

Dec. 16, 2021  
MB# 21-016

## MEDICAID BULLETIN

**TO: All Providers**

**SUBJECT: Changes to Third-Party Liability Policy**

Effective on or after Dec. 31, 2021, the South Carolina Department of Health and Human Services (SCDHHS) will make changes to its claims processing policy as it relates to third-party liability (TPL) coverage as described in the bulletin below. The changes being made are required by federal law to comply with provisions of the Bipartisan Budget Act of 2018 and Medicaid Services Investment and Accountability Act of 2019.

Consistent with Medicaid's traditional role as payor of last resort and to comply with the legislation mentioned above, SCDHHS will amend the Medicaid State Plan to use standard coordination of benefits cost avoidance instead of "pay and chase" when processing claims related to child support enforcement beneficiaries and prenatal services, including labor, delivery and postpartum care claims. Specifically, the State Plan will be amended to reflect the following Centers for Medicare and Medicaid Services-directed changes:

- The requirement for states to apply cost avoidance procedures to claims for prenatal services, including labor, delivery and postpartum care services; and,
- For claims related to child support enforcement beneficiaries, the state will apply cost avoidance for 100 days after the date the provider has submitted a claim to the entity that has primary liability for payment. After the 100 days has elapsed, the state will make payments without regard to potential TPL.

These changes will replace the agency's current process of paying claims as the primary payor for the services mentioned above under the TPL "pay and chase" logic without being subject to TPL claims editing for other health insurance coverage and then directly billing the appropriate private insurance carrier monthly for recovery. For the above services, providers should file to the primary carrier before submitting claims to SCDHHS for payment.

Providers with questions regarding this bulletin should contact the SCDHHS Provider Service Center at (888) 289-0709. The Provider Service Center's hours of operations are 7:30 a.m.-5 p.m. Monday-Thursday and 8:30 a.m.-5 p.m. Friday.

Thank you for your continued support of the South Carolina Healthy Connections Medicaid program.

/s/  
Robert M. Kerr