



THIRD-PARTY LIABILITY (TPL)

In 1986, federal law required state Medicaid Programs to cost avoid claims that have third party coverage. Providers must identify liable third party payers and bill the third party payers prior to billing Medicaid.

Providers must obtain information about a member's health care coverage from the member, the member's representative, the county social service office, or through the information provided by the Medicaid remittance advice on the Explanation of Benefits. Providers may also obtain an assignment of benefits from the member to ensure direct payment from the third party payer.

For Medicaid purposes, health insurance is defined as any third party benefit that is available to the eligible Medicaid members for medical treatment and related services.

PRIVATE HEALTH CARE PLANS AND THIRD PARTY PAYERS

Providers and Medicaid eligible members are required to follow the third party payer's policies and procedures to maximize the available benefit. If the third party payer applies a penalty because the member or provider did not follow the third party policies, ND Medicaid will not pay the penalty amount. If the third party payer does not pay anything on the claim because policy and procedures were not followed, ND Medicaid will not pay the claim.

Services for which payment has been denied by the third party payer for reasons other than noncompliance may be eligible for ND Medicaid reimbursement. Explanation of benefits (EOBs) or other documentation is required before payment is authorized.

Third party EOBs and other required documents must be provided on those billings in which the third party has paid less than 80% of the billed charges or when the member is covered by more than one insurance plan and a balance needs to be billed to ND Medicaid.

Payment received from accident liability insurers, i.e. auto, business and homeowners, must be entered on the claim form in the space noted for insurance or other payments. The Explanation of Benefits or other documentation must be included with the claim.

Billing ND Medicaid and another third party for the same service at the same time is considered a violation under Medicaid rules. Medicaid is the payer of last resort and can only be billed after the third party has paid its legal liability.

Medicaid covers co-pays to the extent that the third party payment and the co-pay do not exceed the ND Medicaid allowed amount.

For any claims with TPL, providers must bill their usual and customary charge to ND Medicaid.

If the provider has third party information that is not on ND Medicaid's system, the provider must advise the Medicaid program by sending an EOB from the third party payer. The provider must adequately identify the EOB by writing the provider number, member's name and Medicaid ID number on the EOB. If ND Medicaid has third party information that the provider is not aware of, ND Medicaid will supply the provider with adequate information for the provider to bill the third party if the third party payer is not known to the provider at the time of billing. The Medicaid Fax Number to send EOB's when reporting third party information is (701) 328-1544, attention TPL Unit.

When a third party payer denies a claim, an explanation must accompany the claim.

ND Medicaid requires a provider to make a reasonable attempt to bill a third party payer. If after thirty days no response has been received, the provider can bill ND Medicaid with documentation that the third party was billed. If the claim is submitted to ND Medicaid and Medicaid determines that the third party information was not correct, the billing will be returned to the provider with the correct billing information.

Providers must bill the third party and ND Medicaid. Providers are not allowed to bill the Medicaid member for any balances after payment is received from the third party and ND Medicaid. Medicaid payment is the last adjudication of the claim, and if there is a balance left after Medicaid has made a payment determination, this constitutes a write-off to the provider. Medicaid payment is considered payment in full, even if payment is zero.

Providers may bill members to recover payments made by the third party payer directly to the member.

Providers cannot refuse services because a Medicaid eligible member has third party coverage. Providers cannot demand payment, and require the member to bill the third party, unless specific terms of the third party require that benefits be paid to the member. ND Medicaid may be billed only to the extent there is a member legal obligation to pay.

MEMBER COOPERATION WITH TPL BILLING

If a Medicaid member is non-cooperative or fails to cooperate with the third party payer, the provider may contact the applicable County Social Service office or the TPL Unit at 701-328-2347 or medicaidtpl@nd.gov for assistance.