



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES**

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TO: Managed Care Organizations
FROM: Department for Medicaid Services
RE: Third Party Liability

The Department for Medicaid Services (DMS) has received many calls from members assigned to a Managed Care Organization (MCO) requesting DMS to update their third party insurance information. The members indicate the MCO instructed them to call DMS.

Per Contract Section 14.2, Third Party Liability, an MCO is responsible for determining the legal liability of third parties to pay for services. Further, an MCO should actively seek and identify third party resources.

If a member contacts the MCO regarding third party insurance, the MCO shall take the information, verify it with the third party carrier, and update its system. If the MCO member has documentation or communication directly from the third party insurance carrier, the MCO may take that as verification. The third party information entered into the MCO's system will be passed to DMS via the HP monthly TPL file process.

An MCO should have the most up-to-date information on members for claims processing purposes. An MCO should also be instructing providers to verify third party coverage on its website.

If you have any questions, please feel free to contact Teresa Shields, TPL Branch Manager, Division of Program Integrity, at 502-564-4958.

VLJC/TS