

C.5. Third Party Resources

Passport Highlights: Third Party Resources

How We're Different	Why It Matters	Proof
Committed to actively managing Medicaid health care costs	<ul style="list-style-type: none"> The savings and recovery of health care dollars has a direct, positive impact on the community Contributes to the Department for Medicaid Services' (DMS) management of the Medicaid program for the Commonwealth 	<ul style="list-style-type: none"> Passport saved over \$130 million through the coordination of benefit (COB) process in 2019 In 2019 Passport saved more than \$10 million through cost avoidance Passport recovered more than \$3.2 million in 2019 on a post-payment recovery basis
Employs additional measures to safeguard Medicaid funds	<ul style="list-style-type: none"> Assurance that Medicaid is the payer of last resort 	<ul style="list-style-type: none"> Employ strategic vendors, including Conduent™ Payment Integrity Solutions and Healthcare Management Systems When indication of other coverage, the COB team reaches out to external sources prior to claims payment
Proprietary Management Information System (MIS) for cost avoidance and recovery	<ul style="list-style-type: none"> MIS custom rules support Department contract compliance Mitigates member and provider abrasion 	<ul style="list-style-type: none"> Receives and stores Third Party Liability (TPL) and COB data from DMS and workers' compensation data Prioritizes most accurate data and sources in validation process

Introduction

Passport's Third Party Resources program, also referred to as TPL, is designed to proactively seek cost avoidance opportunities; pursue, collect and retain all monies available from all available resources; and safeguard Medicaid funds by validating that we are the payer of last resort without disruption to our member's care in compliance with 42 CFR 433.139.

The Foundation of Passport's Successful TPL Program

Passport's comprehensive TPL program performance is achieved as a result of innovative systems, established processes, strategic vendors and provider education for medical, behavioral health, pharmacy, dental and vision claims. All parties engaged in Passport's TPL program are accountable for complying with the requirements of the Medicaid Managed Care contract provisions, Section 14.0, Third Party Resources.

Engaging Innovative Systems

Records of all COB claims and collections are maintained and processed on the IdentifiSM Health Plan Administration (HPA) platform, a proprietary MIS. **Identifi HPA uses proprietary data mining algorithms custom-built for Medicaid COB and payers for a balanced approach to cost avoidance and recovery.** Claims involving third-party coverage are adjudicated using customizable rules that ensure the member's Medicaid benefit is the payer of last resort. The system receives and stores other insurance coverage information via automated daily and monthly TPL files received from DMS as well as quarterly workers' compensation data. Claims edits ensure claims for services rendered to members with identified third-party resources are processed through the COB process.

Providing Provider and Member TPL Education and Support

To ensure seamless member care and provider payment and avoid member or provider abrasion, Passport effectively educates providers and communicates about Passport's TPL processes and providers' contractual responsibilities. We convey information through a variety of methods such as provider onboarding, in-person orientations and the provider orientation toolkit within 30 days of joining the Passport network, the provider manual, provider portal, newsletters and letters, as well as ongoing support and guidance from Passport's Provider Network Management team via phone, email or in-person discussions. Topics include:

- TPL overview
- DMS requirements
- Member eligibility
- Covered services/member cost-share (if any/allowed)
- Claims processing
- Provider payment guidelines/process
- Authorizations and referrals
- Fraud, Waste and Abuse (FW&A) guidelines and reporting

Passport also engages members in the TPL process. We ensure members are aware of TPL during new member welcome calls. Members are also educated on their responsibility to help identify TPL occurrences and provide information to assist Passport in appropriately pursuing third parties that may be liable to pay for care and services. In addition, TPL is verified on every call into Passport's Member Services department. Passport also helps mitigate member and provider abrasion by responding to member and provider requests

for COB and TPL updates within forty-eight (48) hours for urgent requests and within three (3) business days for routine requests, in compliance with DMS requirements.

Passport's Third Party Resources Approach

As a community-based Medicaid health plan in Kentucky for more than two decades, Passport recognizes the direct and

downstream impact that the savings of health care dollars can have on the community. This drives our approach and commitment to identify other insurance or liability for cost avoidance and/or post-payment recovery in accordance with 42 CFR 433.138.



Identifying TPL Conditions

Passport actively seeks, identifies and obtains TPL information (such as health or casualty insurance, liability insurance and attorneys retained for tort action) from a variety of sources. The TPL information is stored in the Identifi HPA platform as an integral part of the COB process. The details of the TPL information contain carrier name, policy number, group number, subscriber name, subscriber identification number, effective dates and termination dates. The sources of the TPL include:

- Commonwealth eligibility 834 files, including any updates made by DMS to community-based services during the application and reinvestigation processes
- Other health plans and outside vendors, including workers' compensation vendors
- Explanation of Benefit (EOB) statements sent with provider claims
- Medicare crossover (Coordination of Benefits Agreement [COBA]) files
- Telephone calls to Passport's Provider Services and Member Services call centers staff
- Third Party Lead form received from providers

Passport saved
over \$130 million
through the
COB process
in 2019

However, we refrain from actively seeking and identifying third-party resources for services that are covered only by the Medicaid program, as identified by the Department.

