



TEXAS
Health and Human
Services

School Health and Related Services

**Third Party Liability Recoveries
and Medicaid**

Third Party Liability

- HHSC is required by the Social Security Act to seek out reimbursement for covered services from legally liable third parties before paying for Medicaid-covered services
- “Third parties” are entities or individuals, such as private insurance companies, who are legally responsible for paying all or part of claims for services provided to Medicaid recipients



Recovery of Third Party Liability Methods

- State Medicaid agencies have two available options to recover third party liability (TPL): the “pay and recover later” method or the “cost avoidance” method
- Each method is used in different scenarios depending on the type of claims to TPL:
 - Pay and recover later – the state pays the claim submitted by the provider then seeks reimbursement from liable third parties
 - Cost avoidance – the claim is denied by Medicaid and third party reimbursement is sought by the provider



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SHARS Interim Claims

- Texas Medicaid instituted TPL policy requirements using the “pay and recover later” method for SHARS providers on interim claims only
 - Medicaid pays the school district for services before third party reimbursement is sought
 - School districts enrolled as SHARS providers do not need to change their current billing practices as a result of this practice



SHARS Interim Claims

- Third party reimbursement should be returned back to TMHP since the claim was paid first by TMHP
- If as a SHARS provider the school receives a check from a private insurance company, it should be forwarded to TMHP at the following address:

Texas Medicaid & Healthcare Partnership
Third Party Resources Unit
PO Box 202948
Austin, TX 78720-2948



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Notices of TPL policy changes

- May 21, 2018: HHSC, in consultation with TEA, issued a provider notice of TPL policy changes including TPL methods for recovery with a three year look back period
- August 28, 2018: a provider notice was issued to reflect HHSC's decision to postpone the three year lookback period on SHARS TPL claims until the policy has been in effect for three years to ensure informed consent
- Both can be found on TMHP's website:
www.tmhp.com



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Medicaid Recipients

- As a condition of Medicaid enrollment, each applicant or recipient is required to assign HHSC rights to payment for medical care from any third party
- The Texas Medicaid application contains the following statement:
 - “I am giving to HHSC the rights to pursue and get any money from other health insurance, legal settlements, or other third parties.”



Medicaid Recipients

- To ensure that parents or guardians will not incur any financial losses for special education and related services provided to Medicaid-eligible students, TEA has developed guidance, in consultation with HHSC, to school districts on reminding parents about TPL during the process of obtaining parental consent to access Medicaid, as required by IDEA:
[https://tea.texas.gov/Academics/Special_Student Populations/Special Education/Programs and Services/School Health and Related Services/](https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Programs_and_Services/School_Health_and_Related_Services/)
- Even if the liable third party denies the claim, Medicaid has already paid and the parent is not responsible for any additional costs



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Sample EOB

CUSHMAN & WAKEFIELD
by QUANTUM HEALTH
 1405 Xenium Lane North, Suite 140
 Minneapolis, MN 55441

2017022803
 2017
 1014 4102

J95B [2.684] 3 of 15

Explanation of Benefits

RETAIN FOR TAX PURPOSES

THIS IS NOT A BILL

Customer Service Information

Need help understanding your benefits? Contact Us.

claim customer service
 877-819-4562

Group Name: CUSHMAN AND WAKEFIELD U.S., INC.
 Group #: 15802
 Division: CC5
 Draft Ref #:
 Insured:
 Insured ID:
 Patient:
 Patient Acct #:
 Prepared On: 12/23/2017 By: CMB
 Benefit Year: 2017 Claim: Medical
 Provider: CONROE ISO
 Provider TIN: 742638006

Forwarding Service Requested

Claim #:

Patient:

Treatment Dates	Procedure / Revenue Code	Billed Amount	Provider Discount	Ineligible Amount	Reason Code	Applied to Deductible	Applied to CoPay	Paid At	Other Payment	Payment Amount	Patient's Responsibility
08/16/17-08/16/17	T1019 /	\$64.54	\$0.00	\$64.54	a	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$64.54
08/17/17-08/17/17	T1019 /	\$56.56	\$0.00	\$56.56	a	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$56.56
08/18/17-08/18/17	T1019 /	\$56.56	\$0.00	\$56.56	a	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$56.56
08/21/17-08/21/17	T1019 /	\$56.56	\$0.00	\$56.56	a	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$56.56
08/22/17-08/22/17	T1019 /	\$56.56	\$0.00	\$56.56	a	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$56.56
08/23/17-08/23/17	T1019 /	\$56.56	\$0.00	\$56.56	a	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$56.56
Column Totals		\$337.34	\$0.00	\$337.34		\$0.00	\$0.00		\$0.00	\$0.00	\$337.34

Patient's Responsibility: **\$337.34**

Other Insurance Credits \$0.00
 Total Payment Amount \$0.00

Description	Satisfied	Claim Year
Family Out of Network Deductible	\$172.34 of \$2000.00	2017
Individual Out of Network Deductible	\$172.34 of \$1000.00	2017

a. Charges ineligible based on the medical necessity provisions as defined by your plan.



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Questions?



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Thank you

Laura Gold

[Oversight SHARS@hhsc.state.tx.us](mailto:Oversight_SHARS@hhsc.state.tx.us)