

Department of Behavioral Health
TRANSMITTAL LETTER

SUBJECT Third Party Liability (TPL)		
POLICY NUMBER DBH Policy No. 913.1	DATE July 16, 2014	TL# 259

Purpose. To convert the existing Department of Mental Health (DMH) policy on Third Party Liability to a Department of Behavioral Health (DBH) policy.


Applicability. DBH certified providers and the Behavioral Health Authority (BHA).

Policy Clearance. Reviewed by affected responsible staff and cleared through appropriate BHA offices.


Effective Date. This policy is effective immediately.

Superseded Policies. This policy replaces DMH Policy 913.1, same subject, dated August 25, 2010.

Distribution. This policy will be posted on the DBH web site at www.dbh.dc.gov under Policies and Rules. Applicable entities are required to ensure that affected staff are familiar with the contents of this policy.



Stephen T. Baron
Director, DBH

GOVERNMENT OF THE DISTRICT OF COLUMBIA  DEPARTMENT OF BEHAVIORAL HEALTH	Policy No. 913.1	Date JUL 16 2014	Page 1
	Supersedes DMH Policy 913.1, Third Party Liability, dated August 25, 2010		
Subject: Third Party Liability (TPL)			

1. **Purpose.** To establish policy and procedures to ensure billing of third party insurance before using public funds in providing behavioral health services.

2. **Applicability.** Department of Behavioral Health (DBH) certified providers and the Behavioral Health Authority.

3. **Authority.** US Code Title 42: The Public Health and Welfare, Chap. 33: Community Mental Health Centers (January 2003); and the Department of Behavioral Health Establishment Act of 2013.

4. **Policy.** DBH providers shall bill third party insurance prior to Medicaid to help support the delivery of public behavioral health services by DBH.

5. **Background.** By law, the Medicaid program is the payer of last resort. In general, if a potentially liable third party exists, providers shall attempt to ensure that the behavioral health provider bills the third party first before sending the claim for Medicaid reimbursement. Whenever the existence of a liable third party is discovered, the provider shall attempt to recover the money from the liable third party.

6. **Definitions.**

6a. **Consumer.** For purposes of this policy, refers to a person who is receiving services and/or treatment for a behavioral health diagnosis from a DBH behavioral health provider in the community.

6b. **Third Party Liability.** Refers to situations when a DBH consumer has coverage for behavioral health services with an insurance provider, other than Medicaid. The third party may be liable for paying some or all of the service cost. Third parties include but are not limited to:

- (1) Private health insurance or group health plan;
- (2) Employment-related health insurance;
- (3) Medical support from absent parents;
- (4) Workers' compensation;
- (5) Medicare;
- (6) Other federal programs such as Armed Forces Retirees and Dependent Act (CHAMPVA), Armed Forces Active Duty and Dependents Military Medical Benefits Act (CHAMPUS), and Medicare Parts A and B, unless excluded by statute;
- (7) Another state's Title XIX, Title XXI, or state-funded Medical Assistance Program; and
- (8) Personal estates.

6c. Remittance Advice or Explanation of Benefits (EOB). A remittance advice is a notice that payment has been made. An explanation of benefits is a notice of what services will be paid and in what amounts, and/or what services will not be paid and why.

6d. Economic Security Administration (ESA). The DC government agency that determines eligibility for benefits under public assistance programs and also performs monitoring quality control and reporting functions required by federal law and court orders.

6e. Co-payment. An amount paid by a health insurance plan enrollee for each office or emergency department visit or purchase of prescription drugs in addition to the amount paid by the insurance company.

7. Responsibilities and Procedures

7a. DBH providers shall:

- (1) Identify a consumer's health insurance coverage during the initial enrollment and at each visit for all billable services.
- (2) Verify third party health insurance coverage for existing consumers.
- (3) Re-verify and record health insurance coverage during each billable contact.
- (4) Contact third party payers to verify benefits of the consumer and bill for services rendered.
- (5) Collect co-payment, as applicable, for the consumers with health insurance requiring co-payments.
- (6) Share the information on insurance coverage with the behavioral health sub and specialty providers when referring a consumer for services.
- (7) Maintain appropriate tracking and documentation to demonstrate that the third party has been assigned responsibility for the covered services given to the consumer and has been properly billed.
- (8) Ensure that the third party revenue is pursued prior to submitting claims for District funding making Medicaid the payer of last resort.
- (9) Ensure that documentation of the billing is filed in the consumer's clinical record. Such record shall include a copy of the Remittance Advice or Explanation of Benefits (EOB) from the third party payer.
- (10) Provide emergency services regardless of payment source prior to coordinating with third party payers.
- (11) Except in emergencies, refer the consumer seeking services to a provider recommended by the third party payer for services covered by the insurance.
- (12) When a third party payer requires utilization of a service provider outside the DBH service network, coordinate care with the outside service provider in order to maximize therapeutic benefit.

(13) Establish internal policies and procedures that implement this policy.

7b. The DBH shall:

(1) Monitor provider's compliance with requirement of proof of screening for third party coverage at enrollment and at time of each appointment.

(2) Maintain accurate consumer eligibility information in conjunction with data from the Economic Security Administration (ESA).

(3) Consider consumer health insurance coverage for third party liability during claims adjudication. Only fees for services not paid for by third party insurers will be approved for payment.

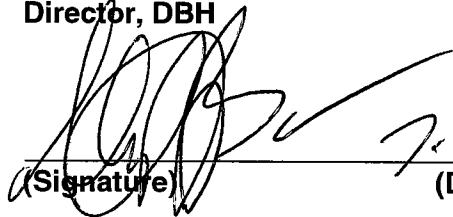
8. **Privacy.** Every consumer's privacy shall be protected by following HIPAA Provider Billing Requirements under the 837 Health Care Claim transactions. For detailed instructions go to <http://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/Downloads/5010A2837ACG.pdf>

9. **Oversight.** The Office of Accountability shall monitor each provider's implementation of this policy.

10. **Questions on TPL.** For more information about Third Party Liability for DC, click this link: <http://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/publication/attachments/DHCFStatePlanAttach4-22a.pdf>

Approved By:

Stephen T. Baron
Director, DBH


(Signature)

7-16-14
(Date)