

Third-party liability

Summary: Amerigroup Community Care is prohibited from denying a claim for third-party liability (TPL) if it is for preventive pediatric services, including Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services (*CMS State Medicaid Manual*, Section 3904.4). These claims must be paid to the provider, and then Amerigroup can bill the responsible third party (Contract Section A.2.21.4.1.3). This is called a *pay and chase* approach. **In 2018, prenatal care for pregnant women was removed from the list of services for which the *pay and chase* approach is required.**

What is the impact of this change?

TennCare modified their policy on September 21, 2018, to update the list of services for which the *pay and chase* approach is required — This list no longer includes prenatal care for pregnant women. This change is a result of the *Bipartisan Budget Act of 2018* (Pub. L. 115-123) that obligates the state to use the *cost avoidance* approach with regard to claims for prenatal care for pregnant women. The *cost avoidance* approach is a method to withhold payment to the provider until the third-party payer has paid its share.

The modified TennCare policy on TPL clarifies that services for which the *pay and chase* method is required are identified as:

- Preventive pediatric services (including EPSDT), since the state considers all services to children to fall under the rubric of EPSDT.
- Services to children on whose behalf child support enforcement is being carried out by the state Title IV-D agency.

Amerigroup is obligated to *pay and chase* claims we receive for services to most children per TennCare policy *CON 09-001*. The modified TPL policy can be accessed at <https://www.tn.gov/content/dam/tn/tenncare/documents2/con09001.pdf>.¹

What if I need assistance?

If you have questions about this communication, received it in error or need help with anything else, contact your local Provider Relations representative or call our Provider Services team at 1-800-454-3730.

¹ In the case of children covered by Medicare benefits, Amerigroup will cost avoid.