Third Party Liability 101 for Managed Care Organizations

v1.0 6/28/2018

Table of Contents

Other Coverage Discrepancy Reporting Program Introduction 2

Background 2

Sources of ForwardHealth's COB Information 3

Insurance Disclosure Program 3

Vendors 3

Member Certifying Agencies (CARES) 3

Centers for Medicare and Medicaid (CMS) 3

Department of Defense (VA/DoD) 3

Member, Provider, and Carrier Reports 3

Obtaining COB Data 4

Real time updates - Wisconsin's Eligibility Verification Systems (EVS) 4

HIPAA 834 or the MCO COB Extract 4

Cost Avoidance Editing 5

Encounter Processing 5

Cost Avoidance Edits 5

Other Coverage Discrepancy Report Methods 6

Medicare COB 6

Commercial COB 7

Appendix A: Medicare Paper Form – Report Process 8

Appendix B: Commercial Paper Form – Report Process 9

Appendix C: Commerical Provider Portal – Report Process (Preferred Method) 10

Appendix D: Commercial Excel Format – Report (Batch) Process 11

Version	Date	Change Log	Completed By
1.0	06/28/2018	Initial Guide	Laura Covarrubias and Rose Klaben

Other Coverage Discrepancy Reporting Program Introduction

Background

This guide is designed for use by Managed Care Organizations (MCOs) to understand the sources of third party liability (TPL) or coordination of benefits (COB) information within ForwardHealth's Medicaid Management Information System (MMIS), methods to obtain the COB information, how the information is used with encounter processing, and methods to report COB discrepancies. Maintaining complete and accurate COB information may result in fewer encounter COB edits.

MCOs are an important source of other coverage information as they and their providers are frequently the first to identify coverage discrepancies. ForwardHealth defines a COB or TPL Discrepancy as other verified COB information that contradicts information reflected in one of Wisconsin Medicaid's Eligibility Verification Systems (EVS) described later in this document.

Sources of ForwardHealth's COB Information

Insurance Disclosure Program

ForwardHealth receives electronic insurance disclosure files from over 100 commercial health insurance companies on a monthly basis. Insurance Carriers or Pharmacy Benefit Managers (PBMs) provide an electronic file of all their insured Wisconsin residents. ForwardHealth conducts a match to the Medicaid Management Information System (MMIS) on all ForwardHealth members. When a match is identified, the COB information is added, updated, or deleted on the member's file.

Insurance Disclosure files include COB information from:

- Dental Carriers
- Long Term Care Carriers
- Major Medical Carriers
- Medicare Advantage and Medicare Cost Carriers (also known as Medicare Part C)
- Medicare Supplemental Carriers
- Pharmacy Benefit Managers
- Vision Plan Carriers

Vendors

ForwardHealth contracts with a vendor who provides weekly drug coverage / pharmacy insurance coverage.

Member Certifying Agencies (CARES)

ForwardHealth receives member insurance coverage information when an individual applies for or renews their application for medical assistance.

Centers for Medicare and Medicaid (CMS)

ForwardHealth receives Medicare Parts A, B, and D information, as well as Medicare Advantage and Medicare Cost information, weekly directly from CMS.

Department of Defense (VA/DoD)

ForwardHealth receives insurance coverage information annually for active and retired military personnel directly from the US Department of Defense.

Member, Provider, and Carrier Reports

ForwardHealth receives updated information from providers and other insurance companies based on member check-in interviews. The provider or other insurance company will call ForwardHealth or will utilize a discrepancy method to report updated information. Often, the member will call ForwardHealth to update the system.

Obtaining COB Data

Real time updates - Wisconsin's Eligibility Verification Systems (EVS)

Real-time member eligibility and insurance coverage can be found on one of the Wisconsin's Eligibility Verification Systems (EVS). The EVS is the most accurate depiction of the current state of ForwardHealth's eligibility and COB data. EVS systems include:

- HIPAA 270/271 transactions
- Provider Portal
- WiCall Automated Voice Response (AVR): 1-800-947-3544

HIPAA 834 or the MCO COB Extract

The HIPAA 834 and MCO COB Extract are point-in-time reports. They can only be used as a tool to identify discrepancies for three days after the report run date. After this time period, the information may be outdated. If COB information found on these reports contradicts information provided by another source, use an EVS real-time method to verify system information before reporting a discrepancy.

