



CORPORATE POLICY & PROCEDURE

	Policy Name: F18 - Third Party Liability Recovery
Department: Finance	Policy Number: F18
Version: 9	Creation Date: 09/29/2014
Revised Date: 12/14/16, 5/16/19, 7/16/19, 1/14/21, 5/14/21, 1/7/2022	
Line of Business: <input type="checkbox"/> All	
<input checked="" type="checkbox"/> Umpqua Health Alliance	<input type="checkbox"/> Umpqua Health Management
<input type="checkbox"/> Umpqua Health - Newton Creek	<input type="checkbox"/> Umpqua Health Network
Approved By: Executive Team, Oregon Health Authority, Keith Lowther (Chief Financial Officer)	
	Date: 02/09/2023

POLICY STATEMENT

Umpqua Health Alliance (UHA) is committed to a third party liability (TPL) process that is robust and comprehensive and meets all State and Federal requirements and contractual requirements as stated in the Coordinated Care Organization (CCO) Contract, Exhibit B, Part 8, Section 17.

PURPOSE

The purpose of this policy is to detail the processes that UHA utilizes in TPL investigations.

RESPONSIBILITY

Finance

Third Party Recovery (TPR)

DEFINITIONS

Coordinated Care Organization (CCO) - A corporation, governmental agency, public corporation, or other legal entity that is certified as meeting the criteria adopted by the Authority under Oregon Revised Statutes (ORS) 414.625 to be accountable for care management and to provide integrated and coordinated health care for each of the organization’s members.

Coordination of Benefits (COB) - A provision in a contract that applies when a person is covered under more than one medical program. It requires that payment of benefits be coordinated by all programs to eliminate over-insurance or duplication of benefits.

Department of Human Services (Department or DHS) - The agency established in ORS Chapter 409, including such divisions, programs and offices as may be established therein.

Encounter Data - Encounter claims data that is required to be submitted to OHA under Oregon Administrative Rules (OAR) 410-141-3430.

Medicaid - A joint federal and state funded program for medical assistance established by Title XIX of the Social Security Act as amended and administered in Oregon by the Authority.

Medicare - A federally administered program offering health insurance benefits for persons aged 65 or older and certain other aged or disabled persons.

Member - An OHP client enrolled with a pre-paid health plan (PHP) or CCO.



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Oregon Health Authority (OHA or Authority) - The agency established in ORS Chapter 413 that administers the funds for Titles XIX and XXI of the Social Security Act. It is the single state agency for the administration of the medical assistance program under ORS chapter 414. For purposes of these rules, the agencies under the Authority of OHA are the Public Health Division, Health Systems Division, External Relations, Health Policy and Analytics, Fiscal and Operations, Health System Division, Office of Equity and Inclusion, and the Oregon State Hospital.

Subcontractor - Any individual, entity, facility, or organization, other than a participating provider, that has entered into a subcontract with UHA or with any subcontractor for any portion of the work under the contract.

Subrogation - The right of the State to stand in place of the client in the collection of third party resources (TPR).

Third Party Liability (TPL), Third Party Resource (TPR), or Third Party Payer - A medical or financial resource that, under law, is available and applicable to pay for medical services and items for an Authority client. Under Exhibit B, Part 8, Section 17(a), references to Third Party Liability, except where expressly stated otherwise, exclude circumstances where the member was injured by tortious conduct of a third party. Requirements regarding members injured by tortious conduct are covered in Exhibit B, Part 8, Section 18, unless expressly stated otherwise.

Workers' Compensation (i.e. Workers' Comp) - A form of accident insurance paid by employers. No payroll deductions are taken out of employees' salaries for this insurance. If you are injured on the job or acquire a work-related illness, Workers' Comp will pay your medical expenses, and if you cannot work, it will also cover wage-loss compensation until you are able to return to work.

PROCEDURES

Identification of Liable Party

1. The TPR Department seeks to identify any individual, entity, or program that is, or may be, liable to pay all or part of the medical cost of any medical assistance furnished to a member. TPL includes, but is not limited to:
 - a. Private (individual) health insurance;
 - b. Employment (group) health insurance;
 - c. Automobile insurance;
 - d. Worker's Compensation insurance;
 - e. Medicare A & B;
 - f. Homeowner's insurance; and/or
 - g. Claims, judgements, settlements or assignments of restitution.



