

4001 THIRD PARTY LIABILITY

REVISION DATE: 4/24/2019, 9/1/2014

EFFECTIVE DATE: January 1, 1996

Third party liability (TPL) is any funding source other than the Division of Developmental Disabilities (the Division). It includes medical insurance, for example, Medicare, CHAMPUS, TriCARE, or Blue Cross/Blue Shield. It also includes any benefits or settlements a person has as the result of an accident. It may also include eligibility for other programs such as Children's Rehabilitative Services (CRS), Arizona Health Care Cost Containment System (AHCCCS), or county funded services.

Policy

The Division is required to bill any third party for all covered services for all individuals eligible for services through the Division. A member/responsible person is required to provide third party insurance information when requested.

Retroactive Recoveries Involving Commercial Insurance Payor Sources

For two years from the date of service, the Division engages in retroactive third-party recovery efforts for claims paid to determine if there are commercial insurance payor sources that were not known at the time of payment.

If a commercial insurance payor source is identified, the Division seeks recovery from the commercial insurance. The Division is prohibited from recouping related payments from providers, requiring providers to act, or requiring the involvement of providers in any way, unless the provider was paid in full from both the Division and the commercial insurance.

Other Third-Party Liability Recoveries

- A. The Division will identify the existence of potentially liable parties using a variety of methods, including referrals, and data mining. The Division does not pursue recovery in the following circumstances, unless the case has been referred to the Division by AHCCCS or AHCCCS' authorized representative:
- Motor Vehicle Cases
 - Other Casualty Cases
 - Tortfeasors
 - Restitution Recoveries
 - Worker's Compensation Cases.
- B. Upon identification of a potentially liable third party for any of the above situations, the Division reports the potentially liable third party to AHCCCS' TPL Contractor for determination of a mass tort, total plan case, or joint case within 10 business days.

The Division may refer mass tort or total plan cases to the Division's authorized contractor. The Division will cooperate with AHCCCS' authorized representative in all collection efforts.

Total Plan Cases

- A. In total plan cases, the Division performs all research, investigation, the mandatory filing of initial liens on cases that exceed \$250, lien amendments, lien releases, and payment of other related costs in accordance with A.R.S. §36-2915 and A.R.S. §36-2916 for cases pursued by the Division. The Division may retain up to 100% of its recovery collections if all of the following conditions exist:
1. Total collections received do not exceed the total amount of the Division's financial liability for the member
 2. There are no payments made by AHCCCS related to Fee-For-Service, reinsurance or administrative costs (e.g. lien filing).
 3. Such recovery is not prohibited by state or federal law.
- B. Prior to negotiating a settlement on a total plan case, the Division notifies AHCCCS or AHCCCS' authorized TPL Contractor to ensure that there is no reinsurance or Fee-For-Service payment that has been made by AHCCCS. The Division must report settlement information to AHCCCS by the 10th day of each month on an AHCCCS-approved monthly file.

Joint and Mass Tort Cases

AHCCCS' authorized representative performs all research, investigation, and payment of lien-related costs, subsequent to the referral of any and all relevant case information to AHCCCS' authorized representative by the Division.

In joint and mass tort cases, AHCCCS' authorized representative is also negotiating and acting in the best interest of all parties to obtain a reasonable settlement and may compromise a settlement in order to maximize overall reimbursement, net of legal and other costs. The Division will be responsible for their prorated share of the contingency fee. The Division's share of the contingency fee will be deducted from the settlement proceeds prior to AHCCCS remitting the settlement to the Division.

Other Reporting Requirements

- A. All TPL reporting requirements are subject to validation through periodic audits and/or Operational Reviews that may include the Division's submission of an electronic extract of the casualty cases, including open and closed cases. Data elements may include but are not limited to:
- The member's first and last name
 - AHCCCS ID
 - Date of incident
 - Claimed amount
 - Paid/recovered amount
 - Case status.