

**Title 10 - Armed Forces**  
**Subtitle A - General Military Law**  
**Part II - Personnel**  
**Chapter - Medical And Dental Care**

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§ 1095. Health care services incurred on behalf of covered beneficiaries: collection from third-party payers

(a)(1) In the case of a person who is a covered beneficiary, the United States shall have the right to collect from a third-party payer reasonable charges for health care services incurred by the United States on behalf of such person through a facility of the uniformed services to the extent that the person would be eligible to receive reimbursement or indemnification from the third-party payer if the person were to incur such charges on the person's own behalf. If the insurance, medical service, or health plan of that payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the amount that the United States may collect from the third-party payer is a reasonable charge for the care provided less the appropriate deductible or copayment amount.

(2) A covered beneficiary may not be required to pay an additional amount to the United States for health care services by reason of this section.

(b) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for certain care shall operate to prevent collection by the United States under subsection (a) if that care is provided—

(1) through a facility of the uniformed services;

(2) directly or indirectly by a governmental entity;

(3) to an individual who has no obligation to pay for that care or for whom no other person has a legal obligation to pay; or

(4) by a provider with which the third party payer has no participation agreement.

(c) Under regulations prescribed under subsection (f), records of the facility of the uniformed services that provided health care services to a beneficiary of an insurance, medical service, or health plan of a third-party payer shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought.

(d) Notwithstanding subsections (a) and (b), and except as provided in subsection (j), collection may not be made under this section in the case of a plan administered under title XVIII or XIX of the Social Security Act (42 U.S.C. 1395 et seq.).

(e)(1) The United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this section.

(2) The administering Secretary may compromise, settle, or waive a claim of the United States under this section.

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(f) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section. Such regulations shall provide for computation of the reasonable cost of health care services. Computation of such reasonable cost may be based on—

- (1) per diem rates;
- (2) all-inclusive per visit rates;
- (3) diagnosis-related groups; or
- (4) such other method as may be appropriate.

(g) Amounts collected under this section from a third-party payer or under any other provision of law from any other payer for health care services provided at or through a facility of the uniformed services shall be credited to the appropriation supporting the maintenance and operation of the facility and shall not be taken into consideration in establishing the operating budget of the facility.

(h) In this section:

- (1) The term “third-party payer” means an entity that provides an insurance, medical service, or health plan by contract or agreement, including an automobile liability insurance or no fault insurance carrier, and any other plan or program that is designed to provide compensation or coverage for expenses incurred by a beneficiary for health care services or products. Such term also includes entities described in subsection (j) under the terms and to the extent provided in such subsection.
- (2) The term “insurance, medical service, or health plan” includes a preferred provider organization, an insurance plan described as Medicare supplemental insurance, and a personal injury protection plan or medical payments benefit plan for personal injuries resulting from the operation of a motor vehicle.
- (3) The term “health care services” includes products provided or purchased through a facility of the uniformed services.

(i)(1) In the case of a third-party payer that is an automobile liability insurance or no fault insurance carrier, the right of the United States to collect under this section shall extend to health care services provided to a person entitled to health care under section 1074(a) of this title.

(2) In cases in which a tort liability is created upon some third person, collection from a third-party payer that is an automobile liability insurance carrier shall be governed by the provisions of Public Law 87-693 (42 U.S.C. 2651 et seq.).

(j) The Secretary of Defense may enter into an agreement with any health maintenance organization, competitive medical plan, health care prepayment plan, or other similar plan (pursuant to regulations issued by the Secretary) providing for collection under this section from such organization or plan for services provided to a covered beneficiary who is an enrollee in such organization or plan.

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(k)(1) To improve the administration of this section and sections 1079(j)(1) and 1086(d) of this title, the Secretary of Defense, in consultation with the other administering Secretaries, may prescribe regulations providing for the collection of information regarding insurance, medical service, or health plans of third-party payers held by covered beneficiaries.

(2) The collection of information under regulations prescribed under paragraph (1) shall be conducted in the same manner as is provided in section 1862(b)(5) of the Social Security Act (42 U.S.C. 1395y(b)(5)). The Secretary may provide for obtaining from the Commissioner of Social Security employment information comparable to the information provided to the Administrator of the Centers for Medicare & Medicaid Services pursuant to such section. Such regulations may require the mandatory disclosure of Social Security account numbers for all covered beneficiaries.

(3) The Secretary may disclose relevant employment information collected under this subsection to fiscal intermediaries or other designated contractors.

