



Louisiana Department of Health
Health Plan Advisory 21-3
April 1, 2021

Bipartisan Budget Act of 2018 and Changes to Medicaid Provisions for “Pay and Chase” Passed April 2019 – Third Party Liability in Medicaid and CHIP

All MCOs must comply with the Bipartisan Budget Act of 2018 (Pub. L. 115- 123), which includes several provisions that modify third party liability (TPL) rules for certain services and changes made to the Bipartisan Budget Act of 2013.

Effective for dates of service on or after April 1, 2021, MCOs are required to make the following changes to system logic:

1. MCOs must initiate standard coordination of benefits cost avoidance processes for prenatal services, labor and delivery, and postpartum care.
 - a. Specifically, these services defined with the following diagnosis codes (See: [Diagnosis Codes Prenatal Services](#)) that will now be cost avoided.
2. MCO must “wait and see” on claims for a service that is provided to an individual on whose behalf child support enforcement is being carried out by the state Title IV-D agency.
 - a. “Wait and see” is defined as payment of a claim only after documentation is submitted to the MCO demonstrating that 100 days have elapsed since the provider billed the responsible third party and remains to be paid.
 - b. The provider can only bill Medicaid for the balance not paid for by the liable third party and payment can only be made for up to the Medicaid allowable amount.
 - c. These members are identified as those having a TPL resource file segment initiator code of 02.
3. “Pay and chase” is still required by the MCOs for preventive pediatric services (including EPSDT) consistent with HPA 16-17.

For “pay and chase” type records, the MCO shall include the 835 Loop 2100 NM1*PR (Corrected Priority Payer Name) segment in the 835 response to the billing provider. The 835 Loop 2100 NM1*PR segment shall include the other payor company name in NM103 and the six-character LA Medicaid TPL Carrier Code value in NM109.

Questions regarding this HPA should be directed to tpl.inquires@la.gov.