

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State:

Iowa

OMB No.: 0938-0193

**REQUIREMENTS FOR THIRD PARTY LIABILITY -
PAYMENT OF CLAIMS**

1. PROVIDER COMPLIANCE

The requirement that providers bill a liable third party before billing Medicaid is enforced by cost avoidance. The Iowa Medicaid Enterprise (IME) does not pay claims when the Medicaid eligibility file indicates that there is third-party liability, but the claim does not show an insurance payment. Providers must resubmit the claim indicating payment or denial from the third party before payment is made by Medicaid.

When the other resource has not paid the provider's full charge, providers may bill Medicaid for the difference (up to the Medicaid maximum allowable fee). Auditing is performed on a random basis to ensure correct billing.

However, the Department pays in accordance with the usual payment schedule without regard to third-party liability for claims where the liability is derived, through insurance or otherwise, from a parent whose obligation to pay support is being enforced by the state IV-D agency, or for a Medicaid-eligible woman who is pregnant, or for children receiving preventive pediatric services. These types of claims, are paid by Medicaid, then are billed to the responsible third party by Medicaid. All services are subject to this provision.

Inquiries for third-party liability on trauma claims are automated on a postpayment basis.

2. THRESHOLD AMOUNTS

The Department will attempt to collect from a liable third party when a member's total trauma claims for a single trauma incident are greater than \$250. Each member's trauma claims, which are related to a single incident, will be added together for one year to compare to the \$250 threshold.

However, when an attorney notifies Iowa Medicaid of their involvement in casualty situations or a member notifies Medicaid of possible insurance payment in casualty situations, these requests are worked when they total over \$50 in amount.

TN No. MS-06-009
Supersedes
TN No. MS-98-8

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*Substitute per letter dated 8/12/98 *

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4. PROVIDER RESTRICTIONS

Providers must agree to accept the payment made by the Medicaid Program as payment in full and make no additional charges to the recipient or others.

No provider of service participating in the Medicaid Program may deny care or services to a recipient eligible for the care and services under the program because of the recipient's inability to pay a copayment.

TN No. MS-98-8
Supersedes
TN No. MS-90-14

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