Upon receipt of TPL data from the Commonwealth 834 files, data is loaded into Identifi HPA via an automated process. This enhanced TPL file load process includes a series of edits (e.g., as required by federal regulations when a member has other insurance coverage or for accident/trauma diagnosis codes). The system compares the new data against information already housed in the system, ensuring Passport has the most current information. As a result, the system expedites updating of records with previously unknown TPL data. When the file load process is complete, all TPL data becomes immediately available to internal Passport users, including our Member Services, Provider Services, Enrollment, Claims, Clinical Services and

TPL/Recovery staff. We also share TPL information with our subcontractors that are responsible for payment of covered services for Passport members.

If a provider submits a claim indicating there is TPL information for a member and this information is not already recorded in our system, a questionnaire is sent to the provider requesting additional information so that the records can be updated accordingly. This information is tracked in a questionnaire history file and includes:

- Medicaid ID number
- Where it was sent
- Type of questionnaire sent
- Date sent
- Date followed up
- Actions taken

Claims are reprocessed from the date of identification of the other third-party resource and sent to liable parties. They are also reprocessed whenever TPL information is added or removed. Third-party resource information from providers, members and clinical staff is captured and submitted to DMS monthly via the TPL Resource Data Match file. Upon request we also provide county attorneys and the Division of Child Support Enforcement (DCSE) with amounts paid so that they may seek restitution for the payment of past medical bills and to obtain insurance coverage to cost-avoid payment of future medical bills.

Focusing on Cost Avoidance

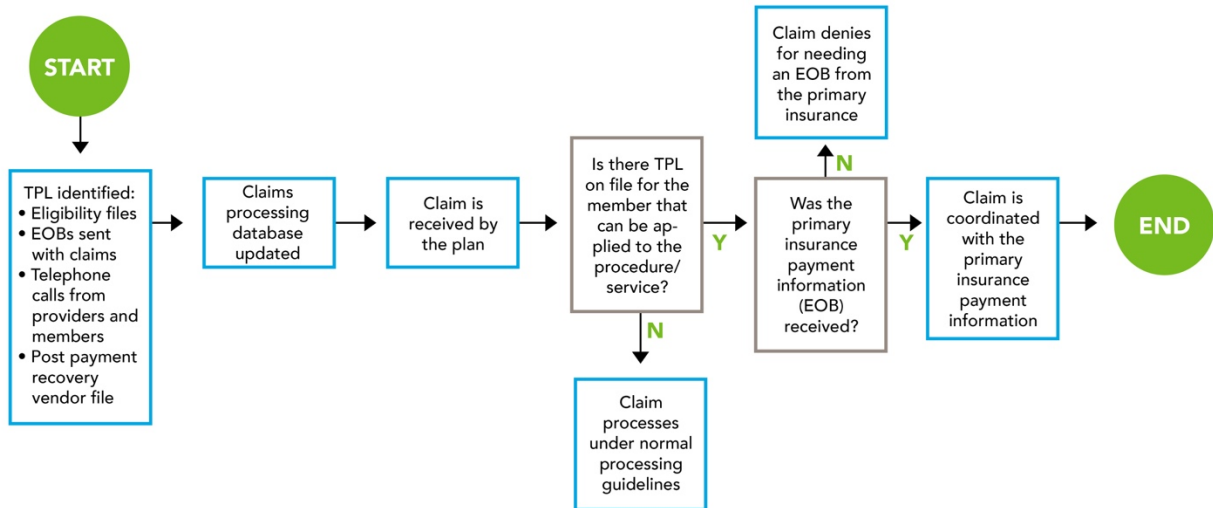
Passport uses Healthcare Management Systems (HMS) to identify members with TPL through a data matching process. We use the validated data to ensure Passport is the payer of last resort. HMS is the nation's leader in cost containment solutions for government-funded, commercial and private entities. They maintain a data repository that includes health information from their extensive list of insurance carriers nationwide as well as telephone and online verification tools for timely verification of commercial carrier claims responsibility. The systems and processes employed by Passport include prepayment claims editing to focus on cost avoidance. As demonstrated in **Exhibit C.5-1**, claims and TPL data is stored in the MIS for maximization of cost-avoidance opportunities through **a systematic process that auto-adjudicates the coordinated claim or pends it for manual review to allow COB prior to claim adjudication.**

In 2019, Passport saved more than \$10 million through cost avoidance

Member TPL data is linked to the member's eligibility record upon data load and includes other insurance coverage such as commercial, workers' compensation and Medicare. When a claim is adjudicated for a member with TPL coverage, the claim adjudicator receives a warning message to consider the TPL coverage on file. Upon confirmation of TPL coverage and no EOB from the primary carrier for covered services, Passport denies the claim and notifies the provider to bill the other third-party resource as the primary payer unless the services are only covered by Medicaid. When Passport discovers third-party resources after

a claim is paid, Passport initiates recovery from the third-party resource through post-payment methodologies as illustrated in **Exhibit C.5-1**.

