

P-0000 THIRD PARTY LIABILITY (TPL)**P-100 GENERAL INFORMATION**

Federal law and regulations require states to institute policies and procedures to assure that Medicaid beneficiaries use all other resources available to them to pay for all or part of their medical care prior to Medicaid paying.

Third parties are legally liable individuals, institutions, corporations (including insurers), and public or private agencies who are or who may be legally responsible for paying medical claims.

Medicaid pays only after a third party has met its legal obligation to pay. Medicaid is payer of last resort.

Exception:

** Louisiana Medicaid uses the “pay and chase” method for seeking reimbursement from a third party for preventive pediatric care, including Early and Periodic Screening, Diagnostic and Treatment (EPSDT) or for a child with IV-D enforcement.

Federal regulations require:

- Reasonable measures be taken to accurately identify third parties;
- Collection and maintenance of information on health insurance, and use in processing claims;
- Verified TPL be treated as a resource of a Medicaid applicant/beneficiary; and
- Assignment of rights to payments for medical support and other medical care is a condition of eligibility for Medicaid.

P-200 INDICATORS OF POTENTIAL THIRD PARTY RESOURCES

The following factors may indicate potential third party resources and should be ** investigated.

Age

Applicants/beneficiaries attaining age 65 may be eligible for Medicare. (Beneficiaries entitled to Medicare frequently have Medicare Advantage plans or supplement policies.)

Minor children may be covered by insurance of the parent (custodial or absent).

Students may have insurance available through the school they attend.

Death

Death benefits received may cover medical expenses.

Income

Income sources are indicators of possible third party health coverage:

- Railroad Retirement Benefits and Social Security Retirement/Disability Benefits may indicate eligibility for Medicare benefits.
- Longshore and Harbor Workers' Compensation (LHWC) and Workers' Compensation (WC) may pay benefits to employees who suffer injuries on the job to compensate for medical expenses as well as lost income.
- Black Lung (BL) Benefits are awarded to coal workers ** with pneumoconiosis and may indicate eligibility for Medicare benefits.
- IV-D Payment child support payments may indicate potential medical support from an absent parent.
- Earned Income and Wage Earnings Record may indicate health and hospital insurance.

- Military Retirement may indicate coverage by TRICARE, TRICARE for Life and CHAMPVA.

Work History

Work history may indicate:

- Eligibility for cash and medical benefits through the previous employer (i.e., COBRA);
- Coverage through a health insurance plan if the individual is retired, or
- Coverage through the union if the individual belongs to a labor union.

Monthly Expenses

The applicant/beneficiary may list health or hospitalization premiums as an expense.

Disability

A disability may indicate eligibility for other medical benefits (e.g. casualty insurance or Medicare Parts A and/or B).

Litigation

Lawsuit settlements or pending lawsuits.

P-300 ASSIGNMENT/COOPERATION

Refer to [I-200, Assignment of Rights](#).

P-400 LOCAL OFFICE/BHSF RESPONSIBILITIES**P-410 MEDICAID RECIPIENT INSURANCE INFORMATION UPDATE FORM**

Healthy Louisiana Plans and ** the TPL Contract Vendor share responsibility for maintaining TPL information. **

The Coordination of Benefits (COBMatch) interface is a tool provided by ** the TPL Contract Vendor used to identify insurance coverage information on applicants/beneficiarys and their household. **

****Note:**

**An indemnity policy offered by a private insurer is a source of third party coverage if the policy provides payment of healthcare items or services furnished by Medicaid. Review the policy to determine if policy explicitly includes or excludes the Medicaid covered services and items. If the review determines that the policy provides for payment of health care items and services, the policy is a third party resource and payments would be assigned to the Medicaid agency.

Indemnity policies making cash payments to an individual for each day the individual is receiving inpatient care would be a source of TPL.

Indemnity policies that do not qualify as a third party resource, any payments made to a Medicaid beneficiary may be countable as income for Medicaid eligibility purposes.

Private Third Party Liability (TPL) and Medicare Advantage Plan Update Requests

Effective September 1, 2016, Medicaid will streamline the process for providing beneficiary Third Party Liability record updates. For instructions refer to the [Healthy Louisiana Informational Bulletin 16-15](#).

The Medicaid Recipient Insurance Information Update Forms are used to:

- Update private insurance, **Medicare Advantage and Traditional Medicare coverage on an beneficiary's TPL file (excluding Medicare); and
- Correct or change certain TPL information on the MMIS Third Party Resource File if it differs from the information of

the provider.

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