- The HIPAA 834 enrollment transaction file runs twice a month (initial enrollment file and final enrollment file). In addition to sending the MCOs the members' enrollment data, the 834 reports up to five insurance segments which span the member's enrollment roster dates. It reflects the current state of ForwardHealth's eligibility and COB data as of the date the extract is run. It is ordered by the TPL policy number. It displays detailed information on the types of commercial insurance coverage through service type codes (i.e. medical care, dental care, hospital – inpatient, etc.) for any period in which the member was eligible with the MCO.

- The MCO COB Extract is currently produced weekly for BadgerCare Plus and SSI MCOs and monthly for LTC MCOs. The MCO COB Extract reports up to ten COB segments which span the member's enrollment roster dates. It reflects the current state of ForwardHealth's eligibility and COB data as of the date the extract is run. It displays detailed information on the types of commercial insurance coverage indicators (i.e. drug, physician major medical, dental, inpatient, etc.) for any period in which the member was eligible with the MCO. This extract also displays the Medicare Identifier for applicable members.

Cost Avoidance Editing

Encounter Processing

When encounters are submitted to ForwardHealth, they are processed against cost avoidance rules for goods and services ForwardHealth believes the majority of commercial insurance carriers and/or Medicare cover. Cost avoidance edits set for members with the applicable type of service if the other insurance adjudication is not reported on the encounter.

For example, if the member has "Dental Only" insurance, and the encounter submitted is for an annual preventative health exam, the cost avoidance edit logic is bypassed because the member does not have insurance for the type of service submitted on the encounter.

If the member has "Physician Major Medical" insurance, and the encounter submitted is for an annual preventative health exam, the cost avoidance logic is reviewed to determine if the encounter includes other insurance adjudication. If other insurance adjudication is not included in this scenario, the encounter sets a cost avoidance edit.

Cost Avoidance Edits

The ForwardHealth MMIS contains the following cost avoidance edits:

Edit #	EOB #	Edit Description
2500	1256	Member Covered by Medicare A
2502	1257	Member Covered by Medicare B
2504	0278	Member Covered by Private Insurance
2516	0962	Other Insurance Not on File
2517	0771	Member Covered by MCare Advantage Managed Care
2518	0702	Member Has Other Dental Coverage
2519	0130	Member Covered by MCare Supplemental
2527	3082	Member Covered by MCare Cost Managed Care

When these edits are returned to the MCO, ForwardHealth expects to receive one of the following:

- An updated encounter including other insurance adjudication, or
- An Other Insurance Discrepancy Form or a Medicare Discrepancy Form, after member coverage has been verified.

Other Coverage Discrepancy Report Methods

Medicare COB

If the edit received is:

Edit #	EOB #	Edit Description
2500	1256	Member Covered by Medicare A
2502	1257	Member Covered by Medicare B
2517	0771	Member Covered by MCare Advantage Managed Care
2527	3082	Member Covered by MCare Cost Managed Care

Use the following Discrepancy Reporting Method:

Method	Process
Paper Forms F-02074	Medicare Parts A, B, D, and Medicare Advantage/Cost Other Coverage Discrepancy Form. • It may take up to two weeks to process Paper Discrepancy Forms. • Medicare Parts A, B, D, and Medicare Advantage/Cost will continue to be entered manually following research by the TPL Ops Team. Note: CMS must match the information entered on the Discrepancy Form to be updated by WI ForwardHealth. • **Refer to Appendix A for a flowchart of this process.**

Commercial COB

If the edit received is:

