



## Salish Behavioral Health Organization

### FISCAL MANAGEMENT POLICIES AND PROCEDURES

**Policy Name:** THIRD PARTY LIABILITY AND  
COORDINATION OF BENEFITS

**Policy Number:** 8.03

**Reference:** State contract

**Effective Date:** 10/2005

**Revision Date(s):** 1/2014; 7/2016

**Reviewed Date:** 3/2018

**Approved by:** SBHO Executive Board

#### CROSS REFERENCES

- Policy: Corrective Action Plan

#### PURPOSE

To ensure that the Salish Behavioral Health Organization's (SBHO) contracted community behavioral health agencies determine if an enrolled person has third party insurance before using public funds to provide services and to coordinate services and assign benefit coverage to third party payers when appropriate.

All funds recovered by the SBHO or network providers from third party resources are used as supplemental income to support the delivery of public behavioral health services.

#### DEFINITIONS

Third party liability refers to situations when an enrolled member also has behavioral health coverage with an insurance provider, other than Medicaid. The third party may be liable for paying some or all of the service cost.

Third parties include but are not limited to: private health insurance companies, Medicare, court judgments, coverage through a spouse or parent, or work-related health insurance.

#### PROCEDURE

1. **Determination of Benefits:** Contracted providers within the SBHO will inquire about a person's health insurance coverage during the initial intake process. Should an individual have third party coverage, the network provider is responsible for contacting the third party to verify benefits.

2. Billing Requirements: If it is determined that the individual has third party insurance, the network provider must maintain proper documentation in the clinical file to demonstrate that the third party has been assigned responsibility for the covered services provided and has been properly billed.
  - Third party payers shall be recorded in the clinical file, with the appropriate primary insurance flagged.
3. All third-party revenue must be pursued prior to SBHO funding assignment. SBHO must be the payer of last resort.
  - a. Providers must submit a bill to the third party whenever third-party benefits are available.
  - b. Documentation that such billing occurred must be present in the clinical file.
    - Such documentation must include a copy of the Remittance Advice or Explanation of Benefits (EOB) from the third-party payer.
4. Emergency Situations: Emergency services shall be provided regardless of payment source, and prior to coordinating with third party payers.
5. Coordination of Benefits: Except in emergencies, the provider must refer the individual seeking services to a provider recommended by the third-party payer for services covered by the third-party payer.
  - When a third-party payer requires utilization of a service provider outside the SBHO service network, the SBHO contracted provider shall coordinate care with the outside service provider in order to maximize therapeutic benefit.
6. Community behavioral health agencies contracted with the SBHO shall maximize the availability of third party payments by applying for preferred provider status with third party health plans when possible.

## **MONITORING**

This policy is a mandate by contract and federal regulation.

1. This policy will be monitored through use of SBHO:
  - Annual SBHO Provider and Subcontractor Administrative Review
  - Annual SBHO Provider Fiscal Review
  - Annual Provider Quality Chart Review
2. If a provider performs below expected standards during any of the reviews listed above a Corrective Action will be required for SBHO approval. Reference SBHO Corrective Action Plan policy.