

## Summary of Regulatory Requirements

States must take reasonable measures to determine the legal liability of third parties to pay for services furnished under the State plan. At a minimum, States must:

- o Collect health insurance information during the initial eligibility interview process and the redetermination process.
- o Conduct diagnosis and trauma code edits to identify specific codes which could denote trauma related injury.
- o Conduct data exchanges with:
  - State wage information collection agencies,
  - SSA wage and earnings files,
  - State title IV-A agencies,
  - State motor vehicle accident report files, and
  - State workers' compensation or Industrial Accident Commission files.

States are to use the cost avoidance method where the probable existence of TPL is established at the time a claim is filed unless they have an approved waiver, or specific conditions exist as follows:

- o The third party is derived from a parent whose obligation to pay medical support is being enforced by the State child support enforcement (CSE) agency and the provider has not received payment from the third party within 30 days after the date of services; or
- o Claims are for prenatal care for pregnant women, or preventive pediatric services (including early and periodic screening, diagnosis and treatment services (EPSDT)) that are covered under the State plan.

States are to seek recovery from the third party whenever claims have been paid for which a third party is liable. States may utilize cost effective thresholds for determining when to seek recovery.

As a condition of eligibility, applicants and recipients are required to:

- o Assign his/her rights (and the rights of any other eligible individuals on whose behalf he/she has legal authority under State law to assign such rights) to medical support and to payment for medical care from any third party;
- o Except for poverty level pregnant women, cooperate, in the absence of good cause, in establishing paternity and obtaining medical support and payments; and
- o Cooperate, in the absence of good cause, in providing information to assist the State in pursuing any liable third party.

State CSE agencies are required to petition the court or administrative authority to include medical support in court orders. The CSE agencies are also required to obtain basic medical support information and provide this information to States. State CSE agencies are also required to use the National Medical Support Notice to enforce the provision of health care coverage for children of non-custodial parents who are required to provide health care coverage through an employment-related group health plan pursuant to a child support order. (See Federal Office of Child Support regulations at 45 CFR 303.30 – 303.32.)

The State plan must provide for entering into cooperative agreements for the enforcement of rights and collection of third party benefits. The agreement(s) may be with the State CSE agency, any appropriate agency of any State, and appropriate courts and law enforcement officials.

States must submit an '*action plan*' to the RO for pursuing claims against third parties, and integrate this action plan into the State's Medicaid Management Information System (MMIS).

