




**Commonwealth of Massachusetts**  
**Executive Office of Health and Human Services**  
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MassHealth  
Transmittal Letter ALL-152  
October 2007

**TO:** All Providers Participating in MassHealth  
**FROM:** Tom Dehner, Medicaid Director   
**RE:** All Provider Manuals (Revisions to Third Party Liability Regulations)

This transmittal letter issues changes to third-party liability regulations contained at 130 CMR 450.317. These regulations are effective November 1, 2007.

The regulations at 130 CMR 450.317 are amended such that when calculating MassHealth's liability, the contractual adjustment will not be considered a third-party payment. It also clarifies that the member's liability takes into account any contractual adjustment.

If you have any questions about the information in this transmittal letter please contact MassHealth Customer Service at 1-800-841-2900, e-mail your inquiry to [providersupport@mahealth.net](mailto:providersupport@mahealth.net), or fax your inquiry to 617-988-8974.

**NEW MATERIAL**

(The pages listed here contain new or revised language.)

**All Provider Manuals**

Pages 3-7 and 3-8

**OBSOLETE MATERIAL**

(The pages listed here are no longer in effect.)

**All Provider Manuals**

Pages 3-7 and 3-8 — transmitted by Transmittal Letter ALL-113

<b>Commonwealth of Massachusetts MassHealth Provider Manual Series</b>  All Provider Manuals	<b>Subchapter Number and Title</b> 1. Introduction (130 CMR 450.000)	<b>Page</b> 3-7
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(E) If at any time a provider learns of health insurance not identified by REVS, the provider must copy both sides of the member's insurance card(s), or otherwise record the member's MassHealth identification number, insurance carrier, policy number, group number, and effective date of coverage, then send this information to the MassHealth agency.

(F) If a third-party resource is identified after the provider has already billed and received payment from the MassHealth agency, the provider must promptly return any payment it received from the MassHealth agency. The provider must bill all third-party resources before resubmitting a claim to the MassHealth agency.

(G) If a member is covered by more than one health insurer, the provider must request payment from all of the insurers prior to submitting a claim to the MassHealth agency.

450.317: Third-Party Liability: Payment Limitations on Claim Submission

(A) Subject to compliance with all conditions of payment, for members who have health insurance in addition to MassHealth, the MassHealth agency's liability is the lesser of:

- (1) the member's liability, including coinsurance, deductibles, and copayments; or
- (2) the provider's charges or maximum allowable amount payable under the MassHealth agency's payment methodology, whichever is less, minus the insurance payments.

(B) For the purposes of 130 CMR 450.317, where the provider has entered into an agreement with any third party to accept payment for less than the amount of charges, the member's liability will be calculated based on such payment amount.

(C) Unless specifically provided for in law or by contract or interagency service agreement with the MassHealth agency, the MassHealth agency is not liable for payment of a service for which a member is not liable, including, without limitation, services available through an agency of the local, state, or federal government, or through a legally obligated person or entity.

(D) The MassHealth agency will deny a claim for a service payable in whole or in part by one or more other insurers unless the claim is accompanied by a final disposition from each insurer.

450.318: Third-Party Liability: Medicare Crossovers

(A) A crossover is defined as a claim for a member who has Medicare in addition to MassHealth, where Medicare has made a payment or has approved an amount that was applied to the member's deductible.

(B) To obtain crossover payment, a provider must

- (1) bill the Medicare fiscal intermediary or carrier, as applicable, in accordance with their billing rules, including using the appropriate Medicare claim form and format;
- (2) accept assignment according to Medicare instructions; and
- (3) follow the MassHealth agency's billing instructions relating to crossover claims.

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- (C) The MassHealth agency's crossover liability will not exceed
- (1) the coinsurance and deductible amounts as reported on the explanation of benefits or remittance advice from Medicare;
  - (2) the MassHealth agency's maximum allowed amount for the service;
  - (3) the Medicare approved amount; or
  - (4) the MassHealth agency's established rate for crossover payment.

(130 CMR 450.319 and 450.320 Reserved)