

# Enterprise Objective Monitoring and Control Services

Deliverable D-79: TPL Roadmap  
Version 1.0

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## Revision History

**Table 1: Revision History**

Version	Delivered Date	Description
0.1	07/25/2024	Initial draft created based on the BerryDunn Deliverable Template
1.0	08/30/2024	TPL Roadmap delivered to PRMP



## 1.0 Executive Summary

The TPL Roadmap (the roadmap) details and sequences the two-year course of TPL related policy and functionality needed in support of PRMP.

TPL is the legal obligation of third parties, such as certain individuals, entities, insurers, or programs to pay part or all of the expenditures for medical assistance furnished under a Medicaid state plan. As per CMS' 42 C.F.R. §433 Subpart D 1,<sup>1</sup> all sources of healthcare coverage must pay for their part of any submitted claims under their policies before Medicaid will pay for the care of an individual eligible for Medicaid.

Third-party payers are not responsible for reimbursing Medicaid for services not covered by the Medicaid state plan. In general, if a state has determined a potentially liable third party exists, it must work to ensure the provider bills the third party first before sending the claim to Medicaid; this is known as cost avoidance. Whenever a state has paid claims and subsequently discovers the existence of a liable third party, it must attempt to recover the money from the liable third party; this is known as "pay-and-chase."<sup>2</sup>

The roadmap is written to assist PRMP with the implementation of compliant TPL processes. BerryDunn organized the roadmap to address PRMP's policy, functionality, and organizational gaps for each of CMS TPL requirements including TPL identification, cost avoidance, pay-and-chase, and recovery. Throughout the creation of the roadmap, BerryDunn consulted with PRMP on options to execute the vision in support of their business needs and plan.

A brief high-level summary of the "as-is" environment that leverages research previously conducted by BerryDunn is included within the roadmap. As requested by PRMP, the focus of the roadmap is primarily on the "to-be" environment. BerryDunn reviewed the CMS-required outcomes for TPL, as well as PRMP's Medicaid Information Technology Architecture (MITA) Pre-Assessment for TPL and developed, in coordination with PRMP, a plan to implement fully compliant TPL processes that involve multiple interested parties (stakeholders) and systems. BerryDunn addressed each gap included in the MITA Pre-Assessment for TPL and identified options to assist with identified gaps. BerryDunn also outlines other activities that PRMP may

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<sup>1</sup> National Archives Code of Federal Regulations. July 1, 2024. "Subpart D—Third Party Liability." *National Archives Code of Federal Regulations*. Accessed July 1, 2024. <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-C/part-433/subpart-D>

<sup>2</sup> Deficit Reduction Act Important Facts for State Policymakers. "Third Party Liability in the Medicaid Program." *Deficit Reduction Act Important Facts for State Policymakers*. Accessed July 1, 2024. <https://www.cms.gov/regulations-and-guidance/legislation/deficitreductionact/downloads/tpl.pdf>

want to consider, including estate recovery, the Medicare buy-in program, and the Health Insurance Premium Payment (HIPP) program as a part of their TPL program implementation.

The roadmap outlines a two-phase implementation approach for the TPL gaps identified in the MITA Pre-Assessment for TPL. The first phase is focused on items that can be achieved through coordination with the managed care organizations (MCOs), ASES, and the PRMMIS. Providing insurance company data received from ASES to the MCOs should allow the MCOs the ability to cost avoid more claims in accordance with their contracted requirements to do so. Assuming the cost avoid savings are realized by PRMP, the funds would allow Puerto Rico additional funding to support other programs. The second phase of the TPL project is focused on TPL recovery and recoupment after the MCO paid encounter claim date. This process includes performing insurance data matches, insurance verification, and insurance updates, as well as recoupment services using information provided by MES or additional data sources available to a TPL vendor from SMA stakeholders. This is typically provided by a TPL vendor.

