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Department of Health and Hospitals

Louisiana Department of Health and Hospitals
Health Plan Advisory 14-4
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Billing/Handling Third Party Liability (TPL) Claims for Shared Plans

This advisory covers several issues that have arisen concerning the handling and processing of TPL claims submitted to the Shared Health Plan from providers.

CLAIMS INVOLVING INSURANCE SUCH AS INDEMNITY/SUPPLEMENTAL PLANS:

When a claim is submitted with coverage through an indemnity plan or supplemental insurance that pays a member directly or pays a provider outside the general payment methodology (ex: pays a flat amount or so much per day regardless of the service and with no patient responsibility), these types of policies are not added to the member's resource file by Louisiana Medicaid.

The insurance payment amount should be entered in the "Prior Payments" field of the claim by the provider. When transmitting these claims to Molina, HIPAA Adjustment Reason Code 100 should be entered by the Shared Plan in the appropriate Loop/Segment for these codes in the claims transaction. The processing system will calculate the Medicaid allowable; subtract the amount indicated as the prior payment from the allowable; and pay the difference.

CLAIMS INVOLVING SCHOOL INSURANCE:

When a claim is submitted with coverage through school insurance, these types of policies are not added to the member's resource file by Louisiana Medicaid. The insured is the school/school board, not the member, and these EOBs indicate the school/school board as the insured.

The insurance payment amount should be entered in the "Prior Payments" field of the claim by the provider. When transmitting these claims to Molina, HIPAA Adjustment Reason Code 100 should be entered by the Shared Plan in the appropriate Loop/Segment for these codes in the claims transaction. The processing system will calculate the Medicaid allowable; subtract the amount indicated as the prior payment from the allowable; and pay the difference.

CLAIMS INVOLVING LIMITED INSURANCE:

When a claim is submitted with coverage through a limited policy; the member is the insured; and the payment methodology is standard (ex: there are payments on a service basis or a percentage basis with patient responsibility indicated), these types of policies are generally added to the member's resource file by Louisiana Medicaid, and they should be submitted to HMS for review and addition to the file.

WHEN INSURANCE IS NOT ON FILE:

DHH expects the Shared Plans to transmit TPL claims to Molina even when the insurance is not on the member's resource file. The claim should be completed correctly, and the appropriate procedure should be followed to submit these claims.

At the same time, the Shared Plan should report the insurance information to HMS for addition to the member's resource file.

Claims should not be returned to the provider because insurance is not loaded on the file.

ISSUES WITH HAVING HMS LOAD THE INSURANCE TO THE FILE:

If there are instances where a Shared Plan submits a request to load insurance to HMS and HMS refuses to load the insurance, the Shared Plan should contact the DHH TPL Unit at (225) 342-8662 for assistance.

WHEN THE PRIMARY PAYER DENIES A SERVICE:

When the primary payer denies a service or claim, the appropriate HIPAA Adjustment Reason Code from the primary EOB must be entered in the appropriate location in the electronic claims transmitted to Molina. If the claim is processed and denied by line item, the HIPAA Adjustment Reason Code indicated for the specific line must be indicated appropriately on that claim line. If some claim lines are paid and others are denied, the denied lines must have the appropriate HIPAA Adjustment Reason Code transmitted for that line. If the EOB indicates a proprietary denial code, the appropriate HIPAA Adjustment Reason Code must be determined by the shared plan.