

## 3 FAM 1940

# PAYMENT OF MEDICAL EXPENSES

*(TL:PER-479; 08-13-2003)*  
*(Office of Origin: DIR)*

## 3 FAM 1941 MEDICAL EXPENSE DEFINITIONS

*(TL:PER-443; 05-23-2002)*  
*(Uniform/State/BBG/Commerce/USAID/Foreign Service Corps – USDA)*  
*(Applies to Civil Service and Foreign Service Employees)*

a. **Direct Medical Expenses**—Medical program expenses associated with a particular employee or eligible family member that are chargeable to the employing agency responsible for the employee or eligible family member. Such expenses include, but are not limited to:

- (1) Hospitalization and related outpatient expenses;
- (2) Medical travel expenses of employees and eligible family members and expenses for contractual services of medevac attendants (see 3 FAM 3710 et seq.); and
- (3) Examination and immunization expenses when such examinations and immunizations are required by the medical program and provided by private entities or U.S. Government (USG) entities other than Office of Medical Services (MED) or Department of State health units.

b. **Shared Medical Expenses**—Those expenses that are funded under the Interagency Cooperative Administrative Support Services (ICASS) agreement. Shared medical expenses include, but are not limited to:

- (1) Operating costs of MED and post health units; and
- (2) Other post-specific expenses such as immunizations.

## 3 FAM 1942 RESPONSIBILITY FOR PAYMENT OF MEDICAL EXPENSES

*(TL:PER-443; 05-23-2002)*  
*(Uniform/State/BBG/Commerce/USAID/Foreign Service Corps – USDA)*  
*(Applies to Civil Service and Foreign Service Employees)*

a. Each employee and eligible family member participating in the Medical and Health Program is strongly encouraged to obtain health insurance coverage (see 3 FAM 1914 (3)), whether under the Federal

Employee's Health Benefit Program (FEHBP) or by contract with a private insurer.

b. When an employee or eligible family member is covered by insurance, that insurance is the primary payer for medical services provided to that employee or eligible family member(s) both in the United States and abroad. The primary insurer's liability is determined by the terms, conditions, limitations, and exclusions of the insurance policy. When an employee or eligible family member is not covered by insurance, the employee becomes the primary payer for the total amount of medical costs incurred and the U.S. Government has no payment obligation. See paragraph e below.

c. U.S. Government agencies that participate in the Department of State Medical and Health Program serve as the secondary payers for medical expenses of employees and eligible family members who are covered by insurance, up to the allowable charges and within the scope of privacy policy, where the following conditions are met:

(1) The illness, injury, or medical condition giving rise to the expense is incurred, caused or materially aggravated while the eligible individual is stationed or assigned abroad (see 3 FAM 1914 (20));

(2) The illness, injury, or medical condition giving rise to the expense required or requires hospitalization and the expense is directly related to the treatment of such illness, injury, or medical condition, including obstetrical care; and

(3) MED or an Foreign Service Medical Provider (FSMP) determines that the treatment is appropriate for and directly related to the illness, injury, or medical condition.

d. MED or FSMP at post may authorize medical travel for an eligible medical program participant in accordance with the medical travel regulations (see 3 FAM 3710 et seq.).

e. When an employee or eligible family member is not covered by primary health insurance, the employee becomes the primary payer for the total amount of medical costs incurred. In the event of a medical emergency, the Medical Program may authorize issuance of Form DS-3067, Authorization for Medical Services for Employees and/or Dependents, to secure admission to a hospital located abroad for an uninsured employee or eligible family member. In that case, the employee will be required to reimburse the U.S. Government in full for funds advanced by the U.S. Government pursuant to the issuance of the authorization. Reimbursement may be made directly or through payroll deductions from the employee's salary.

f. Notwithstanding other limitations on outpatient expenses (see 3

FAM 1943, paragraphs (3) and (4), MED may also authorize payment for the total co-payment amount of outpatient evaluation and treatment whenever the evaluation and treatment is covered by insurance and the co-payment exceeds \$500 for a given illness, injury or medical condition that was caused or materially aggravated by or directly related to duty or assignment abroad:

(1) In order to request payment, the employee must file a petition for coverage with the health unit or Regional Medical Officer (RMO). The petition must include documentation from the local provider substantiating the costs and indication that the treatment and evaluation are directly related to the same illness, injury, or medical condition;

(2) No payment will be made under this paragraph unless the Medical Director or designee has determined that there is a direct relationship between the illness, injury, medical condition, and service or assignment abroad. Accordingly, payment will not be authorized absent approval from the Medical Director or designee; and

(3) In the event an employee is denied payment under this section, he or she may request an administrative review. Once the request is made, the Medical Director shall convene a review panel comprised of three physicians whose decision will be final with no further appeals. Authorization for payment under this subsection is limited to the allowable charges and scope of the underlying insurance policy. Payments under this subsection will not be authorized for uninsured individuals.

### **3 FAM 1943 MEDICAL COVERAGE LIMITATIONS AND CONDITIONS**

*(TL:PER-452; 09-18-2002)*

*(Uniform/State/BBG/Commerce/USAID/Foreign Service Corps – USDA)*

*(Applies to Civil Service and Foreign Service Employees)*

Hospitalization and other benefits under the Medical Program are subject to the following limitations:

(1) An eligible family member other than a spouse is covered until his or her 21st birthday. If the family member is disabled or is incapable of self-support because of a disabling medical condition on his or her 21st birthday, the employee may request a continuation of insurance benefits. Such a request must be submitted to MED 31 days prior to the last day of the month in which the family member becomes 21. Periodically, MED will review the family member's medical condition or disability to determine eligibility for continuing this benefit. The employee is responsible for informing MED of any changes in the family member's medical condition that might affect his or her coverage under the program.

(2) The participating agencies' liability as secondary payers is limited to the scope of the underlying policies, deductibles, and the co-pay amounts not covered by the primary insurers (e.g., the participating agencies will not cover outpatient mental health visits in excess of the number covered under the primary insurance plan).

(3) Payment for covered outpatient treatment (e.g., outpatient treatment that is directly related to an illness, injury, or medical condition incurred, caused, or materially aggravated abroad, which required hospitalization) is limited to a maximum of 12 months from the date the U.S. Government began paying for covered outpatient treatment unless, a waiver is granted by the Medical Director for the employing agency. Subject to subparagraph (4) below, the Medical Director may extend a patient's eligible outpatient treatment period when he or she determines that such treatment is warranted by exceptional circumstances or the illness, injury, or medical condition requiring treatment clearly was incurred or caused in the line of duty.

(4) The Medical Director may authorize payment for continued outpatient care only until such time that maximum benefit of treatment has been reached. Maximum benefit of treatment (see 3 FAM 1914(15)) is defined as that point beyond which definite medical improvement specifically related to the treatment is unlikely to occur, and further care would be considered supportive, or custodial.

(5) MED may authorize outpatient evaluation and treatment for a mental health or substance abuse condition that requires medical evacuation. In such cases, outpatient evaluation and treatment is limited to the time that the patient is on medical evacuation status awaiting a final medical clearance determination.

(6) Payment for cosmetic care or prosthetic care is not authorized, except in cases where the initial need for cosmetic or prosthetic care results from a medical condition or medical treatment authorized under this section.

(7) Payment for dental care is authorized only in cases where the employee or eligible family member is hospitalized as an inpatient and MED specifically authorizes the dental care.

(8) Claims by an employee for an injury or disease proximately caused by employment sustained in the performance of duty or temporary duty, abroad, must be processed under the Federal Employees' Compensation Act through the Office of Workers Compensation Programs as described (see 3 FAM 3630 and 3 FAH-1 H-3630.)

(9) Payment of medical claims may be made only on behalf of a person with a valid medical clearance or a waiver of medical clearance. If an individual is not covered by health insurance, or is abroad without a

medical clearance, the participating agency may advance payment with the issuance of Form DS-3067 for part or all of the hospital expenses abroad in order to facilitate admission to a medical facility. In such cases, the individual must sign a repayment agreement and will be required to reimburse the agency for advanced expenses either directly or through payroll deductions.