(4) The Secretary may provide for contacting employers of covered beneficiaries to obtain group health plan information comparable to the information authorized to be obtained under section 1862(b)(5)(C) of the Social Security Act (42 U.S.C. 1395y(b)(5)(C)). Notwithstanding clause (iii) of such section, clause (ii) of such section regarding the imposition of civil money penalties shall apply to the collection of information under this paragraph.

(5) Information obtained under this subsection may not be disclosed for any purpose other than to carry out the purpose of this section and sections 1079(j)(1) and 1086(d) of this title.

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**NOTES**

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**Source**

(Added Pub. L. 99-272, title II, Sec. 2001(a)(1), Apr. 7, 1986, 100 Stat. 100; amended Pub. L. 101-189, div. A, title VII, Sec. 727(a), title XVI, Sec. 1622(e)(5), Nov. 29, 1989, 103 Stat. 1480, 1605; Pub. L. 101-510, div. A, title VII, Sec. 713(a)-(d)(2), Nov. 5, 1990, 104 Stat. 1583, 1584; Pub. L. 102-25, title VII, Sec. 701(j)(8), Apr. 6, 1991, 105 Stat. 116; Pub. L. 102-190, div. A, title VII, Sec. 714, Dec. 5, 1991, 105 Stat. 1403; Pub. L. 103-160, div. A, title VII, Sec. 713, Nov. 30, 1993, 107 Stat. 1689; Pub. L. 103-337, div. A, title VII, Sec. 714(b), title X, Sec. 1070(b)(6), Oct. 5, 1994, 108 Stat. 2802, 2857; Pub. L. 104-106, div. A, title VII, Sec. 734, Feb. 10, 1996, 110 Stat. 381; Pub. L. 104-201, div. A, title VII, Sec. 735(a), (b), Sept. 23, 1996, 110 Stat. 2598; Pub. L. 106-65, div. A, title VII, Sec. 716(c)(1), Oct. 5, 1999, 113 Stat. 691; Pub. L. 107-314, div. A, title X, Sec. 1041(a)(5), Dec. 2, 2002, 116 Stat. 2645; Pub. L. 108-173, title IX, Sec. 900(e)(4)(B), Dec. 8, 2003, 117 Stat. 2373.)

**References In Text**

The Social Security Act, referred to in subsec. (d), is act Aug. 14, 1935, ch. 531, 49 Stat. 620, as amended. Titles XVIII and XIX of the Social Security Act are classified generally to subchapters XVIII (Sec. 1395 et seq.) and XIX (Sec. 1396 et seq.) of chapter 7 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables. Public Law 87-693, referred to in subsec. (i)(2), is Pub. L. 87-693, Sept. 25, 1962, 76 Stat. 593, which is classified generally to chapter 32 (Sec. 2651 et seq.) of Title 42. For complete classification of this Act to the Code, see Tables.

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**Codification**

Another section 1095 was renumbered section 1095a of this title.

**Amendments**

2003—Subsec. (k)(2). Pub. L. 108-173 substituted “Centers for Medicare & Medicaid Services” for “Health Care Financing Administration” in second sentence.

2002—Subsec. (g). Pub. L. 107-314 struck out par. (1) designation and par. (2) which read as follows: “Not later than February 15 of each year, the Secretary of Defense shall submit to Congress a report specifying for each facility of the uniformed services the amount credited to the facility under this subsection during the preceding fiscal year.”

1999—Subsec. (a)(1). Pub. L. 106-65, Sec. 716(c)(1)(A), substituted “reasonable charges for” for “the reasonable costs of”, “such charges” for “such costs”, and “a reasonable charge for” for “the reasonable cost of”.

Subsec. (g)(1). Pub. L. 106-65, Sec. 716(c)(1)(B), struck out “the costs of” after “any other payer for”.  
Subsec. (h)(1). Pub. L. 106-65, Sec. 716(c)(1)(C), substituted “The term ‘third-party payer’ means an entity that provides an insurance, medical service, or health plan by contract or agreement, including an automobile liability insurance or no fault insurance carrier, and any other plan or program that is designed to provide compensation or coverage for expenses incurred by a beneficiary for health care services or products.” for “The term ‘third-party payer’ means an entity that provides an insurance, medical service, or health plan by contract or agreement, including an automobile liability insurance or no fault insurance carrier and a workers’ compensation program or plan.”

1996—Subsec. (g)(1). Pub. L. 104-201, Sec. 735(a), inserted “or through” after “provided at”.

