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State/Territory Name: Ohio

State Plan Amendment (SPA) #: 21-0013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

601 E. 12th St., Room 355

Kansas City, Missouri 64106 Medicaid



Medicaid and CHIP Operations Group

May 13, 2021

Maureen M. Corcoran, Director
Ohio Department of Medicaid
P.O. Box 182709
50 West Town Street, Suite 400
Columbus, Ohio 43218

RE: State Plan Amendment Transmittal Number 21-0013

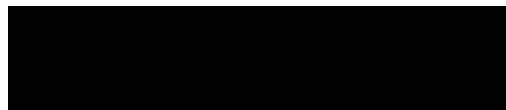
Dear Ms. Corcoran:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #21-0013 - Third Party Liability (TPL): Blanket Good Cause Exception
for Children in State Custody; 100-Day Timeline for Billing
Non-responsive Third Parties
- Effective Date: May 01, 2021
- Approval Date: May 10, 2021

If you have any questions regarding this State Plan Amendment, please have a member of your staff contact Christine Davidson at (312) 886-3642 or by email at christine.davidson@cms.hhs.gov.



Sincerely,



James G. Scott
Division Director
Division of Program Operations

Enclosures

cc: Carolyn Humphrey, ODM
Becky Jackson, ODM
Greg Niehoff, ODM

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 21-013	2. STATE OHIO
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE May 1, 2021	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT </div> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 433.139 433.147		7. FEDERAL BUDGET IMPACT: a. FFY 2021 \$125 thousands b. FFY 2022 \$250 thousands	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.22-B Pages 1-2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.22-B Pages 1-2 (TN 19-017)	
10. SUBJECT OF AMENDMENT: Blanket Good Cause Exception from Third Party Liability for Children in State Custody, 100-day Timeline for Billing non-Responsive Third Parties			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL </div> <div> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The State Medicaid Director is the Governor's designee </div> </div>			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Carolyn Humphrey Ohio Department of Medicaid P.O. BOX 182709 Columbus, Ohio 43218	
13. TYPED NAME: MAUREEN M. CORCORAN			
14. TITLE: STATE MEDICAID DIRECTOR			
15. DATE SUBMITTED: April 1, 2021			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: April 1, 2021		18. DATE APPROVED: 05/10/2021	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: May 1, 2021		20. SIGNA 	
21. TYPED NAME: James G. Scott		22. TITLE: Director, Division of Program Operations	
23. REMARKS:			

Requirements for Third Party Liability – Payment of Claims

ODM's TPL program is designed to function primarily as a cost avoidance system. This method was chosen as the most efficient and cost effective option. Claims for medical services, unless excluded by federal law, are cost-avoided when a third party liability policy exists within ODM's claims payment system. Claims paid prior to the third party coverage being entered into the claims system are pursued by a vendor for post-payment recovery as described in this attachment.

1. Monitoring provider compliance (42 CFR 433.139(b)(3)(ii)(C)):

The State Plan as referenced herein requires providers to bill third parties. When the probable liability of a third party is established, ODM notifies the provider that the claim was cost avoided due to the existence of TPL. Cost avoided services are identified with an Explanation of Benefits Code which provides the third party payor information that is transmitted to the provider with non-payment remittance advice. Exceptions to this procedure are those claims as specified in 42 CFR 433.139(b)(3)(i) and (ii) and any approved cost avoidance waiver.

Under the exemption authority found in 42 CFR 433.139(b) and 42 CFR 433.147(c), children that have been legally placed in the custody of an Ohio county Public Children's Services Agency (PCSA) or related entities are excluded from TPL cooperation and are exempt from post-payment recovery unless it is confirmed that the child will not be put at risk for doing so (e.g. medical support order).

If a provider has billed a third party and has not received payment, the provider will be required to submit proof that he or she has attempted to bill the third party three times within a 100-day period and has not received payment. It must be at least 100 days from the date of service before the state will pay. Providers are monitored for compliance with insurance billing requirements through post payment recovery responses by a vendor. If a report of prior payment to either the provider or the insured person is received, the amount paid by the insurer is recouped from the provider. When a Medicaid-enrolled behavioral health agency certified by the Ohio Department of Mental Health and Addiction Services has billed a third party, but the third party has not paid the claim within 30 days, and the provider has verified concerns regarding recipients' access to care, the provider may submit the claim to Medicaid and must include a certification statement that the provider waited 30 days and no response was received from the third party. These claims will be pursued for post-payment recovery by a vendor as described in this attachment until the institution of new contracts subsequent to managed care re-procurement.

2. Guidelines Used to Determine When to Seek Reimbursement from a Liable Third Party (42 CFR 433.139(f)(2)):

a. Health Insurance

For medical claims that were paid by ODM prior to the TPL policy being entered into the eligibility system or claims system, recovery is pursued by a vendor from the provider for amounts greater than \$25 within three years of the claim from date of service. The timeframe is only one year from date of service if the provider would need to bill Medicare.

For medical claims that were paid by ODM prior to the TPL policy being entered into the eligibility system or claims system, recovery is pursued by a vendor from the liable third party payer for amounts greater than \$0.01 within a timeframe of six years of the claim from date of service.

b. Casualty Recovery

ODM uses a \$250 threshold in determining whether to pursue casualty recovery after a liable third party payer has been identified. Personal injury investigative action occurs when hospital bills with trauma diagnoses having billed amounts equal to or greater than \$250 that are accumulated over a one year timeframe from date of service. Audits of past claim recoveries have shown when a tort case totals less than \$250 and no response has been received from recipient, it is not cost effective to pursue these cases after sending one letter unless recipient or attorney makes contact to the State Medicaid Agency.

3. Dollar amount or timeframe for seeking recovery (42 CFR 433.139(f)(3)):

Health insurance recovery action on claim types likely to be covered by insurance occurs when payments made by the ODM are greater than \$0.01.

Personal injury investigative action occurs when hospital bills with trauma diagnoses having billed amounts equal to or greater than \$250 that are accumulated over a one year timeframe from date of service. Investigative resources which would be required to pursue smaller bills can be used more productively to carry out tasks that yield much higher rates of return.