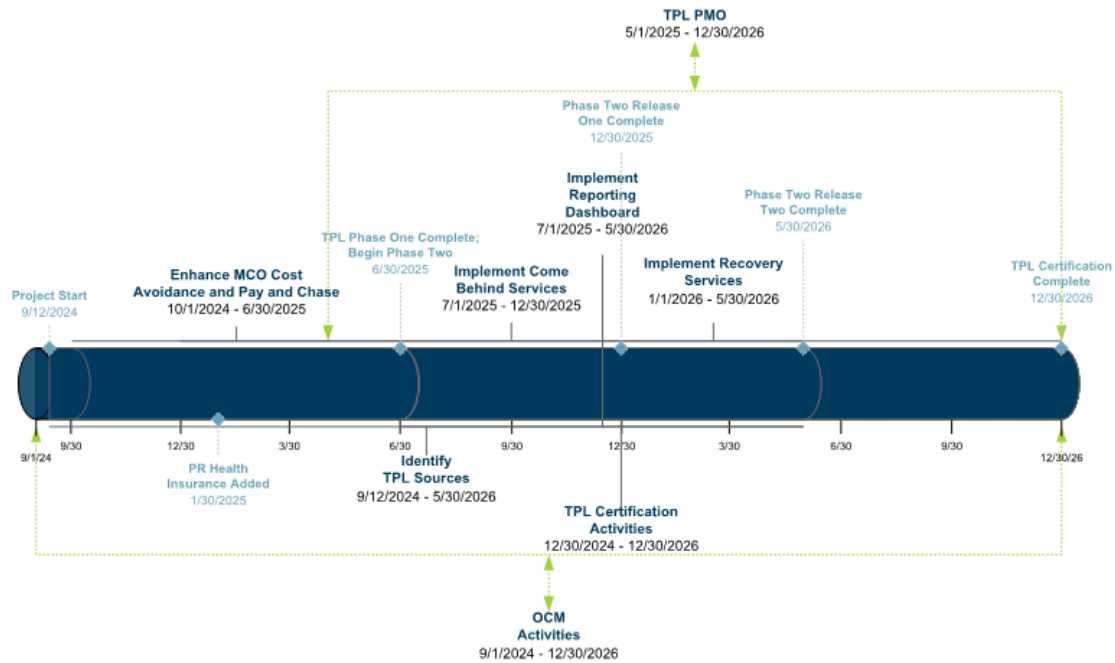
While creating the roadmap, BerryDunn has identified activities that BerryDunn recommends should take place to successfully implement TPL processes and align PRMP processes with federal legislation. Details on each of these recommendations are provided in subsequent sections of this document. The necessary activities include:

- Throughout the TPL project, PRMP will add data sources to their enterprise to help PRMP identify liable third parties.
- In Phase I, PRMP will pursue changes for cost avoidance and pay-and-chase processes using the PRMMIS and largely aligned with the existing MCO contract.
- While PRMP is pursuing the changes in Phase I for cost avoidance and pay-and-chase processes, PRMP will create and release a request for proposal (RFP) to procure a TPL vendor who can provide “Come Behind” services and accident, tort, and other recovery services.
- The “Come Behind” services and recovery services will be performed by the TPL vendor and will also require changes for MEDITI3G and the Medicaid Management Information System (MMIS).
- Throughout the TPL project, PRMP will evaluate and update PRMP’s policy, the state plan, and the ASES-MCO contract as needed.
- PRMP will require resources to write standard operational procedures and perform training for TPL activities.
- PRMP will require resources to assist in performing organizational change management (OCM) activities and project management activities.
- PRMP will require additional resources to oversee the project and the TPL processes.

Outside of those activities, BerryDunn’s understanding is that Puerto Rico is preparing to propose legislation during the upcoming legislative session in 2025 that will prohibit third-party payers (other than Medicare) from refusing payment for a Medicaid item or service only because the item or service did not have prior authorization from the third party payer. The legislative change will bring Puerto Rico into compliance with the Consolidated Appropriations Act, 2022 requirements.

