57 THIRD PARTY LIABILITY WAIVER REQUESTS

REVISION DATE: 10/25/2023, 9/7/2022, 4/25/2018
EFFECTIVE DATE: August 5, 2016
REFERENCES: 42 C.F.R. § 433.136; 42 C.F.R. § 433.138; 42 C.F.R. § 433.139; Deficit Reduction Act (DRA) of 2005; A.R.S. § 36-2903; A.R.S. § 36-2904; A.R.S. § 36-2923; A.R.S. § 36-596; A.R.S. § 36 Chapter 5.1; A.A.C. R6-6-1303; A.A.C. R6-6-2101; A.A.C. R9-22-1001; A.A.C. R9-22-1002; A.A.C. R9-22-1003; ACOM 201; ACOM 416; ACOM 434; CMS 1500

PURPOSE

This policy establishes requirements for Qualified Vendors when coordinating benefits and requesting Third Party Liability waivers for therapy and nursing services claims.

DEFINITIONS

1. "Coordination of Benefits" or "COB" means the activities involved in determining Medicaid benefits when a member has coverage through an individual, entity, insurance, or program that is liable to pay for health care services.
2. "Cost Avoidance" means the process of identifying and utilizing all confirmed sources of first or third-party benefits before payment is made by the Division.
3. "Explanation of Benefits" or "EOB" means a document that states the Third Party insurance company's potential liability

for a claim that arises out of a contract of insurance. An EOB indicates how the payment was calculated and any reasons for non-payment.

4. "Qualified Vendor" or "QV" means a provider of community developmental disability services that has applied for Qualified Vendor status, meets the criteria for Qualified Vendor status, and has entered into a Qualified Vendor Agreement with the Division.
5. "Third Party" means an individual, entity or program that is, or may be, liable to pay all or part of the expenditures for medical assistance furnished under a State plan as defined in 42 C.F.R. § 433.136.
6. "Third Party Liability" or "TPL" means the legal obligation of the third parties (e.g. certain individuals, entities, insurers, or programs) to pay part or all of the expenditures for medical assistance furnished under a Medicaid state plan.

POLICY

A. QUALIFIED VENDOR TPL RESPONSIBILITIES

1. The QV shall coordinate benefits with Third Parties to ensure

costs for services otherwise payable by the Division are Cost Avoided or recovered from a liable Third Party.

2. The QV shall create appropriate methodologies and processes for obtaining documentation and payment from Third Parties, as required by the Division, to include, but not limited to:
   a. Resubmitting claims,
   b. Making follow-up phone calls, and
   c. Submitting additional requested information.
3. The QV shall bill the TPL(s), including High Deductible Health Plans that are associated with Health Savings Accounts (HSAs), before submitting claims to the Division.
4. The QV shall report to TPLBenefits@azdes.gov any updates to the member-specific TPL information within ten (10) business days of learning of the new information.
5. If a QV has been paid by the Division and subsequently receives reimbursement from a TPL, the QV shall submit a claim correction or claim reversal and report the TPL payment to the Division.
6. When a QV receives payment from a TPL in an amount that meets or exceeds the published rate, the QV shall report the

provision of service on the claim document indicating no amount due from the Division.

7. When a QV receives payment from a TPL in an amount that is lower than the published rate, the QV shall report the provision of service on the claim document up to the Division's contracted rate. The QV shall bill the Division for the difference between the TPL paid amount and the Division's contracted rate.

B. CLAIMS AND EXPLANATION OF BENEFITS

1. Prior to submitting a claim to the Division, the QV shall obtain an EOB that indicates denial of the claim from the member's TPL. If the TPL has not adjudicated the claim within six months, the QV shall submit the claim to the Division to preserve timely filing.
2. If the Division member is covered by more than one TPL, the QV shall obtain an EOB from each TPL.
3. When submitting a claim to the Division, the QV shall include the EOB and supporting documentation if necessary, verifying the rejection or non-payment of the claim by the TPL.
4. The QV shall ensure the billed service code reflected on the EOB corresponds to AHCCCS-approved Current Procedural

Terminology codes (CPT)/Healthcare Common Procedure Coding System (HCPCS) codes.

C. APPLYING FOR A TPL WAIVER

1. Upon receiving an EOB with a denial of payment from the TPL, the QV shall request a TPL waiver from the Division to receive payment for the claim and to meet COB requirements.

2. The QV shall submit TPL waiver requests by email to TPLWaiver@azdes.gov; with the following required documents:
   a. A completed COBV Waiver Request form, and
   b. Each corresponding EOB.
   c. If the EOB does not contain the procedure codes (CPT/ HCPCS), the QV shall include the CMS 1500 form (if applicable).
   d. Other supporting documentation may be submitted with the COBV waiver request.

3. The Division shall deny TPL waiver requests if unapproved or incorrect procedure codes are submitted by the QV.

4. The Division shall deny TPL waiver requests when the EOB from the TPL is denying the claim for additional information or

corrected information.

5. The Division shall request additional information from the QV and or TPL carrier, if required.
6. The QV shall meet the criteria below to obtain a TPL waiver when billing for services covered under Medicare Part B:
   a. Be a certified Medicare provider.
   b. Submit a COBV Waiver Request and a Medicare Part B EOB.
7. The QV shall not submit a TPL waiver to the Division for billing pertaining to Medicare Parts A, C, and D.
8. The Division shall review all TPL waiver requests and provide the QV with an approval or denial status.
9. The QV may view approved waivers under "Waivers" in the Professional Billing System (PBS).
10. The Division shall email denied waivers to the QV.

D. THIRD PARTY LIABILITY EXCLUSIONS

The Division shall not require the QV to bill the following accounts, as they are not considered as liable Third Party resources:

1. Medical Savings Account (MSA);
2. Health Flex Spending Arrangement (FTA); and

3. Health Savings Account (HSA).