# REV - Pay and Chase Procedure

## Purpose:

Health Management System (HMS) conducts commercial billing cycles monthly to recover funds from providers where Third Party liability (TPL) has been identified for Medicaid members with paid claims within the last three years, as mandated by the deficit reduction act. Through our commercial billings we instruct the carrier to repay Medicaid claims when TPL is the primary insurance.

For the Iowa Medicaid Enterprise (IME), Health Management Systems (HMS) pursues recovery from insurance carriers, third party administrators, TRICARE, pharmacy benefit managers, and other sources of TPL. Our billings include all provider services such as physician, institutional, and pharmacy billings where Medicaid is the payor of last resort.

## Identification of Roles:

**IME** – Each month Iowa sends to HMS three files: the provider file, eligibility file, and the paid claims file.

**HMS** – Identifies TPL for Medicaid member and matches paid claims for the given period of the TPL, billing the appropriate carrier.

## Performance Standards:

a. Deposit all TPL recovery amounts within two (2) business days and post/apply all denial information within sixty (60) business days of receipt.
b. Initiate follow-up activities on unpaid post payment carrier billings within ninety (90) business days.

## Path of Business Procedure:

HMS's TPL project is driven by the ability to bill commercial insurance sources using HIPAA-compliant Electronic Data Interface (EDI) standards for claims that the Department has paid, but for which the program is not the financially liable party.

**Step 1:** Obtain data files. Each month, HMS's Iowa Project Team receives the Iowa Paid Claims File, Provider File and Eligibility File form the CORE Medicaid Management Information Systems (MMIS) vendor. The monthly Medicaid eligibility file identifies all Medicaid participants.

**Step 2:** HMS bills claims that are up to three years old to insurance carriers when retroactive TPL has been found.

**Step 3:** The commercial recovery process commences once the existence of other coverage for Medicaid recipients is identified using our National Eligibility Database (NEDB). The insurance database contains more than 1.3 billion insurance records from over 1,000 payors in Iowa and throughout the country. It includes large national and regional carriers, Pharmacy Benefit Managers (PBMs), Third Party Administrators (TPAs), Employee Retirement Income Security Act (ERISA), specialty healthcare plans and unions. Once the preliminary identification is complete, HMS initiates the comprehensive billing processes to recover these funds on behalf of the Department.

**Step 3:** The billings generated include institutional, pharmacy, and professional claims that have satisfied a detailed list of eligibility edits and coverage criteria.

**Step 4:** Perform match to the cumulative claims history file. Modify monthly the data repository of all the Department's claims upon receipt of the Department's paid claims file. The match process identifies those claims paid by Medicaid for which a third-party may be liable.

**Step 5:** Perform the match of recipients with insurance to Medicaid paid claims data. Using the historical paid claims data, identify all claims that have been paid for an enrollee with the newly identified third party coverage.

**Step 6:** To eliminate duplicate billings, compare monthly data match billing results to all prior recovery efforts, which isolates and bills only new claims suitable for recovery.

**Step 7:** Verify that insurance coverage is consistent with the Medicaid services the recipient received. For example, a catastrophic loss policy seldom covers a doctor's office visit. Using coverage codes, data maps, and category of service codes from the Medicaid paid claims data files, crosswalk coverage to services so that only the appropriate claims for submission are selected.

**Step 8:** Initiate direct billing using the listing of claims suitable for recovery.

**Step 9:** Bill the correct entity within the appropriate timeframe and for the correct amount to ensure accelerated repayment.

**Step 10:** Bill commercial insurance sources, pharmacy benefit managers (PBMs), TRICARE/CHAMPUS, third-party administrators (TPAs), and other entities using Health Insurance Portability and Accountability Act (HIPAA) -

compliant EDI standards for those claims that Medicaid has paid, but for which the Department is not the financially liable party. Billing protocols prepare and submit Medicaid TPL claims to liable third parties in accordance with all federal and state regulations.