The proposed timeline for the roadmap covers approximately two years and is summarized in Figure 1. Negotiations with vendors and other stakeholder priorities will impact the estimated dates. More information about the details of the timeline can be found in Sections 6 and 8.

**Figure 1: TPL Timeline**





## 2.0 Introduction

### 2.1 Purpose

The roadmap aims to assist PRMP stakeholders in understanding the necessary support the Medicaid Enterprise Systems (MES) organization will require to achieve TPL compliance and help support a clear understanding of the desired future state. This roadmap provides PRMP with documentation and visual timelines outlining the scope of each TPL implementation phase while also serving as a tool to facilitate planning to meet future TPL objectives, including how to meet TPL certification outcomes. Additionally, the roadmap will outline key considerations for sustaining success after the TPL program's implementation.

### 2.2 Roadmap Audiences

- The **primary audience** of the roadmap is PRMP's leadership team. The document's intent for this audience is to provide background and direction on key focus areas to progress the TPL to-be vision into a service area that can be sustained and CMS-certified as part of the Medicaid Enterprise.
- The **secondary audiences** for the roadmap are the TPL vendors, Puerto Rico Department of Health (PRDoH) leadership, and other key stakeholders who have an interest in and/or influence over the trajectory of TPL activities for the Commonwealth of Puerto Rico (PR).

### 2.3 Key Definitions

**Assignment of Rights:** Individuals must assign to the Medicaid program their rights to medical support and payment of medical care from a third party.<sup>3</sup> This is recommended to be completed at the time of Medicaid application and redetermination.

**Casualty/Tort Recovery:** A member may need medical care due to "an injury caused by the action, inaction, or negligence of a third party."<sup>4</sup> These circumstances might include automobile or other accidents, injury caused by a defective product, an on-the-job injury, or medical malpractice.

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<sup>3</sup> Social Security Administration. "State Plans for Medical Assistance." *Compilation of The Social Security Laws*. Assessed 07/11/2024. [Social Security Act §1902 \(ssa.gov\)](https://www.ssa.gov)

<sup>4</sup> Centers for Medicare & Medicaid Services. "Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook." *Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook*. Accessed 07/01/2024. [cob-tpl-handbook.pdf \(medicaid.gov\)](https://www.medicare.gov/cob-tpl-handbook.pdf)

**Come Behind Process:** In accordance with the National Association of State Procurement Officers (NASPO) TPL RFP, “Come Behind” services are described as a program to recoup reimbursements from responsible third-party health insurers or payers a specified number of days after the paid encounter claim date. The services include third-party resource identification, health insurance data matches, verification, updates, and recoupment services. These post-payment recoupments are considered a secondary method of recoupment to cost avoidance. They are pursued for encounter claims initially paid by the MCO and later determined to be the responsibility of a third-party resource.<sup>5</sup>

**Cost Avoidance:** If the SMA determines that a third party is liable for a claim or encounter, it must reject (not deny) the claim or encounter. The claim should be sent back to the provider, noting the identified third party is legally responsible for paying the claim.<sup>6</sup>

**Dual Eligibility:** Individuals enrolled in both Medicare and Medicaid eligibility are considered dually eligible. Generally, Medicare is liable for claims; however, some Medicaid benefits are not covered by Medicare, meaning that Medicaid has no legal obligation to pay for the services.<sup>7</sup>

**Estate Recovery:** If a member age 55 or over is in a nursing facility, receives home and community-based services, or has related hospital and prescription drug services, CMS requires that State Medicaid Agencies (SMA) attempt to recover Medicaid payments from the estate of the deceased member.<sup>8</sup>

