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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 96 LCM-43

Date: May 3, 1996

Division: Health & Long Term
Care

TO: Local District Commissioners

SUBJECT: New Contractor for Supplemental Third Party Matches and
Recoveries

ATTACHMENTS:

The purpose of this transmittal is to advise local districts that on April 4, 1996, the Department signed a contract with Public Consulting Group Inc. (PCG) to conduct certain third party resources matching and recovery activities. Under the terms of the contract, the contractor will perform the following activities on behalf of the Department:

- On an annual basis, PCG will match a file of all recipients and absent parents against the master file of all persons insured under CHAMPUS or CHAMPVA to identify any persons having this coverage and not already known to our Third Party system. Once identified, we will provide a file to PCG of any bills paid by Medicaid while the person had available coverage. The contractor will then, on our behalf, pursue reimbursement from the provider or the insurer, as appropriate.

- Secondly, the Department will send to PCG a file of all recipients and absent parents who are identified, through a match with the State's Wage Reporting System, as being employed, but who are not known to have any insurance coverage. PCG will then send questionnaires to all employers requesting information about available health insurance coverage, and will notify us of any newly identified coverage. As with the CHAMPUS match above, the Department will advise the Contractor of all MA claims paid, and the Contractor will pursue reimbursement, as appropriate.

- Finally, as a result of our regular quarterly insurance matches, we often identify available insurance after Medicaid has made payment for services provided while the person was covered by such insurance. Although we generally require providers to pursue such insurance benefits once they have been identified, for claims for pre-natal care and preventive pediatric care and for other fee-based claims, the Department has been billing insurance companies directly for claims that were paid by Medicaid during a time when the client had available insurance coverage. We are contracting this function out as well, together with a requirement to establish and maintain an acceptable accounts receivable system for tracking purposes.

It is possible that new insurance coverage information may be identified as a result of PCG's activities. PCG will then verify that coverage through the submission of claims. If the coverage is verified through payment of those claims, the recipient's third party record on WMS will be updated to reflect that coverage.

If, through this recovery activity PCG learns that the third party information that is currently on WMS is no longer valid, the local district third party worker may be asked to correct the information, but this should occur infrequently.

Please notify your third party staff of this information, and advise them that they may contact Barbara Crumb at 1-518-473-2237 if they have any questions.

Richard T. Cody
Deputy Commissioner
Division of Health and Long Term Care