**Step 11:** In-place claim edits ensure that billings abide by Iowa regulations and policies as well as the Department- and carrier-specific policies. These edits ensure exclusion of confidential or sensitive services; and specific procedure codes including W codes used for waiver services. Perform validation check against the Provider Address File, National Drug Code (NDC) Listing, and ICD-9 Code Sets to ensure that all entities and medical or pharmacy codes are valid. Final claims selection process complete.

**Step 12:** Produce Quality Assurance/Cycle reports for internal review and approval. These reports are created by the Quality Assurance Team. QA team compares the billing to the Iowa specific checklist and payor-specific edits to ensure that each of the criteria required to bill the claims are met. Once all validations are correctly complete, submit to Iowa's Project team for billing cycle release approval.

**Step 13:** Prepare and submit electronic or paper billings to commercial carriers and other payors.

**Step 14:** Refer to Carrier Relations any commercial payors who are not receiving Medicaid reclamation claims through electronic billing platforms but for whom electronic billing may be available.

**Step15:** Delivery of recoveries through recoupment files:

a) HMS delivers recoupment files in the format required by the MMIS. These files contain enough data for loading of third party liability (TPL) recoveries directly into the claim file of the MMIS.

Step 16: Reporting:

a) Monthly report summarizing amounts billed and collected, current, and year-to-date

b) Quarterly report summarizing recoveries and unrecoverable amounts by carrier, type of coverage, and reason.

