



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MEMORANDUM FOR OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR PRIVACY, CIVIL LIBERTIES, AND TRANSPARENCY

SUBJECT: Justification for the Use of Social Security Number in DD Form 3857, Military Health System Financial Assistance Program/Waiver Program

1. System / Form

DD Form 3857 collects information to assist the Department of Defense (DoD) in determining the eligibility of an individual for the Military Health System Financial Assistance Program/Waiver Program (MHS FAP), in accordance with title 10, United States Code (USC), section 1079b. Per 10 USC § 1079b, DoD is mandated to apply a sliding scale or catastrophic waiver discount to eligible civilian patients who are not entitled beneficiaries of DoD's Military Health System, but who receive healthcare at DoD military medical treatment facilities (MTFs). The intent of providing a sliding scale/catastrophic waiver is to mitigate financial harm stemming from MTF medical bills. Section 1079b also grants the Director of the Defense Health Agency with discretionary authority to waive medical bills in certain instances.

2. Documentation

As documented in title 32 of the Code of Federal Regulations (CFR), part 220, the DD Form 3857 will be completed by civilian patients who desire to apply for the MHS FAP.

3. Authorized Uses

In accordance with DoDI 1000.30, enclosure 2, the SSN meets the following acceptable uses:

- Paragraph 2(c)(4), Interactions With Financial Institutions – Patients may choose to repay their discounted medical bill in installment payments or by making a full one-time payment. Patients who agree to make installment payments but subsequently default will have the balance of their account transferred to the Department of the Treasury's Cross-Servicing Next Generation (CSNG) program for collection activity. CSNG relies primarily on the SSN for collection activities such as Administrative Wage Garnishment. In cases where the patient is a minor under 18 years of age, the SSN will be collected from the party (guarantor) responsible for payment of the medical bill.
- Paragraph 2(c)(7), Federal Taxpayer Identification Number – When the Director of DHA exercises discretionary authority to grant a waiver of medical bills for civilian non-beneficiary patients, the waiver qualifies as a relevant identifiable event under 26 CFR § 1.6050P-1(b)(2)(G). Accordingly, the DoD must engage in information reporting to the Internal Revenue Service (IRS) by submitting an IRS Form 1099-C and by furnishing a copy of the statement to the patient when the Director of DHA exercises the discretionary authority to waive medical debt. The patient's SSN is required for reporting to the IRS. In cases where the patient is a minor under 18 years of age, the

SSN will be collected from the party (guarantor) responsible for payment of the medical bill.

4. Point of Contact

For questions related to this memorandum, please contact Ms. Merlyn Jenkins, e-mail: merlyn.jenkns.civ@health.mil, phone (703) 681-7346.

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