

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Vermont

Requirements for Third Party Liability
Payments of Claims

Vermont Medicaid's third party liability (TPL) functions primarily through cost avoidance. Except where excluded by federal law, claims for medical services are cost avoided and providers must bill third parties prior to billing Medicaid.

(1) Requirements for TPL billing

Standard coordination of benefits cost avoidance is used when processing claims for prenatal services, including labor and delivery and postpartum care claims.

1902(a)(25)(E)(i) – Vermont Medicaid makes payments without regard to third party liability for pediatric preventive services including early and periodic screening, diagnosis, and treatment services unless Vermont Medicaid has made a determination related to cost effectiveness and access to care that warrants cost avoidance for 90 days.

42 CFR §433.139(b)(3)(ii)(c) – Where medical support is being enforced by the state Title IV-D Agency, the provider is required to provide written documentation that the third party has been billed, and the provider has not received payment from the third party. Vermont Medicaid will cost avoid for at least 100 days after the provider has requested payment from the third party.

42 CFR 433.147(c) – Vermont Medicaid will exempt third party recovery, as determined by the State Medicaid agency, based on privacy concerns for services rendered when it is anticipated that cooperation will result in reprisal against, and cause physical or emotional harm to, the individual or other person, or is deemed to be against the best interest of a child.

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Supersedes

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(2) Threshold Amounts 42CFR §433.139 (f)(2) & (f)(3)

The threshold amount for instituting recovery from a potentially liable third party is \$100.00 in Medicaid payments made on behalf of an individual recipient within three years from date of service. Claims less than the threshold amount are accumulated and submitted with claims of \$100.00 or over in Medicaid payments.

The threshold amount for instituting recovery from a potential third party payer in automobile casualty cases is \$200.00 for Medicaid payments made on behalf of an individual recipient within one year from date of service unless such recovery effort is deemed not cost effective. Where a determination is made that a casualty case exceeding the \$200.00 threshold is not cost-effective to pursue, the file will be annotated to show the basis for the determination.

These threshold amounts are set at amounts determined to be cost-effective after review and study of recovery cases.

The Vermont Medicaid pursues recovery of paid claims from third parties for up to three years from the date of service.

The method of assuring provider compliance with 42 CFR §447.20 is:

1. The Medicaid Provider Agreement requires it.
2. Providers have been given specific notice.
3. Vermont Medicaid receives and resolves beneficiary issues regarding third party liability.

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