

Provider Update

Third-Party Liability for Personal Care Assistance, Medical Day Care and Private Duty Nursing Services

Summary: Medicaid serves as the payer of last resort. In cases of Third-Party Liability (TPL), Federal Regulation 42 CFR 433.139 states we, as a Medicaid agent, can only pay claims to the extent that payment allowed under our payment schedule exceeds the amount of the third party's payment.

✦ **What this means to you:** There are two scenarios which can exist specific to Personal Care Assistance (PCA), Medical Day Care (MDC) and Private Duty Nursing (PDN) services when we are not the primary insurance carrier. We've provided you with instructions for each of these scenarios so your claims will be processed timely and correctly. Please read further for details about these scenarios.

Why is this update necessary?

We want to ensure your PCA, MDC and PDN claims are directed to the appropriate TPL carrier and save you the hassle of claim denials.

Who might be a TPL carrier?

TPL carriers include, but are not limited to, commercial insurance, Medicare Advantage and veterans' benefits.

Scenarios

1. PCA, MDC and PDN are covered by a member's TPL carrier, but the benefit limit has been exhausted for the remainder of the calendar year.

- We will require an Explanation Of Benefits (EOB) for each claim for the duration of the TPL coverage for the calendar year. Once an EOB indicates the benefit has been exhausted, we will generally become the primary payer for the service for the remainder of the calendar year.
- At the onset of the calendar year, we will require an EOB from the primary payer until the benefit is exhausted for that calendar year. **If an EOB is not submitted, claims will be denied.**

2. PCA, MDC and PDN are not covered by a member's TPL carrier.

- We will require an EOB for the first service claim. When an EOB is received indicating the service is not covered by the primary insurer, we will pay for the service as the primary payer.
- Each year, we will require a current EOB to indicate that the service is not covered by the primary insurer. **If an EOB is not submitted, claims will be denied.**

What if I need assistance?

If you have questions about this communication, received this fax in error or need assistance with any other item, contact your local Provider Relations representative or call [Provider Services](#).

NJPEC-0217-12
Issued September 2012
by Amerigroup New Jersey

