Coordination of Benefits and Third-party Liability Payment Policy

Policy
Network Health coordinates benefits when a Network Health Together® (MassHealth), Network Health Forward® (Commonwealth Care), or Network Health Extend (Medical Security Program) member has additional insurance coverage (e.g., other primary insurance, third-party liability coverage).

Federal and state regulations mandate that Network Health, as a MassHealth managed care organization, is payer of last resort. Providers must bill all of a member’s other insurers before submitting a claim to Network Health.

Definitions
Coordination of benefits (COB) — rules that establish the order in which health insurers pay claims when more than one insurer provides coverage for a member.

Explanation of payment (EOP) — a detailed explanation of an insurer’s payment or denial of a claim.

MedPay — auto insurance that covers medical and funeral expenses resulting from an accident involving a policyholder and any passengers riding with the policyholder.

Primary/secondary carrier — the insurer responsible for paying first/second on any medical claim.

Subrogation — the lien filed by an insurer, in accordance with Massachusetts General Law Chapter 111, Section 70B, to protect its right to reimbursement and/or recovery after one of its members is injured due to third-party negligence.

Third-party liability (TPL) — a third party is liable for payment (e.g., auto insurance, workers’ compensation) of medical expenses, usually after an accident (e.g., auto accident, accidental injury, slip and fall, dog bites, product liability, medical malpractice, restitution cases).

Workers’ compensation — insurance that provides compensation for medical expenses incurred by an individual injured in the course of employment.

Billing and reimbursement
Network Health is the payer of last resort when one of its members is insured by another liability or health insurance plan. Providers can bill Network Health as the secondary carrier after receiving an EOP from the primary carrier.

When filing a claim for a member with TPL or COB resources, providers must include:
• The primary carrier’s denial or payment code descriptions on the CMS 1500 or UB04 form, showing claim-processing results from the primary carrier
• A copy of the primary carrier’s EOP, denial notice, and benefits exhausted statement (including personal injury protection and MedPay, if applicable)

The primary carrier’s EOP must contain the check date or date the claim was finalized. Network Health does not accept an administrative denial from the primary carrier as a reason for Network Health to pay as a primary carrier.

When submitting a claims retraction request for a claim that a motor vehicle, workers’ compensation, health, or other third-party insurer has paid, providers must include a copy of the primary carrier’s EOP and, when applicable, a check.

Providers must notify Network Health’s TPL recoveries team when attorneys or insurers request copies of a member’s medical records or bills in writing or by phone. Providers can fax a letter to the TPL recoveries team at 781-393-2654.

**Recovery of overpayments**
In accordance with federal and state laws, Network Health recovers its overpayments to providers.

**Policy references**
• U.S. Code, Title 42, 1396a (a)(25)
• Centers for Medicare and Medicaid Services: 42 CFR 433.139 — Payment of Claims
• Massachusetts Insurance Guidelines
• Massachusetts General Law Chapter 111, Section 70B