**Identifying TPL:** The Medicaid agency “must take reasonable measures to determine the legal liability of the third parties who are liable to pay for services furnished under the plan.”<sup>9</sup> The regulations include health insurance, workers’ compensation, liability insurance, and indemnity plans as TPL sources. In addition, it identifies required processes for identifying TPL, which include obtaining health insurance information at the time of Medicaid application and

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<sup>5</sup> National Association of State Procurement Officials. “Medicaid enterprise systems: Third party liability.” *NASPO ValuePoint*. Accessed August 22, 2024. <https://www.naspovaluepoint.org/portfolio/medicaid-enterprise-systems-third-party-liability/#!>

<sup>6</sup> Centers for Medicare & Medicaid Services. “Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook.” *Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook*. Accessed July 1, 2024. [cob-tpl-handbook.pdf \(medicaid.gov\)](https://www.cms.gov/medicaid/coordination-of-benefits-and-third-party-liability/cob-tpl-handbook.pdf)

<sup>7</sup> Centers for Medicare & Medicaid Services. “Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook.” *Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook*. Accessed July 1, 2024. [cob-tpl-handbook.pdf \(medicaid.gov\)](https://www.cms.gov/medicaid/coordination-of-benefits-and-third-party-liability/cob-tpl-handbook.pdf)

<sup>8</sup> Centers for Medicare & Medicaid Services. “Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook.” *Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook*. Accessed July 1, 2024. [cob-tpl-handbook.pdf \(medicaid.gov\)](https://www.cms.gov/medicaid/coordination-of-benefits-and-third-party-liability/cob-tpl-handbook.pdf)

<sup>9</sup> National Archives Code of Federal Regulations. July 1, 2024. “Identifying Liable Third Parties.” *National Archives Code of Federal Regulations*. Accessed July 1, 2024. [eCFR :: 42 CFR 433.138 -- Identifying liable third parties](https://www.ecfr.gov/current/title-42/chapter-III/subchapter-B/part-433/subpart-1/section-433.138).

redetermination, exchanging data with other entities, and using accident and trauma diagnosis codes.<sup>10</sup>

**Pay-and-Chase:** Some claims are exempt from cost avoidance. Instead, the agency pays for the claim and chases the insurer for recovery. Pay-and-chase is required where a claim is for a service provided to an individual on whose behalf child support enforcement is being carried out and the third-party coverage is through the absent parent. Pay-and-chase is also required for preventative pediatric services, including EPSDT claims.<sup>11</sup>

**Payer of Last Resort:** Medicaid only pays claims for covered items and services if there are no other liable third-party payers for the same items and services.

**Trusts:** A trust is another source for TPL recovery.<sup>12</sup> Each type of trust has rules for recovery. The TPL vendor will pursue recoveries against these trusts.

## 2.4 Background

On April 14, 2022, CMS issued new guidance and requirements for states and territories to streamline their approach to becoming certified by CMS. CMS requires certification if a state or territory wants to receive federal financial participation at 75% for operations.<sup>13</sup> This new approach, called Streamlined Modular Certification (SMC), is structured around conditions for enhanced funding, outcomes, which describe the measurable improvements to a state or territory's Medicaid program resulting from the delivery of a new module, and metrics, which provide evidence about whether the outcomes are reached.<sup>14</sup> CMS required outcomes are based upon statutory requirements for Medicaid Enterprise Systems (MES). PRMMIS Phase III, the implementation of the financial module, is the first module in Puerto Rico to go through the certification process with CMS using the new SMC process.

One of the required outcomes for the financial module is FM6, which states that the state or territory recovers TPL payments by:

- Tracking individual TPL transactions, repayments, outstanding amounts due.

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<sup>10</sup> National Archives Code of Federal Regulations. July 1, 2024. "Identifying Liable Third Parties." *National Archives Code of Federal Regulations*. Accessed July 1, 2024. [eCFR :: 42 CFR 433.138 -- Identifying liable third parties](#).