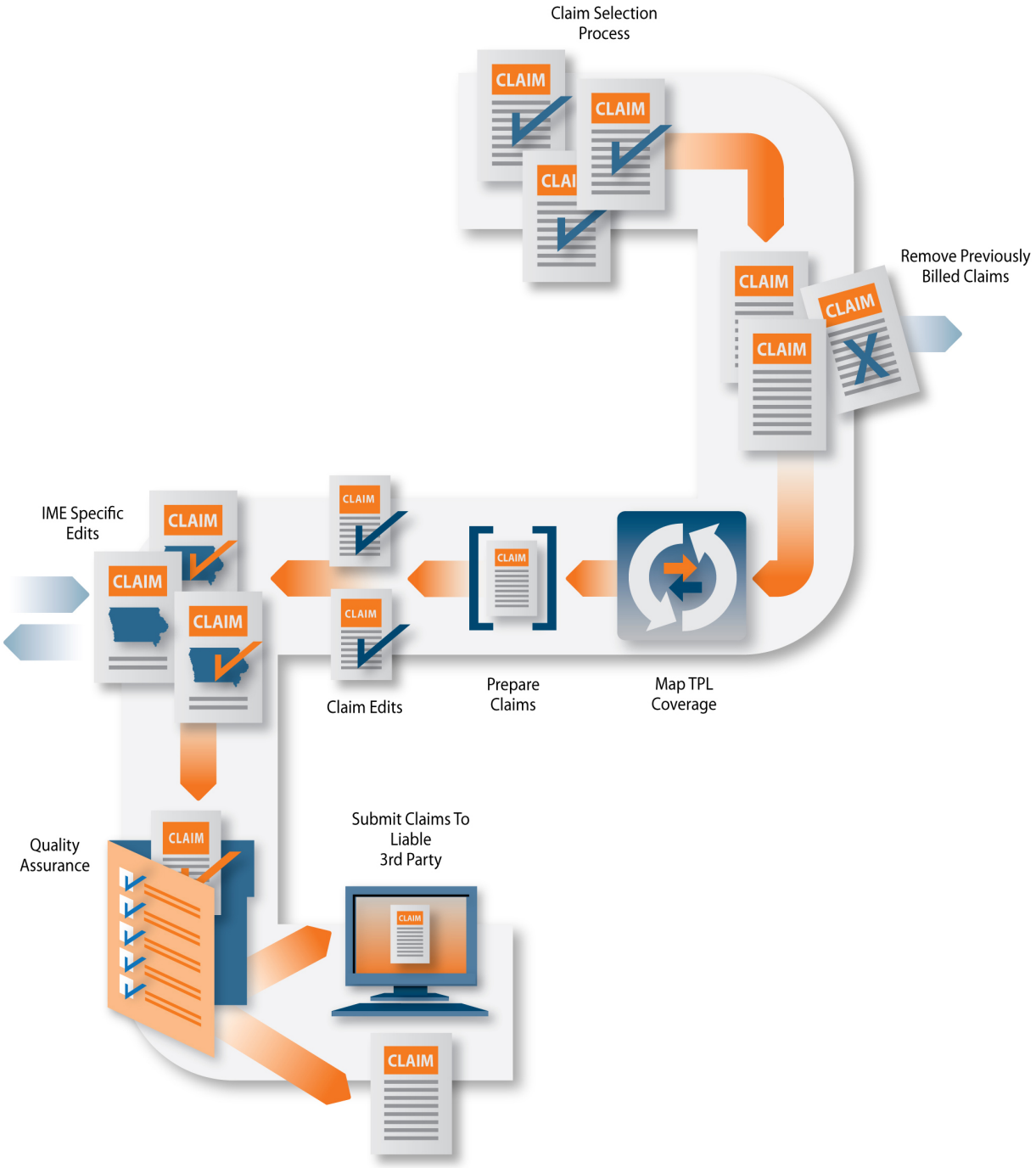
## Forms/Reports: N/A

## RFP References: N/A

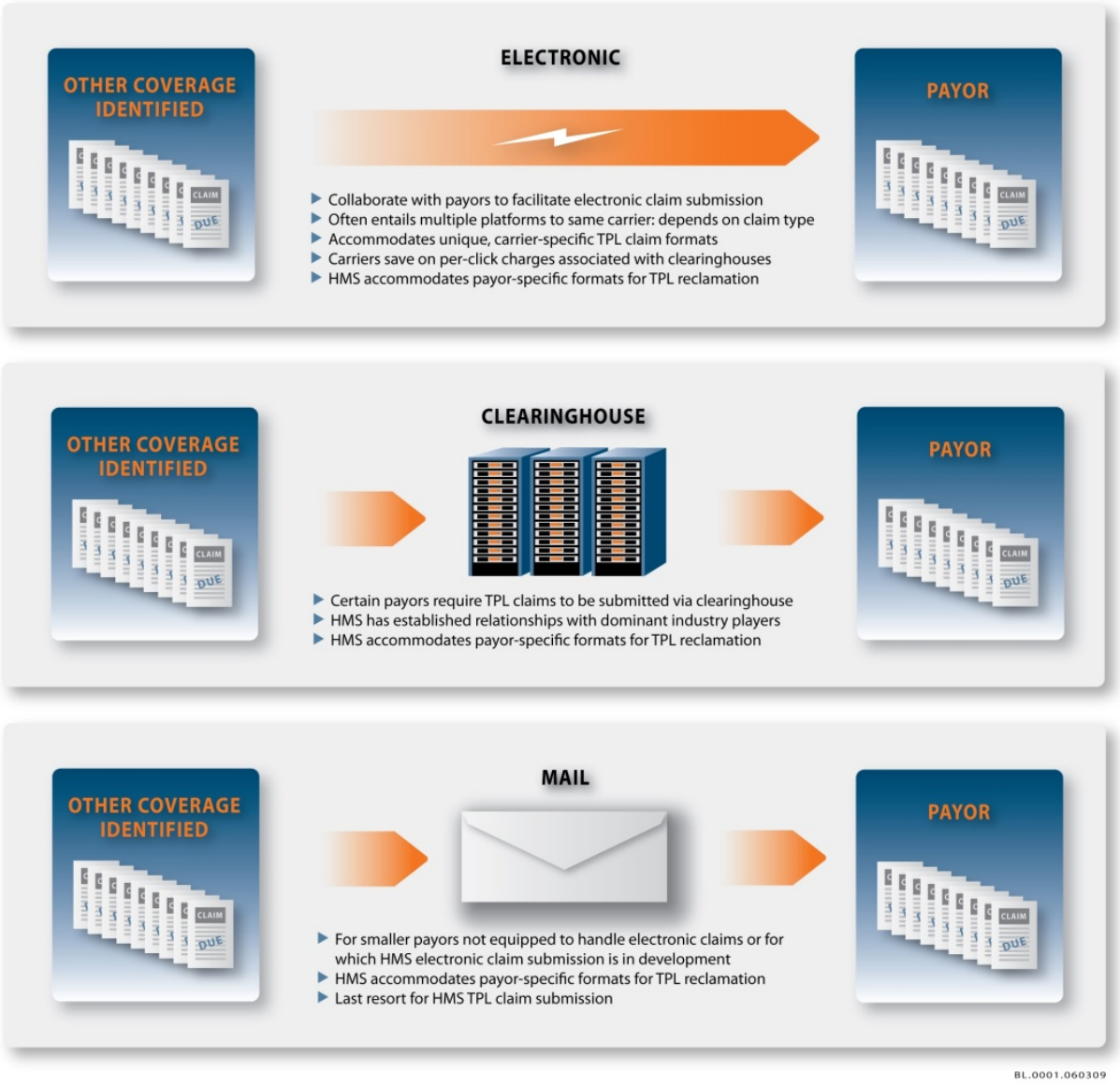
## Interfaces: CORE

## Attachments:

Streamlined billing process flow




Third party billing approach flow


ELECTRONIC
OTHER COVERAGE IDENTIFIED
CLAIM
DUE
PAYOR
Collaborate with payors to facilitate electronic claim submission
Often entails multiple platforms to same carrier: depends on claim type
Accommodates unique, carrier-specific TPL claim formats
Carriers save on per-click charges associated with clearinghouses
HMS accommodates payor-specific formats for TPL reclamation
CLEARINGHOUSE
OTHER COVERAGE IDENTIFIED
CLAIM
DUE
PAYOR
Certain payors require TPL claims to be submitted via clearinghouse
HMS has established relationships with dominant industry players
HMS accommodates payor-specific formats for TPL reclamation
MAIL
OTHER COVERAGE IDENTIFIED
CLAIM
DUE
PAYOR
For smaller payors not equipped to handle electronic claims or for which HMS electronic claim submission is in development
HMS accommodates payor-specific formats for TPL reclamation
Last resort for HMS TPL claim submission
BL.0001.060309

Carrier specific claim formats

