

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Tennessee

4.22 - Third Party Liability

Citation

- (1) 433.138 Data exchanges between State agencies (single State agency, IVA, IVD and SWICA to identify Medicaid recipients and where possible, absent or custodial parents that are employed, their employer and wage information) are performed during the application or redetermination period and at least on a quarterly basis.
- (d)(1) and (d)(3) Tapes to initiate data matches are submitted monthly to the IRS for newly approved individuals. The entire caseload is matched against IRS files once a year. An agreement with IRS specifies when the match will be run.
- After individuals are approved for assistance, their SSN is accreted to files sent to SSA for matching against the SSA wage and earnings files. All recipients will be matched at least once, but generally four times, during the year. SSA determines when the matches will be run.
- (d)(4) A data match follow up request with the State's Department of Safety accident report files on November 29, 1989 revealed that there is currently no data element by which a match could successfully occur. The motor vehicle accident records are computerized but the only data elements are the date of the accident, a sequentially assigned case number, and an index number established to find the microfiche record. There is no potential for a data match with Medicaid files at this time.
- (e) Paid claims with a trauma diagnosis and/or accident/employer related treatment reported by the provider are identified monthly.
- (2) 433.138 The TPL unit receives insurance information from the Department of Human Services who performs the SWICA, SSA wage and benefit, and title IV-A data exchanges and processes the insurance information to the fiscal agent for input into the MMIS. The TPL data are entered within 60 days of initial receipt.
- (g)(1)(i)

TN No. 90-6  
Supersedes

Approval Date MAY 30 1990

Effective Date 4-1-90

TN No. 87-37

HCFA ID: 1010P/0012P

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(g)(2)(i) The TPL unit receives insurance information from the Tennessee Department of Human Services and the Social Security Administration from initial application and redetermination processes for Medicaid eligibility and processes the insurance information to the fiscal agent for input into the MMIS. The TPL data are entered into eligibility file and TPL data base within 60 days of initial receipt.

A data match follow up request with the Worker's Compensation file on November 21, 1989, revealed that the State Worker's Compensation/Industrial Accident Commission files are not computerized at this time. A computerized program is in planning, with a target implementation date of July, 1990. The program will capture individual demographic data, i.e. name, age, sex, SSN, which will be submitted to the Department of Labor on the "First Report of Work Injury" claim form.

(3) 433.138  
(d)(4)(ii) A data match follow up request with State Department of Safety accident report files on November 29, 1989, revealed that there is currently no data element by which a match could occur. The motor vehicle accident records are computerized but the only data elements are the date of the accident, a sequentially assigned case number, and an index number established to find the microfiche record.

(4) 433.138  
(e) The State Agency's MMIS identifies on a monthly basis those paid claims that contain diagnosis codes 800 through 999, (except 994.6 - ICDCM), and accident/employment related treatment reported by the provider for the purpose of determining the legal liability of third parties. An accident questionnaire is system generated and mailed by the fiscal agent to each recipient whose cumulative monthly paid amount equals or exceeds \$500. A certified subrogation notice, as required by State law (T.C.A. 71-5-117-C) is mailed to each identified potential third party. A detailed amount of the State's subrogation claim is provided to the

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third party upon request, and updated immediately prior to settlement. Should Medicaid's potential recovery be less than the total subrogation interest, the case is referred to the State office of the Attorney General for a compromise determination. Pursuant to TCA 20-13-103, only the Attorney General, with approval of the Governor and the Comptroller, has authority to compromise and settle a debt due the State. Additionally, the right of subrogation by the state to the recipient's right to recovery shall be subject to ordinary and reasonable attorney fees.

The State Agency will identify annually through analysis of dollars recovered those trauma codes that yield the highest third party collections.

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TN No. 90-6  
Supersedes

Approval Date MAY 30 1990

Effective Date 4-1-90

TN No. 87-37

HCFA ID: 1010P/0012P

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: TENNESSEESTATE LAWS REQUIRING THIRD PARTIES TO PROVIDE COVERAGE  
ELIGIBILITY AND CLAIMS DATACitation

1902(a)(25)(I) The State has in effect laws which require third parties to comply with the provisions, including those which require third parties to provide the State with coverage, eligibility and claims data, of 1902(a)(25)(I) of the Social Security Act. This includes laws that bar liable third parties from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules.

TN No.: 24-0001

Supersedes

TN No.: 07-005Approval Date: 04/24/24Effective Date: 03/07/24

Revision: HCFA-PM-90-2  
January 1990

(BPD)

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QMB No.: 0938-0193

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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Citation

433.139 (b)(3)(ii)(C) A claim cost avoidance system as outlined in 42 CFR 433.139 is utilized. All claims, except those listed below, will be cost avoided based on available insurance resource information. No threshold amount will be employed in conjunction with the cost avoidance method in processing claims.

The exceptions to the cost avoidance method are EPSDT, preventive pediatric care, and all claims covered by the health insurance maintained by the absent parent under Part D of Title IV of the Act.

1902(a)(25)(E) and 1902(a)(25)(F) of the Act The State Agency complies with each of the following requirements:

- (1) Application of cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services;
- (2) Making payments without regard to potential third party liability for pediatric preventive services, unless the State Agency has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for up to 90 days; and
- (3) Flexibility to make payments without regard to potential third party liability for up to 100 days for claims related to child support beneficiaries.

433.139 (f)(2) & (3) When an absent parent is ordered by the court to provide health insurance, but the insurance is not in effect, the State Agency shall initiate recovery action through the absent parent.

Pursuant to a waiver renewal from HCFA, Region IV, pharmacy claims will be accumulated on a monthly basis for direct filing to the third party carrier.

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TN No. 21-0008

Supersedes

TN No. 90-6

Approval Date 03/09/2022

Effective Date 10/01/21

HCFA ID.: 1010P/0012P

Revision: HCFA-PM-90-2 (BPD)  
January 1990

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QMB No.: 0938-0193

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The State Agency will pursue recovery on certain trauma diagnosis and employment related claims at the time a liable third party is verified. All related claims (except pharmacy claims) will be submitted to the identified third party.

The State Agency will pursue reimbursement from a third party resource whenever the value of the claim to be recovered exceeds the cost of the recovery effort. Minimum recovery thresholds (i.e., claim amounts below which recovery would not be pursued) may be periodically established to guide this process.

447.20 Medical assistance benefits shall be coordinated with third party resources and reimbursement shall not be made for services which would have been reimbursable by the third party except for failure to adhere to the third party's requirements. Additionally, if the liability of the third party exceeds the amount payable under the state plan, the provider may not seek collection from the individual.

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TN No. 21-0008  
Supersedes  
TN No. 90-6

Approval Date 03/09/2022

Effective Date 10/01/21

HCFA ID.: 1010P/0012P