has taken a clinical adverse action and fully revoked the provider's privileges, to participate in the TRICARE network. When the DHA has taken clinical adverse action and restored/reinstated the provider's full clinical privilege, the provider may be considered for participation as a TRICARE network provider, however the provider must be presented, reviewed, and approved by a vote of the MCSC's full Credentialing Committee.

The MCSCs will begin continuous NPDB monitoring for 100 percent of network providers, including those credentialed by delegated entities effective 180 days after this requirement is published into the TRICARE Operations Manual (TOM). The DHA will informally detail the plan for the new requirements to the MCSCs by January 1, 2025.

RECOMMENDATION 3: The GAO recommends the DHA Director improve monitoring of TRICARE MCSCs by establishing a routine mechanism to separately evaluate the quality and frequency of the MCSCs oversight of delegated entities' adherence to credentialing procedures.

DoD RESPONSE: The DoD concurs with the GAO's recommendation. The DHA will improve monitoring of the TRICARE MCSC's oversight of delegated entities by establishing routine mechanisms to separately evaluate the quality and frequency of the MCSC's oversight of delegated entities' adherence to credentialing procedures.

The DHA will require TRICARE MCSCs to include delegated providers and facilities in their Annual Provider Credential File Audits. The DHA will update its manuals and contracts to require the MCSCs to submit a monthly delegated entity audit schedule and a monthly delegated entity audit results summary by January 1, 2026. The DHA will update the TOM to require DHA participation in a routine annual delegated entity audit conducted by the MCSC and require a 95 percent accuracy rate for annual delegated entity audits by January 1, 2026.

Accessible Text for Appendix II: Comments from the Defense Health Agency

Ms. Sharon Silas
Director, Health Care
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Silas:

The DoD response to the Government Accountability Office's (GAO) draft report, GAO- 24-106434, "DEFENSE HEALTH AGENCY: Improved oversight of Contractors Needed to Better Ensure the Quality of TRICARE Network Providers," dated August 2, 2024 (GAO Code 106434) is attached.

My point of contact is Colonel Eric Weber, Chief, Clinical Oversight and Integration, who can be reached at (619) 400-9127.

Sincerely,

CROSLAND.TEL
ITA.1017383040

Digitally signed by
CROSLAND.TELITA.1017383040
Date: 2024.08.28 15:11:12 -04'00'

TELITA CROSLAND
LTG, USA
Director

Attachment:
As stated

GAO DRAFT REPORT DATED AUGUST 1, 2024,
GAO-24-106434 (GAO CODE 106434)

"DEFENSE HEALTH AGENCY: IMPROVED OVERSIGHT OF CONTRACTORS NEEDED TO BETTER ENSURE THE QUALITY OF TRICARE NETWORK PROVIDERS"

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION

RECOMMENDATION 1: The Government Accountability Office (GAO) recommends the Director, Defense Health Agency (DHA), should assess the risk of allowing providers, against whom DHA has taken an adverse action, to participate in the TRICARE network and clarify whether and under what circumstances the TRICARE managed care support contractors should exclude such providers.

DoD RESPONSE: The DoD concurs. The DHA currently assesses the risk of allowing providers to participate in the TRICARE network by requiring TRICARE managed care support contractors (MCSCs) to query the National Practitioner Data Bank (NPDB) for any clinical adverse action reports on providers seeking to join the TRICARE network. The DHA will update its policies and contracts to require the MCSCs to exclude providers that have had privileges fully revoked from a military medical treatment facility (MTF) from the TRICARE network.

As defined in DHA-PM 6025.13 Volumes 3 and 4, the DHA reports clinical adverse actions, including adverse practice actions and adverse privileging actions, to the NPDB. When the DHA has taken a clinical adverse action and the provider's privileges have been restored/reinstated or are eligible for restoration/reinstatement, the MCSC may consider the provider for participation in the TRICARE network; however, the provider must be presented, reviewed, and approved by a vote of the MCSC's full Credentialing Committee.

