

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ALABAMA

Requirements for Third Party Liability -  
Payment of Claims

Third Party Collection Procedures to be Cost-Effective

Where the third party liability is derived from a parent whose obligation to provider support is being enforced by the State Title IV-D Agency, providers will not be required to bill the third party before filing Medicaid. The State Agency will pursue the third party for recovery and to verify that the provider or insured did not receive payment. If the provider or insured received payment, recovery will be sought from the payee.

The State Agency uses a \$50 threshold in determining whether to seek recovery from a health insurance carrier for all except drug claims. Claims which do not exceed a paid amount of \$50 are placed in an automated suspense file. The suspense file is read quarterly to identify recipients whose accumulated claims exceed the threshold. Claims are carried on the suspense file for up to twelve months. The State Agency uses a \$25 threshold for drug claims. Drug claims are accumulated quarterly for submission to a third party. Accumulated claims which exceed a \$25 paid amount are submitted to the third party quarterly.

The State Agency uses a \$150 threshold for trauma claims. Once a liable third party is identified, the entire recipient paid claims history is reviewed. If the accumulated total of paid claims related to the injury exceeds \$150, recovery is sought from the third party.

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