Exhibit C.5-1: Passport TPL and Cost Avoidance Process



Detecting Post-Payment Recovery Opportunities

Passport uses HMS to identify claims paid as primary that may be the responsibility of commercial carriers. Each month, Passport sends eligibility, claims, provider and TPL files to HMS, which matches these files with commercial coverage information. HMS identifies TPL-related overpayments and generates direct bill files to the third-party commercial carriers for payment recovery. The third-party commercial carriers process the files and submit payment to Passport.

In addition to HMS, Passport identifies overpaid claims through:

- Monthly production runs of member TPL data
- Telephone calls from providers, members and internal staff
- TPL forms submitted by network providers
- Correspondence e-mails from DMS

Automated processes identify new and updated TPL information and compare that data to paid claims for the affected members. Any paid claims, regardless of carrier, that may be the responsibility of a third-party payer are identified and reported monthly to DMS as potential recovery opportunities in the TPL Resource Data Match file submitted to DMS on a monthly basis.

Passport recovered more than \$3.2 million in 2019 on a post-payment recovery basis

In circumstances involving noncommercial carriers, such as Medicare, and workers' compensation, a monthly report is generated via the MIS with member eligibility TPL and paid claims data. When claims are identified as potential overpayments involving noncommercial carriers, Passport contacts providers in writing accompanied by claims documentation and a request to respond within 30 days. If there is no response from the provider within the 30-day notification period, Passport automatically adjusts or denies the claim as appropriate. Recoupments are made within sixty (60) days, and reprocessed claims reflect the dollars recovered. Passport would not seek payment or any type of compensation directly from a member, with the exception of a member copayment, as may be applicable and in accordance with 907 KAR 1:604.

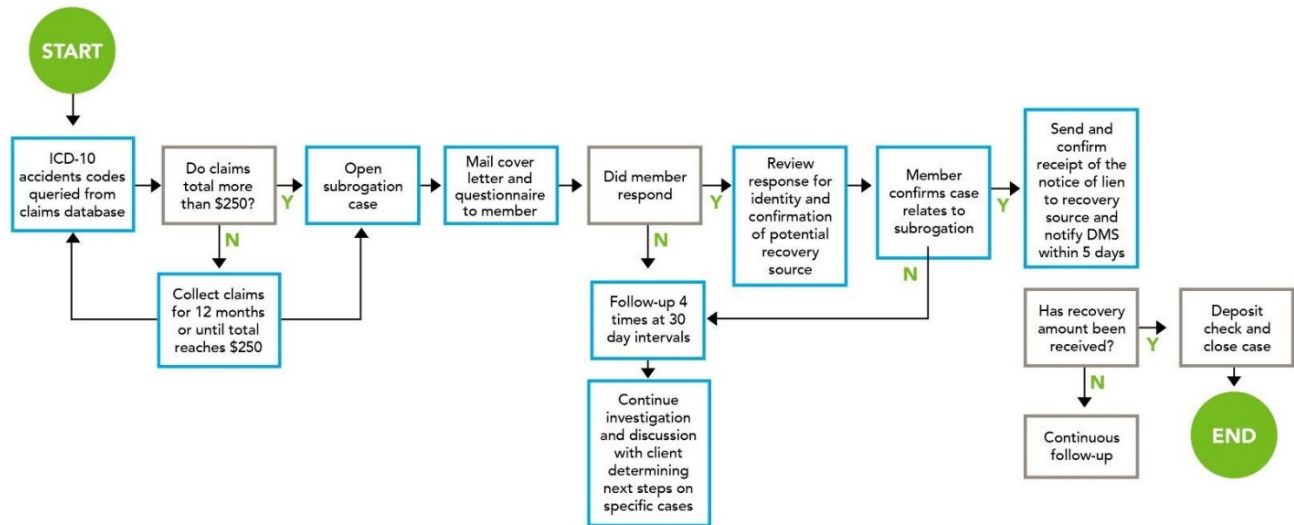
Identifying Subrogation Opportunities

Passport partners with Conduent™ Payment Integrity Solutions (Conduent), a nationally known subrogation company with experience in Medicaid and commercial subrogation, to investigate potential TPL such as subrogation cases or accident-related diagnoses that may be potential workers' compensation cases. As demonstrated in **Exhibit C.5-2**, Passport transmits both medical and pharmacy claims to Conduent for review for potential subrogation each month. Conduent provides a monthly report reflecting all subrogation activities, new cases, relevant communications and lien amounts. Claims are accumulated for 90 days, and if the claims total \$250 or more, the case is sent to ISO ClaimSearch® to determine if a claim against another party is being pursued.

