



Louisiana Department of Health
Health Plan Advisory 17-1
Revised March 1, 2017

Post-Payment COB Recoveries from Providers and Liable Third Parties

Post-payment recovery for third party liability (TPL)/coordination of benefits (COB) is necessary in cases where the MCO has not established the probable existence of third party liability for payments already made when a legally obligated third party is later identified.

Effective April 10, 2017, the following requirements apply to MCOs and their contractors for recoveries from providers for TPL:

- The MCO or its contractor shall seek recovery of reimbursement within 60 days after the end of the month it learns of the existence of the liable third party after a claim is paid.
- The MCO or its contractor shall seek recovery from the provider where dates of service (DOS) are 10 months or less from the date stamp on the provider recovery letter.
- The MCO or its contractor shall not seek recovery from the provider where DOS is older than 10 months, but shall seek recovery directly from liable third parties. MCOs may utilize ACT 517 of 2008 Regular Legislative Session to seek recovery of reimbursement from liable third parties for up to 36 months from the date of service reported on the claim.
- Providers shall have 60 days from the date stamp of the recovery letter to refute the recovery, otherwise recoupment from future RAs shall occur.
- Providers shall be given an additional 30-day extension at their request when the provider billed the liable third party and hasn't received an EOB.
- If after 60 days of the recovery letter, or 90 days if a 30-day extension was requested, the MCO or its contractor hasn't received a response from the provider, the recovery shall be initiated.

Provider recovery notification letter should, at a minimum, include the following:

- Provider information (provider number, provider name, provider NPI/Tax ID).
- Policy holder information (name, policy number, group number).
- Carrier information (carrier name, address, phone).
- Type of coverage (major medical, major medical no maternity, Rx only etc.).
- Patient information (name, Medicaid ID, DOB).
- Line item payment information (Medicaid claim ref. #, patient MR #, Medicaid remit date, dates of service, amount to be recouped).
- Recovery totals.
- Contact information to request an extension.

- Providers shall be informed that they should not send a refund check or initiate a void or adjustment request on these claims; the MCO will initiate an automatic recoupment in 60 days if an extension request is not received and 90 days if an extension is requested.

Exclusions

- Pay and Chase claims will always be referred directly to the liable third parties; refer to HPA 16-17.
- Claims billed with EOB denial from other health insurance.
- If the liable third party is traditional Medicare, Tricare or Champus VA, and more than 10 months have passed since the DOS, the MCO shall recover from the provider.
- Point of sale pharmacy (POS) will always be referred directly to liable third parties.
- Out of state non-participating provider claims will always be referred directly to liable third parties

Encounters

The MCO shall adjust both the provider claim record and the encounter record to include the other payer payment info and report the adjusted MCO payment amount.