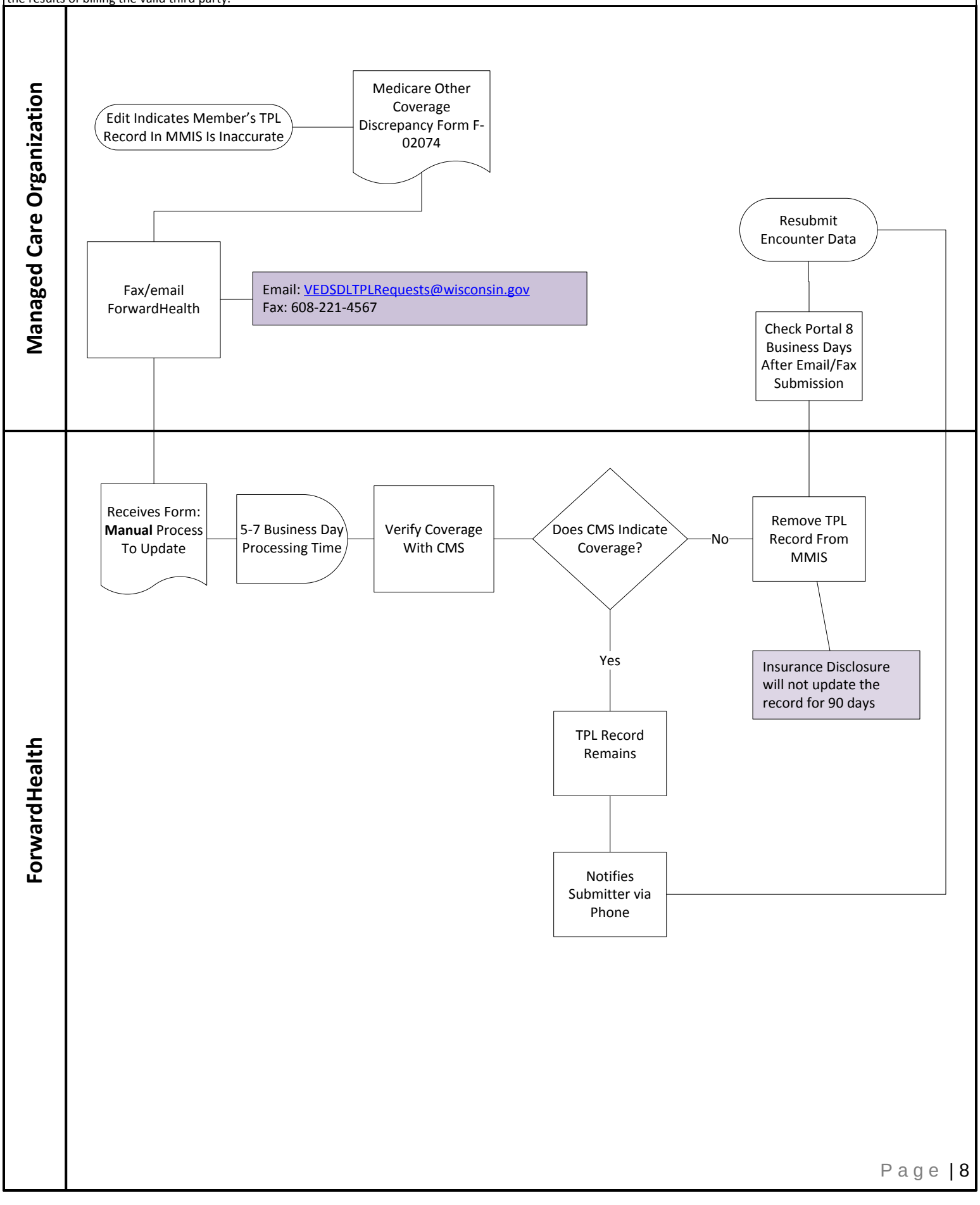
Edit #	EOB #	Edit Description
2504	0278	Member Covered by Private Insurance
2516	0962	Other Insurance Not on File
2518	0702	Member Has Other Dental Coverage
2519	0130	Member Covered by MCare Supplemental

Use one of the following Discrepancy Reporting Methods:

Method	Process
Paper Forms F-01159	Commercial Insurance, Medicare Supplemental, and Long Term Care Only Other Coverage Discrepancy Form • It may take up to two weeks to process Paper Discrepancy Forms. • **Refer to Appendix B for a flowchart of this process.**
Provider Portal (**preferred method** from the secure Portal account home page under the Quick Links section)	• In Spring 2017, the Other Coverage Discrepancy portal process became a real time process for commercial adds and changes: • Commercial Insurance, Medicare Supplemental, and Long Term Care Only policy **adds** and **changes** entered on the portal will directly update the member's TPL information. • Deletes will continue to be entered manually following research by the TPL Operations Team. • **Refer to Appendix C for a flowchart of this process.**
Excel Format (Batch) Report – (use is restricted to MCOs only) Link to Report Matrix	• The report can be found in the HMO Report Matrix. • This excel format report has guidelines for data entry with free form fields. It is intended for those MCOs from whom large volumes of commercial insurance, Medicare Supplemental, and/or Long Term Care Only discrepancies are received. 1. It may take up to two weeks to process the Excel format discrepancy report. 2. MCOs must not send repeat information on the Excel format report within the same month of discrepancy disclosure. • **Refer to Appendix D for a flowchart of this process.**