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Identification Resources

1. There are multiple resources and infrastructures available to assist in the identification of members with TPL.
2. Those include, but are not limited to:
 - a. Providers and facilities;
 - b. Members;
 - c. Attorneys;
 - d. Insurance companies;
 - e. Claims Department;
 - f. Medical review personnel;
 - g. Unsolicited refunds;
 - h. Data Match applications;
 - i. OHA; and/or
 - j. Law enforcement.
3. UHA is committed to timely and thorough investigations of all TPL matters involving its members. Confirmation of TPL coverage is accomplished by directly contacting the legally responsible resource(s).
4. UHA will use their resources and infrastructure as fully permitted by law in order to complete investigations. The goal is to substantiate:
 - a. Insurance company (Third Party) name, address and phone number.
 - i. Name and address of any third party who paid the claim/paid the claim for the member.
 - b. Subscriber name (policy holder).
 - c. Relationship to the policy holder.
 - d. Social Security number of policy holder.
 - e. Identification, policy and claims number.
 - f. Group number.
 - g. Effective date of coverage.
 - h. Pre-existing condition clause.
 - i. Determination of benefits (e.g. medical, vision, prescription carrier and prescription co-pays).
 - j. Cause of injury (Motor Vehicle Accident (MVA), slip and fall, malpractice, workers compensation etc.),
 - k. Type of injury,
 - l. Date of injury and nature of injuries for potential TPL claims
 - m. Possible liable parties name(s) and address(es)
 - n. Any liability or no-fault insurance and claim number
 - o. Members employer, if workers compensation; and
 - p. Attorney representation.

Recovery Requirements



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1. If a member has other insurance coverage, including personal injury protection under a motor vehicle insurance policy, available for payment of covered services, such other insurance is primary to the coverage provided by UHA under the CCO Contract. Accordingly, the other primary insurance must be exhausted prior to UHA making any payment for any covered services. If the member has any liability for cost-sharing under the other primary insurance, UHA shall pay the amount of the members cost-sharing to the other primary insurance.
2. If UHA recovers from a third-party payer the fees UHA paid for covered services provided to a member, UHA will have the right to retain those recoveries. UHA shall report to OHA all amounts recovered from such third-party payers. Reporting shall be made quarterly using the Exhibit L Financial Reporting Template.
3. UHA shall take all reasonable actions to pursue recovery of Third-Party Liability for covered services provided to a member. UHA’s responsibility for recovery shall remain in effect up through the end of the eighteenth (18th) month from the date the claim(s) was paid, at which point, OHA shall have the right to pursue recovery.
4. After the end of the twenty-fourth (24th) month of the date any claim was paid by UHA for which there remains third-party liability, OHA or its designee will take all reasonable actions to pursue recovery of such amounts from the applicable third-party payer. UHA shall cooperate in good faith with OHA in any efforts undertaken by OHA to recover funds from third-party payers.
5. UHA shall develop and implement written policies and procedures (P&Ps) regarding third-party liability recovery (TPLR). The TPLR P&Ps must include, at a minimum all of the following:
 - a. The requirement for providers and subcontractors to request and obtain TPL information from the members and to promptly provide such information to UHA. At a minimum, the following information must be obtained and provided to OHA:
 - i. The name of the third party payer, or in cases where the third party payer has insurance to cover the liability, the name of the policy holder;
 - ii. The member’s relationship to the third-party payer or policy holder;
 - iii. The social security number of the third-party payer or policy holder;
 - iv. The name and address of the third party payer or applicable insurance company;
 - v. The policy holder’s policy number for the insurance company; and
 - vi. The name and address of any third party who paid the claim.
6. The requirement of UHA to report any and all TPL to OHA in the timeframes identified in the Exhibit B, Part 8, Sec. 17.
7. The requirement of UHA to pursue recovery for covered services and the procedures to be undertaken with such efforts;
8. Policies related to record keeping of all recovery efforts undertaken, and recoveries obtained, and reporting of adjustments made to Encounter Data;



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9. The requirements of UHA to adjust Encounter Data to reflect the amount received or recovered from the third party payer; and
10. A methodology for determining if and when it is no longer cost-effective for UHA to pursue recovery of sums owing by a third party payer.

Recovery Efforts

1. Timely system updates are critical to the UHA cost-avoidance endeavors as well as productive recovery efforts.
 - a. Update claims management software to reflect the primary TPL coverage particulars.
 - b. Update pharmacy management system to reflect select TPL coverage.
 - i. Send notification to pharmacy with billing particulars for primary.
 - ii. Request pharmacy reverse and process through primary within 10 days.
 - iii. Request reversals with Pharmacy Benefit Manager.
 - c. Review pertinent claims history and generate refund requests when indicated.
 - d. Adjudicate pended claims in accordance with standard coordination of benefits rules.
 - e. Recoveries for refund requests submitted are processed through checks received from providers and punch credits from vouchers. As well as punch credits from corrected claims received.
 - i. Refund Requests sent out.
 - ii. Recoveries from corrected claims resulting in a punch credit and checks received are processed.
 - iii. If refund has not been received within 30-day window, UHA requests a punch credit through claims processing system.
 - iv. If there are no funds to process a punch credit, we reach out to the biller to verify timeframe of refund via check.
 - f. UHA takes all reasonable actions to pursue recovery of TPL for covered services provided during the contract period and up to 18 months from the claim paid date. Covered services not recovered by UHA, beyond 24 months will be recovered by OHA and reported in the Rate Development process.
2. UHA recognizes the need for accurate TPL reporting for internal and external purposes.