Electronic copies of initial lien letters and corresponding claim backup are saved into the member's file within Conduent's CaseLink system. Case follow-up activity is tracked in CaseLink. The CaseLink system monitors activity, including tracking letters and responses, limiting duplication and providing enhanced reporting.

This process is documented in policies and procedures UHC-GEN-30 Subrogation Process and UHC-GEN-30 Subrogation Process Desktop Procedure.

Exhibit C.5-2: Passport Subrogation Process



Pursuing Casualty Recoveries

Once a case is identified, member claim information is gathered and sent to the medical claims review specialist to determine the accident-related claims. After the review is complete, a lien amount is determined. The subrogation unit informs the member’s attorney or any known insurance company of Passport’s subrogation rights. The communication contains:

- The total lien amount the provider(s) paid
- The amount paid to the provider(s)
- The request for Personal Injury Protection payout from the insurance carrier

All documentation from attorneys or insurance companies is maintained in CaseLink. The CaseLink file includes correspondence, to whom it was sent and when, follow-up and detailed explanations of the actions taken to resolve the issue.

A Conduent representative makes contact every 120 days if an attorney is involved (unless a different follow-up time has been agreed upon) and every 30 days if an insurance company is involved until a recovery check is received to satisfy the lien.

TPL Reporting

Passport has been successfully reporting all monthly results for cost-avoidance and cost-recovery opportunities in accordance with DMS requirements, including format and time frame, for more than 20 years. **Exhibit C.5-3** reflects the reports consistently submitted to DMS and the information conveyed within each report.

All claims that are adjusted for TPL-related overpayment recovery are documented as such within reportable fields in our system and also reported in our encounter file submissions. **This documentation promotes cost avoidance, COB, post-payment recovery reporting requirements and twice-annual TPL audits.**

Exhibit C.5-3: Monthly TPL Reports Submitted to DMS

Report Name	Description	Reported Information
Post Payment Billing Recovery (Report #50A and #50B)	Reports all recoveries for monies collected from commercial insurance carriers during the reporting period from claims that were paid prior to the commercial insurance carrier being identified. Report 50A reports all non-pharmacy recoveries; Report 50B reports all pharmacy recoveries.	<ul style="list-style-type: none"> • Claim and member identifiers • Other insurance name • Amount paid by Passport • Amount recovered by Passport
COB Savings (Report #54)	Reports all COB savings due to other insurance payment, including Medicare, for which Passport processed/paid the claim accordingly. This report is audited every six (6) months, at a minimum. The report includes claims in which the other insurance paid zero dollars because the service was not covered by the other insurance.	<ul style="list-style-type: none"> • Claim, member and provider identifiers • Amount paid by Passport • COB amount • Other insurance deductible amount • Other insurance coinsurance amount • Paid date
Medicare Cost Avoidance (Report #55)	Reports the Medicare crossover claims that were denied during the reporting period because the claim was submitted without first having been submitted to Medicare for payment.	<ul style="list-style-type: none"> • Claim, member and provider identifiers • Denied amount • Denied date
Non-Medicare Cost Avoidance (Report #56)	The report lists the claims that were denied during the reporting period because the claim was submitted without first having been submitted to another insurer for payment. The report does not include Medicare crossover claims.	<ul style="list-style-type: none"> • Claim, member and provider identifiers • Denied amount • Denied date

Report Name	Description	Reported Information
Potential Subrogation (Report #57)	Provides report for cases where there is potential for a liable third party or subrogation claim from, for example, auto, homeowners or malpractice insurance.	<ul style="list-style-type: none"> • Member ID • Member name • Date of injury • Attorney/liable party information • Lien/claim amount • Recovered amount • Status/closed date • Comments

Conclusion

Passport puts a strong emphasis on ensuring that Medicaid is the payer of last resort. With rising health care costs, Medicaid comes under ever-increasing financial pressures. We are committed to continue actively pursuing, collecting and retaining all available monies in accordance with the provisions of our contract with DMS, now and in the future.

Passport has been honored to serve the Kentucky Medicaid and foster care populations for 22 years and will continue to comply with all provisions of the Medicaid Managed Care Contract and Appendices (including Kentucky SKY) as we continue to serve them in the future.