| Carrier / PBM | Claim Type | Layout |
|---|---|---|
| AETNA | INST | 837I |
| AETNA | PROF | 837P |
| AETNA Pharmacy Management | RX | NCPCP 2.0 |
| AMERIHEALTH | INST | 837I |
| AMERIHEALTH | PROF | 837P |
| Anthem Blue Cross - California | PROF | 837P |
| Anthem Blue Cross - Georgia | INST | 837I |
| Anthem Blue Cross - Georgia | PROF | 837P |
| Anthem Blue Cross - Indiana | PROF | 837P |
| Anthem Blue Cross - Indiana | INST | 837I |
| Anthem Blue Cross - Kentucky | INST | 837I |
| Anthem Blue Cross - Kentucky | PROF | 837P |
| Anthem Blue Cross - Kentucky | PROF | 837P |
| Anthem Blue Cross - Missouri | PROF | NSF |
| Anthem Blue Cross - Missouri | PROF | 837P |
| Anthem Blue Cross - Missouri | PROF | 837i |
| Anthem Blue Cross – Ohio | INST | 837I |
| Anthem Blue Cross – Ohio | PROF | 837P |
| Anthem Blue Cross - Virginia | INST | 837I |
| Anthem Blue Cross - Virginia | PROF | 837P |
| ANTHEM Prescription Management | RX | NCPDP 2.0 |
| Argus Health Systems | RX | NCPDP 5.1 |
| Argus Health Systems, Medicare Part D | RX | NCPDP 5.1 |
| Argus Health Systems, Blue Shield of California | RX | NCPDP 5.1 |
| Arkansas Blue Cross and Blue Shield | INST | 837I |