Documentation, Reports, and Submissions

1. Submissions to OHA.
 - a. UHA shall annually provide OHA via Administrative Notice, with its Third Party Liability Recovery (TPLR) P&P for review and approval prior to adoption and implementation as follows:
 - i. No later than January 31st of each contract year. In the event UHA's TPLR P&Ps have not been modified since last approved by OHA, UHA may



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- submit an attestation stating that no changes have been made to the TPLR P&Ps since last approved by OHA.
- ii. Upon any material changes, including without limitation, adopting new TPLR P&Ps with respect to any particular service, or modifying existing TPLR P&Ps with respect to all or any services, regardless of whether OHA has provided approval of the TPLR P&Ps prior to formal adoption of the policy; and
- iii. As may be requested by OHA from time to time.
- b. Review and approval of UHA’s TPLR P&Ps will be based on compliance with the CCO Contract and, to the extent OHA determines applicable, for consistency with third party liability recovery requirements as set forth in 42 USC 1396a (a)(25), 42 USC1396k, 42 CFR Part 433 Subpart D, OAR 461-195-0301 to 461-195-0350, OAR 410-141-3810, and ORS 743B.470, 659.830, 416.510 to 416.610.
 - i. UHA will receive notification via Administrative Notice by OHA within 30 days from the due date, or within thirty (30) days from the received date if after the due date, of the approval status of its TPLR P&Ps or if additional time is needed for review. In the event OHA does not approve UHA’s TPLR P&Ps, UHA shall follow the process set forth in Sec. 5 of Ex. D to the CCO Contract.
 - ii. Upon receipt of OHA’s approval of UHA’s TPLR P&Ps, UHA shall include in its Member Handbook the same content from its OHA approved TPLR P&Ps regarding the obligation of members to provide information to, and cooperate with, UHA in order for UHA to meet its obligations under this Exhibit B, Part 8, Sec. 17. The content regarding such member obligations shall, when included in the member handbook, conform to the accessibility requirements described in the Member Handbook evaluation guidance located on the CCO Contract Forms Website. UHA shall provide its members with the applicable TPLR content, or an updated member handbook with the applicable TPLR content as follows:
 - 1. To all members within thirty (30) days after receipt of OHA’s annual written approval of the TPLR P&Ps.
 - 2. To potential members before and during enrollment; and
 - 3. To all members within thirty (30) days after receipt of OHA’s written approval any material changes to the TPLR P&Ps.
 - iii. If UHA, or its subcontractors, or its affiliated entities have other lines of business related to third party insurance coverage such as Medicare Advantage or other individual or employer-sponsored plans, UHA shall compare its monthly enrollment records with those records of its subcontractors and its affiliated entities to ensure that all third party liability is identified. If any member is also enrolled with any of UHA’s subcontractors or affiliated entities, UHA shall document and report any



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- and all such matches within thirty (30) days of the date of identification. Reporting must be made online at the following URL: <https://apps.oregon.gov/dhs/opar#>.
- iv. If UHA receives information that a member has other insurance outside of OHP, UHA shall report such coverage to OHA, within thirty (30) days of UHA’s receipt of notice of the other primary insurance. Reporting must be made online at the following URL: <https://apps.oregon.gov/dhs/opar#>.
 - v. OHA may require UHA to provide the information required to be reported under Exhibit B, Part 8, Section 17(j) or (k) of the CCO Contract, to be provided in another format. In such event OHA will provide UHA contract administrator, via administrative notice, of such requirement and UHA agrees it will promptly comply with all such requests.
 - vi. OHA reserves the right to require UHA to make additional disclosures related to a member’s right to coverage by a third party payer and UHA agrees it will comply with all such requests that may be made from time to time.
 - vii. UHA shall also require its providers to:
 - 1. Report to both UHA and OHA any other insurance to which a member may be entitled. Providers must report such information to OHA and UHA within thirty (30) days of becoming aware member of such coverage. Reporting must be made online at the URL identified in Exhibit B, Part 8, Section 17(j); and
 - 2. Provide, in a timely manner upon request, OHA with all third party liability eligibility information and any other information requested by OHA, in order to assist in the pursuit of financial recovery.
 - viii. UHA shall document and maintain, at the claim level, details related to, without limitation:
 - 1. Actions involving third party liability.
 - 2. Inability to recover any sums from third party payers; and
 - 3. Any and all recoveries from third party payers. Such data must be documented in a manner that allows reconciliation and audit of reported recoveries and adjusted encounter claims data. UHA shall make such documents available to OHA or its designee(s), as may be requested from time to time.
 - ix. UHA shall report all third party liability recoveries to the OHP coordination of benefits and subrogation recovery section on the quarterly report, Report L.
 - x. UHA shall adjust any encounter data within the timeframes specified to reflect third party liability recoveries for such encounter data.



