



Medicaid and TRICARE Third-Party Liability Coordination

Medicaid and CHIP Payment and Access Commission

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Overview

- Background
- Coordination problems
 - Lack of a data sharing agreement
 - Infrequent data matches and short timely filing window
 - Lack of coordination with Medicaid MCOs
- Opportunities
- Next steps

Background

- By statute, Medicaid is the payer of last resort
- Medicaid coordinates benefits with other insurers as a secondary payer
 - Identify which Medicaid enrollees have other health coverage
 - Coordinate benefits at the claim level when providers file claims with Medicaid
- Approximately 867,000 active duty military members and dependents receive coverage through both TRICARE and Medicaid

Medicaid and TRICARE

- States began sharing enrollment information with the Defense Health Agency (DHA) in 1986 to support coordination of benefits
- CMS maintains a memorandum of understanding (MOU) with the DHA that specifies the terms of the state data match
- TRICARE carriers process claims as the primary payer compared to Medicaid but otherwise follow DHA policies regarding filing deadlines, billing agreements

Problem: No Active Data Sharing Agreement

- Since 2017, states have not been able to conduct the annual data match because there is no MOU between CMS and DHA
- States cannot proactively identify all Medicaid enrollees who have primary coverage through TRICARE
- As a result, states are likely paying some claims that are the responsibility of TRICARE

Problem: Infrequent Data Matches, One-Year Timely Filing Window

- Data match terms (e.g., annual match, limited fields) have not been updated since the 1990s, do not support efficient coordination, lead to more pay and chase
- DHA policy only accepts claims for one year from date of service; Medicaid allows longer so some claims filed timely (but wrongly) with Medicaid are denied when sent to TRICARE for being past the filing deadline
- As a result, states are likely paying some claims that are the responsibility of TRICARE

Problem: Lack of Coordination with Medicaid MCOs

- DHA policy is to only coordinate benefits with entities with which it has a billing agreement
- TRICARE carriers will execute billing agreements with state Medicaid agencies, not contracted MCOs
- If MCOs are aware of TRICARE enrollment, they can cost avoid by denying claims, but cannot recoup claims already paid via pay and chase
- As a result, capitation rates may be based on inaccurate assumptions and data

Opportunities

- Improve coordination among agencies
- Reinstate the data match
- Improve the data match process
- Extend the timely filing window
- Coordinate benefits between TRICARE carriers and Medicaid MCOs

Next Steps

- Commissioner feedback
- Potential chapter
- Recommendations?



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