



PENINSULA RSN

FISCAL MANAGEMENT POLICIES AND PROCEDURES

Policy Name: THIRD PARTY LIABILITY AND
COORDINATION OF BENEFITS

Policy Number: 8.03

Reference: 42 CFR 438.208; DSHS contract

Effective Date: 10/2005

Revision Date(s):

Approved by: PRSN Executive Board

CROSS REFERENCES

- Policy: Corrective Action Plan

PURPOSE

To ensure that the Peninsula Regional Support Network's (PRSN) contracted community mental health agencies determine if an enrolled person has third party insurance before using public funds to provide services and to coordinate services and assign benefit coverage to third party payers when appropriate.

All funds recovered by the PRSN or network providers from third party resources are used as supplemental income to support the delivery of public mental health services.

DEFINITIONS

Third party liability refers to situations when an enrolled member also has behavioral health coverage 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: private health insurance companies, Medicare, court judgments, or work related health insurance.

PROCEDURE

1. Determination of Benefits: Contracted providers within the PRSN will inquire about a person's health insurance coverage during the initial intake process.

Should an individual have third party coverage, the network provider is responsible for contacting the third party to verify benefits.

2. **Billing Requirements:** If it is determined that the individual has third party insurance, the network provider must maintain proper documentation in the clinical file to demonstrate that the third party has been assigned responsibility for the covered services provided and has been properly billed.
3. All third party revenue must be pursued prior to PRSN funding assignment. PRSN must be the payer of last resort.
 - a. Providers must submit a bill to the third party whenever third party benefits are available.
 - b. Documentation that such billing occurred must be present in the clinical file.
 - Such documentation must include a copy of the Remittance Advice or Explanation of Benefits (EOB) from the third party payer.
4. **Emergency Situations:** Emergency services shall be provided regardless of payment source, and prior to coordinating with third party payers.
5. **Coordination of Benefits:** Except in emergencies, the provider must refer the individual seeking services to a provider recommended by the third party payer for services covered by the third party payer.
 - When a third party payer requires utilization of a service provider outside the PRSN service network, the PRSN contracted provider shall coordinate care with the outside service provider in order to maximize therapeutic benefit.
6. Community mental health agencies contracted with the PRSN shall maximize the availability of third party payments by applying for preferred provider status with third party health plans when possible.

MONITORING

This policy is a mandate by contract and federal regulation.

1. This policy will be monitored through use of PRSN:
 - Annual PRSN Provider and Subcontractor Administrative Review
 - Annual PRSN Provider Fiscal Review
 - Monthly Provider Quality Chart Review

2. If a provider performs below expected standards during any of the reviews listed above a Corrective Action will be required for PRSN approval. Reference PRSN Corrective Action Plan policy.