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- xi. OHA will provide UHA with all third party liability and eligibility information available to OHA in order to assist in the pursuit of financial recovery, as it pertains to third party liability.
- xii. UHA agrees to:
 - 1. Provide OHA with all third party liability and eligibility information in order to assist in the pursuit of financial recovery and
 - 2. Respond in a timely manner to any other requests for information.
- c. UHA shall provide OHA, via Administrative Notice, its TPLR P&P annually no later than January 31st for review and approval. OHA will notify UHA within thirty (30) days from submission of the approval status of its TPLR P&P or if additional time is needed for review. In the event OHA does not approve UHA's TPLR P&P, Contractor shall follow the process set forth in Sec. 5 of Ex. D of the CCO Contract.
- 2. Notify DHS Health Insurance Group (HIG) within 30 days from the time it is discovered that a member has individual or group health insurance coverage online through <https://apps.oregon.gov/dhs/opar#>. Retaining the submission for our records.
- 3. UHA is responsible for documenting the following:
 - a. Maintaining an Excel spreadsheet to document the following:
 - i. Denoting all members identified with TPL.
 - ii. Recording all TPL recoveries received.
 - b. Recording investigations that do not result in recovery on the TPR Recovery spreadsheet and in the claims management system.
 - c. Provide monthly reports of all TPL recoveries and supporting documentation to the Finance Department by the fifth (5th) of each month.
 - i. The Finance Department will use the aforementioned documents to complete the Quarterly L Report they submit to OHA.
 - d. Developing, implementing, and/or maintaining written policies describing procedures for TPL recovery.
 - e. UHA TPR saves all submissions. Saving with the following naming convention: Number, Name, and Identification number.

TPL Recovery Requirements

- 1. UHA and its subcontractors or agents will comply with all federal and state confidentiality requirements when engaging in TPL recovery actions. Providers will follow the Coordination of Benefits (COB) requirements as stated in the Compensation and Billing section of Provider contract. Providers are required to notify the HIG department of primary payers.
- 2. UHA and its subcontracts ensures services are not refused on the basis of a potential TPL payment for such services.



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3. UHA acknowledges the importance of establishing TPL recovery requirements in accordance with the following State and Federal requirements:
 - a. UHA TPR will take all reasonable measures to ascertain the legal liability of third parties (42 USC § 1396(a)(25)(a)).
 - b. Assignment of rights to benefits and cooperation in obtaining medical support or payments (42 CFR § 433 Subpart D).
 - c. Addressing the processes set forth once a personal injury lien has begun. Accordingly, UHA contracts with an outside attorney firm who fully complies with the above noted regulations and statures in representing its interests (OAR 461-195-0301 to 461-195-0350).
 - d. Disenrollment from CCO and continuity of care (OAR 410-141-3080).
 - e. For consistency with TPLR requirements as set forth in 42 USC 1396k. Assignment, enforcement and collection of rights of payments for medical care.
 - f. Medicaid to be considered in coverage eligibility determination. When a primary payer over Medicaid is available to utilize such coverage and the insurer may not deny a claim submitted by Medicaid agency or a prepaid managed care health services organization. ORS 743B.470. The State is considered to have acquired the rights of the individual to payment by any other party for those health care items or services ORS 743B.470(3).
 - g. Prohibitions and requirements relating to health insurance 659.830. The State is considered to have acquired the rights of the individual to payment by any other party for those health care items or services 659.830(3).
4. UHA maintains the right to determine when it is not effective to pursue recovery action. Such decisions will be made on a case-by-case basis by the UHA TPR Department. Generally, the only time recovery efforts are declined is on subrogated matters where the projected reclamation amount is less than \$20.00.
5. UHA is committed to complying with 42 USC § 1395y(b) and 42 CFR Part 411, Subparts C-E which gives Medicare the right to recover its benefits from employer, Worker’s Compensation carriers, liability insurers, automobile or no fault insurers, and employer group health plans before any other entity. UHA acknowledges in the event Medicare presents a TPL based recovery demand; UHA will fully comply with all applicable laws.
6. The requirement to adjust encounter claims to reflect the amount received or recovered from the primary payer is followed in accordance with policy CA2 – Encounter Data Submission and Validation.

Department	Standard Operating Procedure Title	SOP Number	Effective Date	Version Number
Finance	Third Party Liability Recovery Process	SOP-F18-1	9/23/19	1
Finance	Personal Injury Liens	SOP-F16-2	1/7/2022	1