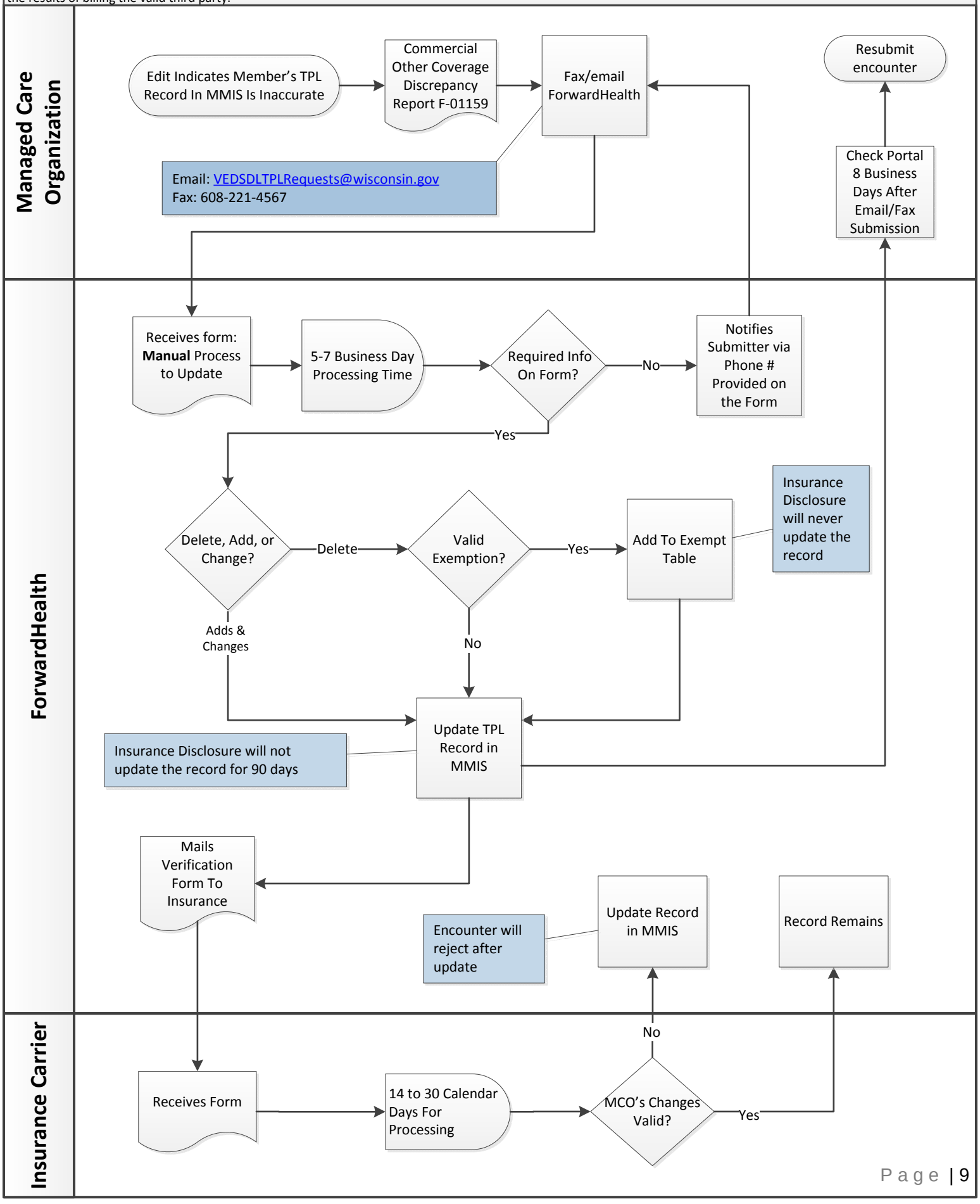
Appendix A: Medicare A, B, D, and Advantage Paper Form – Report Process

*This process documents the procedures when the MCO's TPL data does not match ForwardHealth's TPL data. If there is other valid TPL on file, DHS expects MCOs to report the results of billing the valid third party.



