

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

**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 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 submit claims to Medicaid for the difference (up to the Medicaid maximum allowable fee). Auditing is performed on a random basis to ensure correct billing.

State Compliance with Statutory Third Party Liability Changes in accordance with the Bipartisan Budget Act (BBA) of 2018.

A. The requirement for states to apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services.

(1) Iowa will use standard “cost avoidance” coordination of benefits cost avoidance when processing claims for prenatal services, including labor, delivery and postpartum care claims.

B. The requirement for states to make payment without regard to potential TPL for pediatric preventive services, unless the state has made a determination related to cost-effectives and access to care that warrants cost avoidance for 90 days.

(1) Iowa will use standard pay and chase procedures when processing claims for pediatric preventive services care claims.

C. State Flexibility to make payments without regard to potential TPL for up to 100 days for claims related to child support enforcement beneficiaries.

(1) Iowa will use standard pay and chase procedures when processing claims for child support enforcement beneficiaries.

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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 children receiving preventive pediatric services. These types of claims, are paid by Medicaid, and then are billed to the responsible third party. All services are subject to this provision.

Inquiries for third-party liability on trauma claims are automated on a post payment 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.

Insurance claims of less than \$100 dollars are billed once the dollar value of the total claims is greater than \$100.00.

3. RESERVED

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 services participating in the Medicaid Program may deny care of services to a recipient eligible for the care and services under the program because of the recipient’s inability to pay a copayment.

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Citation

- 42 CFR 433.139(b)(3) (ii)(A) x (c) Providers are required to bill liable third parties when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out by the State IV-D agency.
- (d) ATTACHMENT 4.22 -B specifies the following:
 - 42 CFR 433.139(b)(3)(ii)(C) (1) The method used in determining a providers compliance with the third party billing at requirements §433.139(b)(3)(ii)(C).
 - 42 CFR 433.139(0)(2) (2) The threshold amount or other guideline used in determining whether to seek recovery of reimbursement from a liable third party, or the process by which the agency determines that seeking recovery of reimbursement would not be cost effective.
 - 42 CFR 433.139(f)(3) (3) The dollar amount or time period the State uses to accumulate billings from a particular liable third party in making the decision to seek recovery of reimbursement.
- 42 CFR 447.20 (e) The Medicaid agency ensures that the provider furnishing a service for which a third party is liable follows the restrictions specified in 42 CFR 447.20.

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