<sup>11</sup> National Archives Code of Federal Regulations. July 1, 2024. "Payment of Claims." *National Archives Code of Federal Regulations*. Accessed July 1, 2024. [eCFR :: 42 CFR 433.138 -- Identifying liable third parties](#).

<sup>12</sup> Social Security Administration. "Liens, Adjustments and Recoveries, and Transfers of Assets." *Compilation of The Social Security Laws*. Accessed July 1, 2024. [Social Security Act §1917 \(ssa.gov\)](#)

<sup>13</sup> Centers for Medicare & Medicaid Services. (2022). *State Medicaid Director letter: SMD# 22-001* [PDF]. <https://www.medicaid.gov/federal-policy-guidance/downloads/smd22001.pdf>

<sup>14</sup> Centers for Medicare & Medicaid Services. (2022). *State Medicaid Director letter: SMD# 22-001* [PDF]. <https://www.medicaid.gov/federal-policy-guidance/downloads/smd22001.pdf>

- Aggregating by member, member type, provider, third party, and time period.
- Alerting state recovery units when appropriate.
- Electronically transferring payments to the state.<sup>15</sup>

PRMP did not have requirements for meeting this outcome, related to TPL, in the contract with Gainwell for PRMMIS Phase III. After meeting with CMS in September 2023, PRMP and CMS agreed that FM06 would not be applicable for PRMMIS Phase III. PRMP determined that, if a TPL solution was required, it would be a separate implementation.

Using the research for the PRMMIS Phase III certification as a starting point, PRMP and BerryDunn met on December 1, 2023, and discussed the need for PRMP to better understand the existing TPL processes and gaps with federal regulation. In late 2023 through January 2024, PRMP used the MITA framework to complete a pre-assessment of PRMP's TPL related as-is processes and gaps, and performed a to-be analysis. Once completed, the pre-assessment was used as a basis for building this TPL Roadmap.

## 2.5 TPL Cost-Benefit Analysis

PRMP is required to pursue recoveries only if the cost of pursuing the recovery does not exceed any potential TPL recoupment<sup>16</sup> States and territories tend to recover less than they “cost avoid” through Medicaid TPL efforts. According to the Office of Inspector General (OIG), “cost avoidance is the most cost-effective way to ensure that Medicaid is the payer of last resort.”<sup>17</sup>

The *Medicaid and Children's Health Insurance Program (CHIP) Payment and Access Commission (MACPAC) Medicaid and CHIP Data Book 2023* provides data that can help PRMP estimate the potential amounts related to cost avoidance and recovery.<sup>18</sup> Collection amounts, which include amounts cost avoided and recovered, varied significantly across states, ranging from \$9 million recovered of \$668 million (1.35%) spent in Wyoming to \$1 billion recovered of \$117 billion (0.85%) spent in California. Overall, states and territories collected approximately

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<sup>15</sup> Centers for Medicare & Medicaid Services. (n.d.). *Financial management: Outcomes and metrics*. Retrieved August 22, 2024, from <https://cms.gov.github.io/CMCS-DSG-DSS-Certification/Outcomes%20and%20Metrics/Financial%20Management/>

<sup>16</sup> National Archives Code of Federal Regulations. July 1, 2024. “Identifying Liable Third Parties.” *National Archives Code of Federal Regulations*. Accessed July 1, 2024. [eCFR :: 42 CFR 433.138 -- Identifying liable third parties](https://www.ecfr.gov/current/title-42/chapter-III/subchapter-A/part-433/subpart-1/section-433.138).