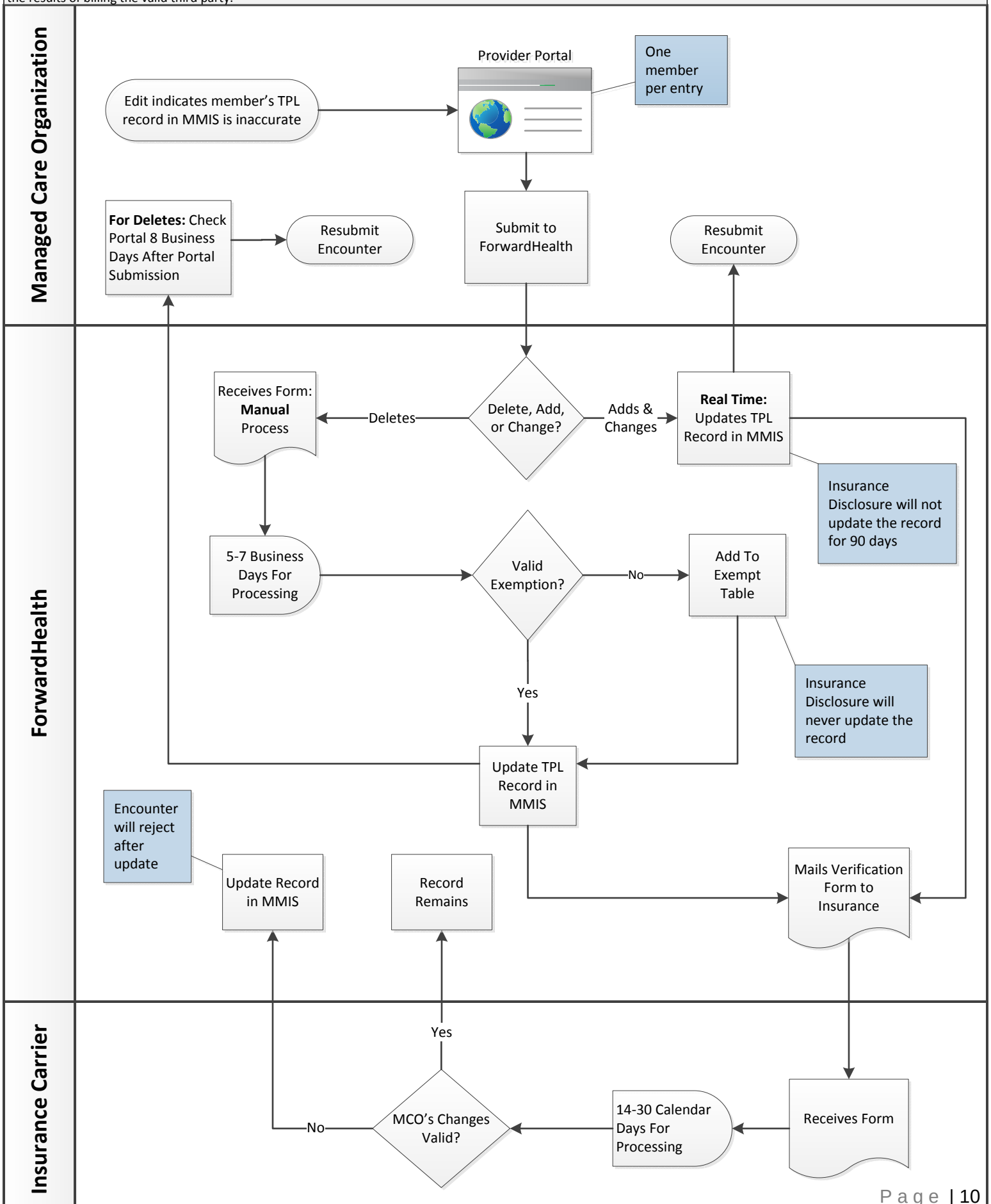
Appendix B: Commercial Paper Form– Report Process

