

## THIRD PARTY LIABILITY (TPL)

---

Federal Medicaid statute and regulations require 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 human service zone 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 care coverage is defined as any third-party resource available to the eligible members for health care and related services.

### **PRIVATE HEALTH CARE PLANS AND THIRD-PARTY PAYERS**

Providers and members are required to follow the third-party payer's policies and procedures to maximize the available benefit. ND Medicaid may refuse payment for any covered service or procedure provided to an individual eligible for both Medicaid and third-party coverage if the third-party coverage denies payment because of the failure of the provider or member to comply with the requirements of the third-party coverage. 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.

Providers must seek payment from third-party payers prior to billing ND Medicaid for the service. With few exceptions, Medicaid is the payer of last resort and can only be billed after the third party has paid its legal liability.

Specific preventive pediatric care services billed to ND Medicaid within 90 days after the date the provider of these services has initially submitted a claim to the third-party payer will be denied.

Services for which payment has been denied by the third-party payer for reasons other than noncompliance may be eligible for ND Medicaid payment. An explanation of benefits (EOB) or other documentation must accompany the claim.

Workers Compensation, Personal Injury Protection (PIP)/No Fault, Homeowners or Business Liability insurance coverage are primary to Medicaid. If a claim against one of these policy types is established, ND Medicaid must be notified. Payment information

received from these coverages must be included on the claim submitted to ND Medicaid. Documentation to support the payment must be included with the claim.

If the provider has third-party information that is not recorded with ND Medicaid, the provider must advise ND Medicaid by sending an EOB from the third-party payer. The provider must identify the EOB by writing the provider number, member's name, and Medicaid ID number on the EOB. The EOB can be sent via FAX to (701) 328-1544, attention TPL Unit. Additionally, if a member's third-party coverage is terminated the provider may fax a copy of the third-party EOB showing the coverage terminated to the TPL Unit, which will help ensure claims are not denied for third-party coverage that is no longer available to the member.

If ND Medicaid has third-party information that the provider is not aware of, ND Medicaid will supply the provider with adequate information to bill the third party.

Providers are not allowed to bill the member for any balances after payment is received from the third party and ND Medicaid. Medicaid payment is considered payment in full, even if payment is zero.

If a member is paid directly by a third-party payer, a provider may bill a member to recover the amount paid by the payer.

Providers cannot refuse services to a member because the 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.

#### **MEMBER COOPERATION WITH TPL BILLING**

If a member is non-cooperative or fails to cooperate with the third-party payer, the provider may contact the applicable human service zone office or the TPL Unit at 701-328-2347 or [medicaidtpl@nd.gov](mailto:medicaidtpl@nd.gov) for assistance.