(10) *The medical benefits under 3 FAM 1940, including the issuance of Form DS-3067, do not apply to employees and eligible family members (except for medical evacuation) while they are in the United States on assignment, during home leave, rest and recuperation, or for any other reasons. However, if MED determines that an expense is directly related to an illness, injury or medical condition that was caused or materially aggravated while the employee or eligible family member was stationed or assigned abroad, MED may authorize treatment (see 3 FAM 1943).*

### **3 FAM 1944 AUTHORIZATION FOR MEDICAL SERVICES FOR EMPLOYEES AND ELIGIBLE FAMILY MEMBERS**

*(TL:PER-479; 08-13-2003)*

*(Uniform/State/BBG/Commerce/USAID/Foreign Service Corps – USDA)*

*(Applies to Civil Service and Foreign Service Employees)*

a. MED, the principal officer, the management officer, or designee each has the authority to issue Form DS-3067 for U.S. Government payment of medical expenses in accordance with these regulations.

b. The principal or *management officer* will consult with the FSMP or Post Medical Advisor (PMA) before issuing a Form DS-3067. In an emergency, when time does not permit consultation, the authorizing officer may issue a Form DS-3067, providing the principal or *management officer* notifies the FSMP or PMA as soon as possible following such an issuance.

### **3 FAM 1945 ACCOUNTABILITY FOR PAYMENT OF MEDICAL EXPENSES**

*(TL:PER-479; 08-13-2003)*

*(Uniform/State/BBG/Commerce/USAID/Foreign Service Corps – USDA)*

*(Applies to Civil Service and Foreign Service Employees)*

a. When the U.S. Government pays medical expenses (e.g., pursuant to Form DS-3067) repayment must be made to the U.S. Government either by insurance payment or directly by the employee, except for the amount of such expenses the U.S. Government is obligated to pay under these regulations. When the U.S. Government pays the medical expenses,

including medical travel costs, of an individual who is covered by insurance, that individual promptly must claim his or her benefits under the insurance policy. As soon as the individual receives the insurance payment, the individual must reimburse the U.S. Government for the full amount of the insurance due under his or her policy. If an individual is not covered by insurance, he or she must reimburse the U.S. Government for the entire amount of all medical expenses.

b. In the event an employee or eligible family member fails to recover insurance payments or transfer the amount of such payments to the appropriate U.S. Government agency within ninety days, the U.S. Government may take appropriate action to collect the payments due, unless such failure is for reasons beyond the control of the employee or the eligible family member (see also 4 FAM 445).

c. The *Management officer* at post is responsible for submitting the following documents to MED within 60 days from the time of the patient's discharge from the treating facility:

- (1) A final accounting of medical expenses paid;
- (2) A copy of Form DS-996, Medical Care at Government Expense, signed by the patient and the insured;
- (3) A copy of the insurance claim form; and
- (4) A copy of Form DS-3067 with a signed release authorizing MED to review the status of claim payments and release necessary information related to the claim.

d. Employees departing post are required to settle all hospitalization and/or medical accounts prior to departure. An employee who is insured must provide proof to post administration that those insurance claims have been submitted to the insurance carrier and that a signed repayment agreement is on record.

### **3 FAM 1946 MEDICAL BENEFITS FOR EMPLOYEES ON TEMPORARY DUTY**

*(TL:PER-443; 05-23-2002)*

*(Uniform/State/BBG/Commerce/USAID/Foreign Service Corps – USDA)  
(Applies to Foreign Service and Civil Service Employees, including When Actually Employed (WAE) Employees)*

Employees, including members of the Civil Service, whose agencies participate in the medical program and who are serving on temporary duty abroad are eligible for medical benefits, including health unit access, under this program as described in previous sections (see 3 FAM 1911 and 3

FAM 1940.) The following conditions apply:

(1) Civil Service employees, including employees serving in a “When Actually Employed” (WAE) status, who are expected to be stationed or assigned abroad on a temporary duty (TDY) in excess of 60 days per fiscal year must obtain a medical clearance;

(2) Dependents traveling with the TDY employee are not eligible for the coverage under the Medical and Health Program; and

(3) The unused portion of the return airfare of the previously funded travel should be applied to medical evacuation costs when possible.

### **3 FAM 1947 THROUGH 1949 UNASSIGNED**