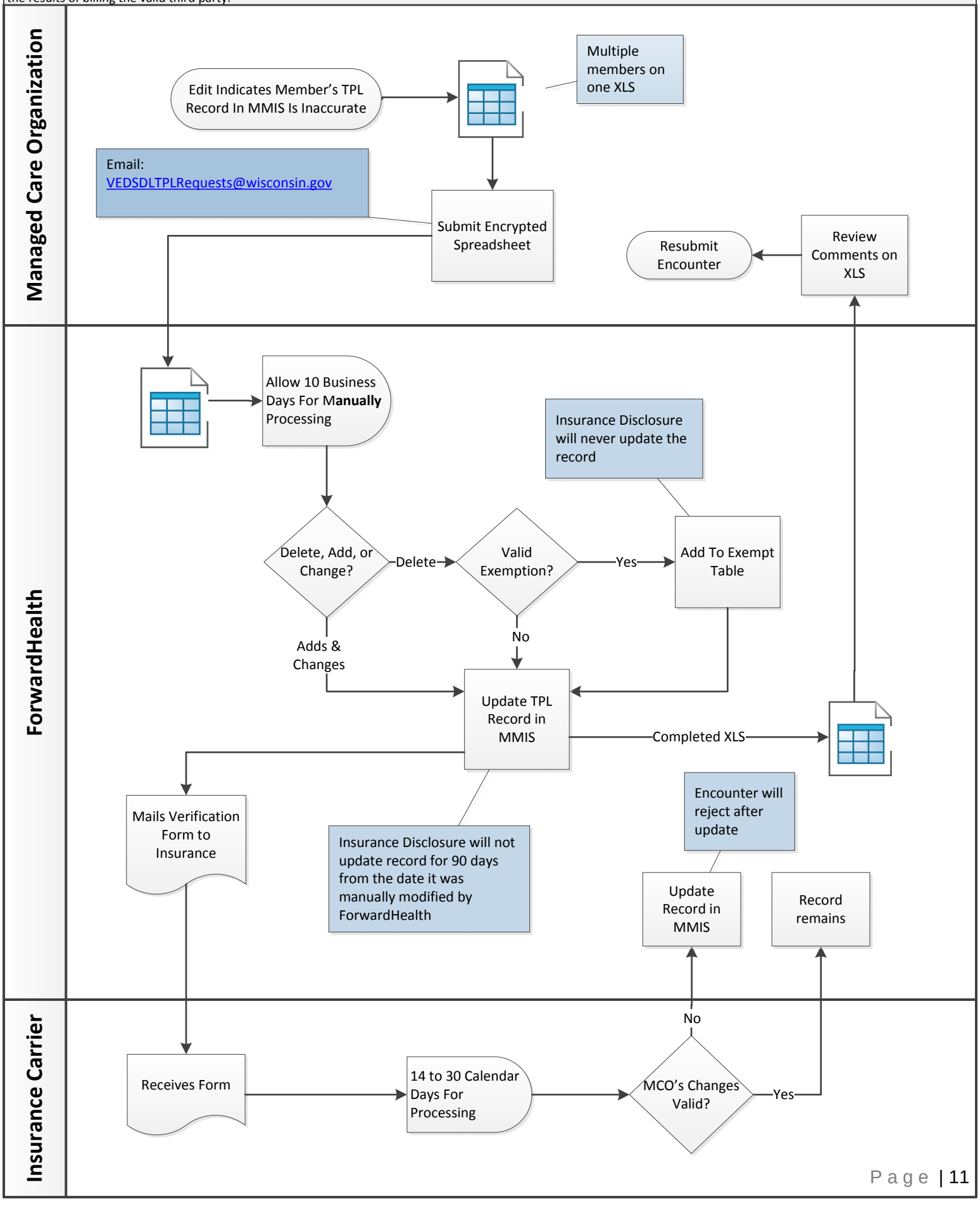
*This process documents the procedures when the MCO's TPL data does not match ForwardHealth's TPL data. If there is other valid TPL on file, DHS expects MCOs to report the results of billing the valid third party.



Appendix C: Commercial Provider Portal- Report Process (Preferred Method)

*This process documents the procedures when the MCO's TPL data does not match ForwardHealth's TPL data. If there is other valid TPL on file, DHS expects MCOs to report the results of billing the valid third party.



Appendix D: Commercial Excel Format- Report (Batch) Process

*This process documents the procedures when the MCO's TPL data does not match ForwardHealth's TPL data. If there is other valid TPL on file, DHS expects MCOs to report the results of billing the valid third party.