The TRICARE MCSCs will hold new provider applicants to these criteria effective the date the requirement is published in the TRICARE Policy Manual. For providers who are already in the network, the MCSCs will apply these standards upon recredentialing The DHA will informally detail the plan for the new requirements to the MCSCs by January 1, 2025.

RECOMMENDATION 2: The GAO recommends that the DHA Director should develop and implement a mechanism for the TRICARE MCSCs to identify or receive complete and timely information about adverse actions taken by DHA to use as part of their process for credentialing providers for TRICARE network participation.

DoD RESPONSE: The DoD concurs with the GAO's recommendation. The DoD will develop and implement a mechanism for the TRICARE MCSCs to identify complete and timely information about clinical adverse actions taken by DHA to use as part of their processes for credentialing providers for TRICARE participation. To do this, the DoD will require its MCSCs to perform continuous NPDB monitoring for 100 percent of network providers, including those credentialed by delegated entities.

As described in Recommendation 1, DHA will not allow providers against whom DHA has taken a clinical adverse action and fully revoked the provider's privileges, to participate in the TRICARE network. When the DHA has taken clinical adverse action and restored/reinstated the provider's full clinical privilege, the provider may be considered for participation as a TRICARE network provider, however the provider must be presented, reviewed, and approved by a vote of the MCSC's full Credentialing Committee.

The MCSCs will begin continuous NPDB monitoring for 100 percent of network providers, including those credentialed by delegated entities effective 180 days after this requirement is published into the TRICARE Operations Manual (TOM). The DHA will informally detail the plan for the new requirements to the MCSCs by January 1, 2025.

RECOMMENDATION 3: The GAO recommends the DHA Director improve monitoring of TRICARE MCSCs by establishing a routine mechanism to separately evaluate the quality and frequency of the MCSCs oversight of delegated entities' adherence to credentialing procedures.

DoD RESPONSE: The DoD concurs with the GAO's recommendation. The DHA will improve monitoring of the TRICARE MCSC's oversight of delegated entities by establishing routine mechanisms to separately evaluate the quality and frequency of the MCSC's oversight of delegated entities' adherence to credentialing procedures.

The DHA will require TRICARE MCSCs to include delegated providers and facilities in their Annual Provider Credential File Audits. The DHA will update its manuals and contracts to require the MCSCs to submit a monthly delegated entity audit schedule and a monthly delegated entity audit results summary by January 1, 2026. The DHA will update the TOM to require DHA participation in a routine annual delegated entity audit conducted by the MCSC and require a 95 percent accuracy rate for annual delegated entity audits by January 1, 2026.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Sharon M. Silas, (202) 512-7114, silass@gao.gov

Staff Acknowledgments

In addition to the contact named above, Marcia A. Mann (Assistant Director), Sean Miskell (Analyst in Charge), Amanda Cherrin, Margaret Gearhart, Jacquelyn Hamilton, Chaya Johnson, and Kaitlin McConnell made major contributions to this report. Also contributing to this report were Jennie Apter, Howard Arp, Lori Atkinson, Heather Dunahoo, Caroline Hale, Melissa Hart, Jeff Tamburello, Teague Lyons, Mark MacPherson, Corisa Rakestraw, and Ethiene Salgado-Rodriguez.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. You can also subscribe to GAO's email updates to receive notification of newly posted products.

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, https://www.gao.gov/ordering.htm.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or
TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on Facebook, Flickr, Twitter, and YouTube.
Subscribe to our RSS Feeds or Email Updates. Listen to our Podcasts.
Visit GAO on the web at https://www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: https://www.gao.gov/about/what-gao-does/fraudnet

Automated answering system: (800) 424-5454 or (202) 512-7700

Congressional Relations

A. Nicole Clowers, Managing Director, ClowersA@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Sarah Kaczmarek, Acting Managing Director, KaczmarekS@gao.gov, (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

Strategic Planning and External Liaison

Stephen J. Sanford, Managing Director, spel@gao.gov, (202) 512-4707
U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548