<sup>17</sup> Department of Health and Human Services, Office of Inspector General. January 2013. “Medicaid Third-Party Liability Savings Increased, but Challenges Remain.” *Department of Health and Human Services, Office of Inspector General*. Accessed July 1, 2024. <https://oig.hhs.gov/oei/reports/oei-05-11-00130.pdf>

<sup>18</sup> Medicaid and CHIP Payment and Access Commission. December 2023. “MACStats: Medicaid and CHIP Data Book.” Accessed July 1, 2024. [https://www.macpac.gov/wp-content/uploads/2023/12/MACSTATS\\_Dec2023\\_WEB-508.pdf](https://www.macpac.gov/wp-content/uploads/2023/12/MACSTATS_Dec2023_WEB-508.pdf)

\$17 billion while expending \$793 billion (2.14%) for Medicaid services. The reported collections include third-party liability, estate recoveries, and other types of recoveries.<sup>19</sup>

PRMP may request a waiver of the TPL requirements if it determines the activity to not be cost-effective. This means that the cost of the activity exceeds the TPL recoupment and the objective can be met through another activity that is being perf.<sup>20</sup>

## 2.6 Assumptions and Constraints

While developing the roadmap, BerryDunn identified the below assumptions and constraints that affected the conclusions, recommendations, and next steps included in this document. Assumptions detail what BerryDunn assumed as fact in this research and reporting. Constraints detail challenges that may be realized in TPL solution's design, development, and implementation.

### 2.6.1 Assumptions

- PRMP wishes to consider NASPO and other nationally available cooperative vehicles as a solution to their TPL needs.
- The MITA pre-assessment details a view of PRMP's as-is environment as well as compliance gaps that should be factored into the roadmap.
- The deliverable process will conclude when PRMP verifies that BerryDunn sufficiently addressed the feedback provided. If BerryDunn did not sufficiently address the feedback, PRMP will return the deliverable to BerryDunn. If BerryDunn sufficiently addressed feedback, PRMP will provide approval of final deliverables with the signed DAF.
- Gainwell's MMIS Phase I and II operations contract expires on September 30, 2024. Although the contract cannot be leveraged for PRMP's long term TPL needs, the roadmap assumes that PRMP intends to continue leveraging the MMIS (via Gainwell or another vendor) to fulfill a portion of the activities central to the TPL program's success.

### 2.6.2 Constraints

- Procuring and implementing a solution could take at least 24 months.

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<sup>19</sup> Medicaid and CHIP Payment and Access Commission. December 2023. "MACStats: Medicaid and CHIP Data Book." Accessed July 1, 2024. [https://www.macpac.gov/wp-content/uploads/2023/12/MACSTATS\\_Dec2023\\_WEB-508.pdf](https://www.macpac.gov/wp-content/uploads/2023/12/MACSTATS_Dec2023_WEB-508.pdf)

<sup>20</sup> National Archives Code of Federal Regulations. July 1, 2024. "Identifying Liable Third Parties." *National Archives Code of Federal Regulations*. Accessed July 1, 2024. eCFR :: 42 CFR 433.138 -- Identifying liable third parties.

- Gainwell's MMIS Phase I and II operations contract expires on September 30, 2024, and the contract cannot be leveraged for PRMP's long term TPL needs.
- Vendor demonstrations to inform the TPL alternatives analysis were not conducted so additional options for vendor solutions to suite PRMP's needs may be available in the marketplace.
- Resource and time constraints related to policy updates and TPL subject matter expertise could impede progress on PRMP implementation of a TPL solution.

## 3.0 As-Is Summary

The MITA pre-assessment of TPL describes the as-is state of PRMP's business processes mapped to CMS TPL requirements. BerryDunn used the gaps identified within the MITA Pre-Assessment for TPL as a guide in creation of the roadmap. The as-is state of PRMP's TPL business processes have been mapped to the four CMS requirements including:

- TPL identification
- Cost avoidance
- Pay-and-chase
- Recovery

**Table 2: TPL As-Is Assessment**

<b>TPL Identification</b>
<p>As-Is Environment Gaps Relating to TPL Identification:</p> <ul style="list-style-type: none"> <li>• Data (i.e., insurance information) received by ASES and the MCOs from the insurance commissioners is not shared with PRMP.</li> <li>• TPL information stored in MEDITI3G is not being sent to ASES or the MCOs.</li> <li>• PRMP is not utilizing all the existing federal required sources for TPL identification.</li> <li>• MEDITI3G currently stores TPL; however, this data is not updated beyond the beneficiary's initial application.</li> <li>• PRMP data exchange agreements with other state or commonwealth agencies as it relates to identifying third-party resources may not be in place or actively monitored.</li> </ul>
<b>Cost Avoidance</b>
<p>As-Is Environment Gaps Relating to TPL Cost Avoidance:</p> <ul style="list-style-type: none"> <li>• PRMP does not have transparency into the MCOs' cost avoidance activities and therefore is unable to measure the efficiency or accuracy of the MCOs' TPL cost avoidance performance.</li> <li>• PRMP does not have a process or system in place to receive and maintain accurate and up to date TPL information directly from providers and MCOs.</li> <li>• PRMP does not directly receive reports from MCOs showing the number of claims that were cost avoided and the amount saved through cost avoidance measures.</li> </ul>
<b>Pay-and-Chase</b>
<p>As-Is Environment Gaps Relating to Pay-and-Chase:</p> <ul style="list-style-type: none"> <li>• MCOs do not appear to report on the amounts recovered for pay-and-chase claim recoveries, and the contract language states that MCOs keep what they recover for subrogated claims.</li> </ul>

- PRMP does not receive any types of reports that provide information on the total amounts of monies collected by MCOs through pay-and-chase activities.
- PRMP does not have the insight into claims that have already been processed through another payor prior to submission to Medicaid.

### Recovery

#### As-Is Environment Gaps Relating to TPL Recovery:

- PRMP is not currently pursuing trauma or estate recoveries. PRMP does not provide nursing facility or home and community-based services; therefore, this kind of recovery is not likely to provide PRMP with a good return on their investment (ROI).
- PRMP does not currently specify a threshold amount or other guideline used to determine whether they will seek recovery within their SPA.



## 4.0 To-Be Vision

### 4.1 Vision

PRMP envisions a fully compliant and optimized TPL process that maximizes cost avoidance and the recovery of funds from liable third parties and, where possible, leverages and reuses existing solutions, processes, and people to help ensure federal and state dollars are protected. By enhancing the TPL program and introducing new functionalities, PRMP will hold responsible entities accountable, efficiently recovering costs from health, auto, indemnity insurers, trusts, and product liability cases, safeguarding public resources.

### 4.2 Goals and Outcomes

PRMP's goal for TPL is to enact processes and systems that will bring PRMP into full compliance with TPL regulations. PRMP will enhance the TPL program to hold other entities liable and to avoid using federal and state dollars to pay for claims and capitations where another entity is liable.

PRMP's coordinated TPL program will clearly identify entities responsible for TPL identification, cost avoidance, pay-and-chase, and recovery.

In Table 3, the TPL outcomes required by CMS are defined, along with the regulation and the entities responsible.<sup>21</sup>

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<sup>21</sup> Centers for Medicare & Medicaid Services. "Third Party Liability". *CMS-Required Outcomes*. Assessed August 22, 2024. <https://cmsgov.github.io/CMCS-DSG-DSS-Certification/Outcomes%20and%20Metrics/Financial%20Management/>

**Table 3: TPL Outcomes, Regulatory Sources,<sup>22</sup> and Responsible Entities**

Outcome	Outcome Description	Regulatory Source	Implementation Phase	Responsible Entities
<b>TPL1 Application</b>	<p>The system does the following:</p> <ul style="list-style-type: none"> <li>Records third parties</li> <li>Determines the liability of third parties</li> <li>Avoids payment of third-party claims</li> <li>Recovers reimbursement from third parties after Medicaid claims payment</li> <li>Records information and actions related to the plan</li> </ul>	42 CFR 433.138(k)(2)(i)	Both	PRMMIS MCO TPL Vendor
<b>TPL2 Health Insurance Information</b>	<ul style="list-style-type: none"> <li>The system records other health insurance information at the time of application or renewal for Medicaid eligibility that would be</li> </ul>	<p>Section 1902(a)(25) of the Act</p> <p>42 CFR 433.136</p> <p>42 CFR 433.137</p>	Phase I	MEDITI3G