| | | |
|---|---|---|
| Arkansas Blue Cross and Blue Shield | PROF | 837P |
| Blue Cross and Blue Shield of Arizona | INST | 837I |
| Blue Cross and Blue Shield of Arizona | PROF | 837P |
| Blue Cross and Blue Shield of Louisiana | INST | 837I |
| Blue Cross and Blue Shield of Louisiana | PROF | 837P |
| Blue Cross and Blue Shield of North Carolina | INST | 837I |
| Blue Cross and Blue Shield of North Carolina | PROF | 837P |
| BCBS of Alabama | INST | 837I |
| BCBS of Alabama | PROF | 837P |
| BCBS of Alaska | INST | 837I |
| BCBS of Alaska | PROF | 837P |
| BCBS of Florida | INST | UB92 |
| BCBS of Florida | PROF | NSF |
| BCBS of Florida | RX | NSF |
| BCBS of Florida | PROF | Proprietary |
| BCBS of Florida | INST | Proprietary |
| BCBS of Massachusetts | INST | 837I |
| BCBS of Massachusetts | PROF | 837P |
| BCBS of Tennessee | INST | 837I |
| BCBS of Tennessee | PROF | 837P |
| Blue Cross of Idaho | INST | 837I |
| Blue Cross of Idaho | PROF | 837P |
| Blue Cross of Northeastern Pennsylvania | INST | 837I |
| Blue Cross of Northeastern Pennsylvania | PROF | 837P |
| BCBS of Western NY | PROF | 837p |
| Carefirst BCBS | INST | Proprietary |
| Carefirst BCBS | PROF | Proprietary |
| Catalyst | Rx | NCPDP 5.1 |

| | | |
|---|---|---|
| CDPHP | PROF | 837P |
| CIGNA | INST | Proprietary |
| CIGNA | PROF | Proprietary |
| ConnectiCare | RX | NCPDP5.1 |
| CVS Caremark (QL) | RX | NCPDP 5.1 |
| CVS Caremark (Recap) | RX | Proprietary |
| CVS Caremark (RxClaim) | RX | NCPCP 2.0 |
| CVS Caremark (RxClaim) | RX | NCPDP 5.1 |
| CVS Caremark Medicare Part D (QL) | RX | NCPDP 5.1 |
| CVS Caremark Medicare Part D (RXCLAIM) | RX | NCPDP 5.1 |
| Envision RxOptions Medicare Part D | RX | NCPDP 5.1 |
| Excellus BCBS | RX | NCPDP 5.1 |
| Excellus BCBS | PROF | 837P |
| Express Scripts – Commercial Insurance | RX | NCPDP 5.1 |
| Express Scripts – TRICARE | RX | NCPDP 5.1 |
| GHI MEDICARE PART D | RX | NCPDP 5.1 |
| Great West | INST | Proprietary |
| Great West | PROF | Proprietary |
| HARVARD PILGRIM | PROF | 837P |
| HCSC/BCBS of Oklahoma | INST | 837I |
| HCSC/BCBS of Oklahoma | PROF | 837P |
| HCSC/BCBS of Texas | INST | 837I |
| HCSC/BCBS of Texas | PROF | 837P |
| Health Insurance Plan of New York (HIP) | RX | NCPDP 5.1 |
| Highmark | PROF | 837P |
| Highmark | INST | 837I |
| Humana | INST | Proprietary |
| Humana | PROF | Proprietary |

| | | |
|---|---|---|
| Humana | INST | 837I |
| Humana | PROF | 837P |
| Independent Health | Rx | NCPDP 5.1 |
| Medco | RX | NCPDP 5.1 |
| MEDIMPACT | RX | NCPDP 5.1 |
| MEMBERHEALTH Medicare Part D | RX | NCPDP 5.1 |
| Mid Atlantic Medical Services (UHC) | INST | 837I |
| Mid Atlantic Medical Services (UHC) | PROF | 837P |
| Mutual of Omaha | INST | Proprietary |
| Mutual of Omaha | PROF | Proprietary |
| Office of Group Benefits Louisiana | INST | 837I |
| Office of Group Benefits Louisiana | PROF | 837P |
| Oxford | INST | 837I |
| Oxford | PROF | 837P |
| Pacificare | INST | 837I |
| Pacificare | PROF | 837P |
| Paramount | INST | 837I |
| Paramount | PROF | 837P |
| Pharmacare Medicare Part D | RX | NCPDP 5.1 |
| Prescription Solutions | RX | NCPDP 5.1 |
| Prescription Solutions Medicare Part D | RX | NCPDP 5.1 |
| Prime Therapeutics | RX | NCPDP 5.1 |
| Principal | INST | Proprietary |
| Principal | PROF | Proprietary |
| Provident | INST | Proprietary |
| Provident | PROF | Proprietary |
| Provident | RX | NCPDP 2.0 |
| Qual Choice of Arkansas | INST | 837I |

