

June 4, 2018
MB# 18-010

MEDICAID BULLETIN

All

TO: All Providers

SUBJECT: Change in the Third Party Liability (TPL) Recovery Cycle from Quarterly to Monthly

Effective on or after July 1, 2018, the South Carolina Department of Health and Human Services (SCDHHS) proposes to amend the South Carolina Title XIX State Plan to modify the frequency of the third party liability (TPL) health recovery cycle. The proposed modification will increase the occurrence of the TPL health recovery cycle to afford providers quicker notification of other primary health insurance information. Prompt notification should improve the rate of timely claims filing and allow SCDHHS to recover professional claims from third-party payers in a much more timely manner.

Section 1902 (a)(25)(A) of the Social Security Act requires healthcare providers to bill any beneficiary's primary insurance, if available, prior to seeking Medicaid reimbursement for a covered service. SCDHHS engages in activities to determine if this requirement has been met and recovers funds on a periodic basis either directly from liable third-party insurers or institutional healthcare providers.

Currently, each periodic health recovery cycle begins quarterly and may take up to six months to complete. SCDHHS has observed that nearly 16% of recovery claims are rejected by the financially liable insurer for untimely filing. This is due in-part to the length and infrequent commencement of each cycle.

Providers are encouraged to report and voluntarily refund TPL resources to SCDHHS whenever a new resource is discovered. More information is available in the TPL Supplement of the provider manual available at www.scdhhs.gov.

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

/s/
Joshua D. Baker
Director