



Section: Third Party Liability

**6.1 Preferred Provider Organizations**

In the event a Medicaid beneficiary is covered by a private insurance policy whose administrator has a preferred provider organization in which the Medicaid provider does not participate, the provider should choose one of the following methods of billing:

1. Submit the claim to the DOM Office of Recovery along with a statement indicating the provider is not a member of a particular preferred provider organization, the insurance company name and address, and specific third party filing data. The DOM Office of Recovery will research the claim and either instruct the fiscal agent to pay the claim or return the claim to the provider with further third party filing instructions, or
2. File the claim with the third party source and hold the patient liable for the amount the insurance company pays him/ her for the service rendered. It must be noted, however, that if the provider files with the third party source and then decides to file with Medicaid via the DOM Office of Recovery, the patient cannot be held liable for payment.

When a Medicaid beneficiary is covered by a private insurance policy whose administrator of the policy has a preferred provider organization in which the Medicaid provider participates, the following applies:

Pursuant to the State Medicaid Manual as written by the Centers for Medicare and Medicaid (CMS), “Medicaid is to make no payment when billed for the difference between the third party payment and the provider’s charges. The provider’s agreement as a member of the preferred provider organization to accept payment of less than his charges constitutes receipt of a full payment of his/ her services; therefore, the Medicaid recipient who is insured has no further responsibility. Medicaid is intended to make payment only when there is a recipient legal obligation to pay.”

To comply with this policy, the provider must enter the total of the contractual adjustment and the third party payment as the third party amount in the third party payment field of the appropriate Medicaid claim form. The table below provides the field location of TPL payment amount on the claim form. If no payment is received, enter zero in the third party fields.

FORM	FIELD
CMS – 1500	29
UB-04	54
ADA DENTAL	35
MS PHARMACY CLAIM	24
CROSSOVER A	20
CROSSOVER B	19