Subsec. (h)(1). Pub. L. 104-201, Sec. 735(b)(1), inserted “and a workers’ compensation program or plan” after “insurance carrier”.

Subsec. (h)(2). Pub. L. 104-201, Sec. 735(b)(2), substituted “organization,” for “organization and” and inserted before period at end “, and a personal injury protection plan or medical payments benefit plan for personal injuries resulting from the operation of a motor vehicle”.

Subsec. (k). Pub. L. 104-106 added subsec. (k).

1994—Subsec. (b). Pub. L. 103-337, Sec. 714(b)(1), substituted “shall operate to prevent collection by the United States under subsection (a) if that care is provided—” and pars. (1) to (4) for “if that care is provided through a facility of the uniformed services shall operate to prevent collection by the United States under subsection (a).”

Subsec. (d). Pub. L. 103-337, Sec. 714(b)(2), inserted “and except as provided in subsection (j),” after “(b),”.

Subsec. (g). Pub. L. 103-337, Sec. 1070(b)(6), made technical correction to directory language of Pub. L. 103-160, Sec. 713(a)(1). See 1993 Amendment note below.

Subsec. (h)(1). Pub. L. 103-337, Sec. 714(b)(3), inserted at end “Such term also includes entities described in subsection (j) under the terms and to the extent provided in such subsection.”

Subsec. (j). Pub. L. 103-337, Sec. 714(b)(4), added subsec. (j).

1993—Subsec. (g). Pub. L. 103-160, Sec. 713(c), designated existing provisions as par. (1) and added par. (2).

Pub. L. 103-160, Sec. 713(a)(2), inserted before period “and shall not be taken into consideration in establishing the operating budget of the facility”.

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Pub. L. 103-160, Sec. 713(a)(1), as amended by Pub. L. 103-337, Sec. 1070(b)(6), inserted “or under any other provision of law from any other payer” after “third-party payer”.

Subsec. (h). Pub. L. 103-160, Sec. 713(b), inserted “a preferred provider organization and” after “includes” in par. (2) and added par. (3).

1991—Subsec. (a)(1). Pub. L. 102-25 inserted “a” before “covered beneficiary”.

Subsec. (i)(2). Pub. L. 102-190 struck out “or no fault insurance” before “carrier”.

1990—Pub. L. 101-510, Sec. 713(d)(2), substituted “Health care services incurred on behalf of covered beneficiaries: collection from third-party payers” for “Collection from third-party payers of reasonable inpatient hospital care costs incurred on behalf of retirees and dependents” in section catchline.

Subsec. (a)(1). Pub. L. 101-510, Sec. 713(d)(1)(A), substituted “covered beneficiary” for “covered by section 1074(b), 1076(a), or 1076(b) of this title”.

Pub. L. 101-510, Sec. 713(a)(1), substituted “health care services” for “inpatient hospital care”.

Subsec. (a)(2). Pub. L. 101-510, Sec. 713(d)(1)(B), substituted “covered beneficiary” for “person covered by section 1074(b), 1076(a), or 1076(b) of this title”.

Pub. L. 101-510, Sec. 713(a)(1), substituted “health care services” for “inpatient hospital care”.

Subsec. (c). Pub. L. 101-510, Sec. 713(a)(1), substituted “health care services” for “inpatient hospital care”.

Subsec. (f). Pub. L. 101-510, Sec. 713(a)(1), substituted “health care services” for “inpatient hospital care” in introductory provisions.

Subsec. (f)(2) to (4). Pub. L. 101-510, Sec. 713(b), added pars. (2) and (3) and redesignated former par. (2) as (4).

Subsec. (g). Pub. L. 101-510, Sec. 713(a)(1), substituted “health care services” for “inpatient hospital care”.

Subsecs. (h), (i). Pub. L. 101-510, Sec. 713(c), added subsecs. (h) and (i) and struck out former subsec. (h) which read as follows: “In this section, the term ‘third-party payer’ means an entity that provides an insurance, medical service, or health plan by contract or agreement.”

1989—Subsec. (g). Pub. L. 101-189, Sec. 727(a)(2), added subsec. (g). Former subsec. (g) redesignated (h).

Subsec. (h). Pub. L. 101-189, Sec. 1622(e)(5), which directed amendment of subsec. (g) by insertion of “the term” after “In this section,” was executed by making the insertion in subsec. (h) to reflect the probable intent of Congress and the intervening redesignation of subsec. (g) as (h) by Pub. L. 101-189, Sec. 727(a)(1), see below.

