



Third-Party Liability (TPL)

Federal and state statutes require Medicaid agencies to pursue third-party liability to reduce medical assistance payments. The Third-Party Liability Unit identifies Medicaid beneficiaries who have other medical insurance or payment sources that must pay first. These sources include health and liability insurance, court settlements and absent parents.

Often primary insurance pays more than Medicaid allows; however, once the claim is filed secondary to Medicaid and processed as a paid status, the EPSDT/Wellness will be captured in the PCMH reports.

- The Arkansas Medicaid manual states: The beneficiary is not responsible for insurance cost share amounts if the claim is for a Medicaid-covered service by a Medicaid-enrolled provider who accepted the beneficiary as a Medicaid patient. Arkansas Medicaid pays the difference between the amount paid by private insurance and the Medicaid maximum allowed amount. Medicaid will not make any payment if the amount received from the third-party insurance is equal to or greater than the Medicaid allowable rate.
- It is the responsibility of each provider to be alert to the possibility of third-party sources of payment and to report receipt of funds from these sources to DMS.

The beneficiary should inform their provider of other insurance coverage.

If there is a change in a beneficiary's TPL insurance status, the provider may contact the Arkansas DHS, Division of Medical Services, Third-Party Liability Unit @ (501) 537-1070 to update the beneficiary's insurance coverage.

Arkansas DHS, Division of Medical Services, Third-Party Liability Unit
Telephone: (501) 537-1070
Fax: (501) 682-1644

Mailing address DHS Division of Medical Services
TPL Unit
P.O. Box 1437, Slot S296
Little Rock, AR 72203-1437

If you have additional questions or need assistance, please [contact your AFMC Provider Relations](#) outreach specialist.

Sincerely,

AFMC Provider Relations

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