| | | |
|---|---|---|
| Qual Choice of Arkansas | PROF | 837P |
| RxAmerica Medicare Part D | RX | NCPDP 5.1 |
| TRICARE | PROF | NSF |
| TRICARE | INST | UB92 |
| TRICARE | INST | 837I |
| United Health Care | INST | 837I |
| United Health Care | PROF | 837P |
| United Health Care Rx | RX | NCPDP 2.0 |
| UPMC | INST | 837I |
| UPMC | PROF | 837P |
| Walgreens Commercial Insurance | RX | NCPDP 5.1 |
| Walgreens Medicare Part D | RX | NCPDP 5.1 |
| Wellmark BCBS of Iowa | INST | UB92 |
| Wellmark BCBS of Iowa | PROF | 837P |
| WELLPOINT NetRx | RX | Proprietary |
| WELLPOINT NetRx Medicare Part D | RX | NCPDP 5.1 |

***Sample commercial insurance billing letter***

5615 High Point Drive, Suite 100 January 19, 2024

Irving, TX 75038

Dear Sir/Madam:

Health Management Systems, Inc. (HMS) is under contract with the Iowa Department of Human Services (IDHS) to conduct Third Party Liability recovery efforts for the State Medicaid Agency. As part of this effort, we are writing to request your cooperation and assistance in adjudicating the enclosed claims, which were paid by Medicaid but for which your plan is responsible.

As you may know, Medicaid is the payor of last resort, by Federal statute (42 U.S.C. 1396a(a)(25) and 42 C.F.R. §§ 433.135 – 433.139 (2005) (Subpart D – Third Party Liability). Therefore, state Medicaid programs are required to recover any payments made on claims for which commercial or other health insurance is identified.

HMS is submitting one or more of the following claim types for processing:

Institutional (printed on a standard UB92 Form)
Non-Institutional (printed on a standard 1500 Form)
Prescription Drug (printed on an HMS Form)
Medicare Crossover (printed on an HMS Form)
We have used standard values (procedure codes, diagnosis codes, revenue codes, relationship codes, ICD-9/CPT-4 codes, etc.) in completing these forms.

Benefit determination should be based on the amount billed to the Medicaid agency by the performing provider. Commercial insurance claim approvers should calculate the net amount the plan would have paid on the submitted charges (taking into consideration scheduled amounts, coinsurance amounts, deductibles, etc.). ***The corrected reimbursement will be either (1) the amount the carrier would have paid, OR (2) the amount paid by Medicaid—whichever is less. When processing payments, please ensure the check is issued to the correct payee:***

***Iowa Department of Human Services (IDHS)***

***Iowa Medicaid Enterprise***

***P.O. Box 310278***

***Des Moines, IA 50331-0278***

**Under Iowa prompt-payment laws, payment of a clean claim shall include interest at the rate of ten percent per annum when an insurer or other entity fails to timely pay a claim. IA ST § 507B.4A (2006). Interest shall accrue commencing on the thirty-first day after receipt of all properly completed proof of loss forms. IA ST § 507A.1 (12) (2006).**

For your reference, attached are explanations and instructions referencing certain portions of the three different forms used for Medicaid Reclamation Claims.

Finally, please note that all correspondence or remittance advice information should be sent directly to the aforementioned agency. Should you have any questions, please do not hesitate to contact us at 888-831-2715.

Thank you in advance for your cooperation.

Sincerely,

Third Party Liability Unit

## Acronyms:

TPL – Third Party Liability

IME – Iowa Medicaid Enterprise

DHS – Department of Human Services

MMIS – Medicaid Management Information System

PBM – Pharmacy Benefit Managers