Pub. L. 101-189, Sec. 727(a)(1), redesignated subsec. (g) as (h).

**Effective Date Of 1994 Amendment**

Pub. L. 103-337, *div. A, title X, Sec. 1070(b), Oct. 5, 1994, 108 Stat. 2856*, provided that the amendment made by that section is effective as of Nov. 30, 1993, and as if included in the National Defense Authorization Act for Fiscal Year 1994, Pub. L. 103-160, as enacted.

**Effective Date Of 1990 Amendment**

Pub. L. 101-510, *div. A, title VII, Sec. 713(e), Nov. 5, 1990, 104 Stat. 1584*, provided that: “The amendments made by subsection (a) [amending this section] shall apply with respect to health care services provided in a medical facility of the uniformed services after the date of the enactment of this Act [Nov. 5, 1990], but not with respect to collection under any insurance, medical service, or health plan agreement entered into before the date of the enactment of this Act

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that the Secretary of Defense determines clearly excludes payment for such services. Such an exception shall apply until the amendment or renewal of such agreement after that date.”

**Effective Date Of 1989 Amendment**

Pub. L. 101-189, div. A, title VII, Sec. 727(b), Nov. 29, 1989, 103 Stat. 1480, provided that: “The amendment made by this section [amending this section] shall take effect on October 1, 1989, and shall apply to amounts collected under section 1095 of title 10, United States Code, on or after that date.”

**Effective Date**

Pub. L. 99-272, title II, Sec. 2001(b), Apr. 7, 1986, 100 Stat. 101, provided that: “Section 1095 of title 10, United States Code, as added by subsection (a), shall apply with respect to inpatient hospital care provided after September 30, 1986, but only with respect to an insurance, medical service, or health plan agreement entered into, amended, or renewed on or after the date of the enactment of this Act [Apr. 7, 1986].”

**Pilot Program On Increased Third-Party Collection Reimbursements In Military Medical Treatment Facilities**

Pub. L. 113-66, div. A, title VII, Sec. 712, Dec. 26, 2013, 127 Stat. 793, provided that:

“(a) Pilot Program.—

“(1) In general.—The Secretary of Defense, in coordination with the Secretaries of the military departments, shall carry out a pilot program to demonstrate and assess the feasibility of implementing processes described in paragraph (2) to increase the amounts collected under section 1095 of title 10, United States Code, from a third-party payer for charges for health care services incurred by the United States at a military medical treatment facility.

“(2) Processes described.—The processes described in this paragraph are commercially available enhanced recovery practices for medical payment collection, including revenue-cycle management together with rates and percentages of collection in accordance with industry standards for such practices.

“(b) Requirements.—In carrying out the pilot program under subsection (a)(1), the Secretary shall—

“(1) identify and analyze the best practice option, including commercial best practices, with respect to the processes described in subsection (a)(2) that are used in nonmilitary health care facilities; and

“(2) conduct a cost-benefit analysis to assess measurable results of the pilot program, including an analysis of—

“(A) the different processes used in the pilot program;

“(B) the amount of third-party collections that resulted from such processes;

“(C) the cost to implement and sustain such processes; and

“(D) any other factors the Secretary determines appropriate to assess the pilot program.

“(c) Locations.—The Secretary shall carry out the pilot program under subsection (a)(1)—

“(1) at military installations that have a military medical treatment facility with inpatient and outpatient capabilities; and

“(2) at a number of such installations of different military departments that the Secretary determines sufficient to fully assess the results of the pilot program.

“(d) Duration.—The Secretary shall commence the pilot program under subsection (a)(1) by not later than 270 days after the date of the enactment of this Act [Dec. 26, 2013] and shall carry out such program for three years.

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“(e) Report.—Not later than 180 days after completing the pilot program under subsection (a)(1), the Secretary shall submit to the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] a report describing the results of the program, including—

“(1) a comparison of—

“(A) the processes described in subsection (a)(2) that were used in the military medical treatment facilities participating in the program; and

“(B) the third-party collection processes used by military medical treatment facilities not included in the program;

“(2) a cost analysis of implementing the processes described in subsection (a)(2) for third-party collections at military medical treatment facilities;

“(3) an assessment of the program, including any recommendations to improve third-party collections; and

“(4) an analysis of the methods employed by the military departments prior to the program with respect to collecting charges from third-party payers incurred at military medical treatment facilities, including specific data with respect to the dollar amount of third-party collections that resulted from each method used throughout the military departments.”

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