<sup>22</sup> Centers for Medicare & Medicaid Services. "Third Party Liability". *CMS-Required Outcomes*. Assessed August 22, 2024. [MES Certification Repository: Third Party Liability \(TPL\) \(cmsgov.github.io\)](https://mes-certification-repository.github.io)

Outcome	Outcome Description	Regulatory Source	Implementation Phase	Responsible Entities
	useful in identifying legally liable third-party resources.	42 CFR 433.138		
<b>TPL3 Information to Determine Legal Liability</b>	<ul style="list-style-type: none"> <li>The system uses electronic exchange state wage information collection agency.</li> <li>The system(s) regularly updates the member file with any third-party liability information, how long it is valid, and for what services, through regular automated checks with these databases.</li> </ul>	42 CFR 433.138(d) and (f) 42 CFR 435.4 State Plan	Phase II (absent parents)	TPL Vendor PRMMIS
<b>TPL4 Rejection Based on TPL</b>	<ul style="list-style-type: none"> <li>The system rejects and returns to the provider for a determination of the amount of liability for all claims for which the probable existence of third-party liability is established at the time the claim is filed.</li> </ul>	42 CFR 433.139(b)	Phase I	PRMMIS

Outcome	Outcome Description	Regulatory Source	Implementation Phase	Responsible Entities
<b>TPL5 Pay-and-Chase Identification</b>	<ul style="list-style-type: none"> <li>For claims identified with a third-party liability and designated as 'mandatory pay-and-chase,' the system makes appropriate payments and identifies such claims for future recovery (examples include preventative pediatric services provided to children or medical child support from an absent parent).</li> </ul>	<p>Section 1902(a)(25) of the Act</p> <p>42 CFR 433.139(b)(3)(ii)</p>	Both	<p>MCO</p> <p>PRMMIS</p> <p>TPL Vendor</p>
<b>TPL6 Pay-and-Chase Timeline</b>	<ul style="list-style-type: none"> <li>The system(s) supports providing up to 100 days to pay claims related to medical support enforcement, preventative pediatric services, labor and delivery, and postpartum care that are subject to pay-and-chase. If a state cannot differentiate the costs for prenatal</li> </ul>	<p>Bipartisan Budget Act of 2018, Sec. 53102</p> <p>Section 1902(a)(25) of the Act</p> <p>CMCS Informational Bulletin (CIB) November 14, 2019 (pg. 2)</p>	Phase I	<p>MCO</p> <p>PRMMIS</p>

Outcome	Outcome Description	Regulatory Source	Implementation Phase	Responsible Entities
	services from labor and delivery on the claim, it will have to cost avoid the entire claim.			
<b>TPL7 Claims Identification for TPL</b>	<ul style="list-style-type: none"> <li>The system identifies paid claims that contain diagnosis codes indicative of trauma, injury, poisoning, and other consequences of external causes on a routine and timely basis for the purposes of determining legal liability of third parties.</li> </ul>	42 CFR 433.138(e) and (f)	Phase II	MCO TPL Vendor
<b>TPL8 Probable TPL Determination Timeline</b>	<ul style="list-style-type: none"> <li>The system identifies probable TPL within 60 days after the end of the month in which payment has been made (unless there is an approved waiver to not recoup funds).</li> </ul>	42 CFR 433.139(d)	Both	MCO PRMMIS TPL Vendor
<b>TPL9 Report Generation</b>	<ul style="list-style-type: none"> <li>The system can generate reports on data exchanges and trauma codes so that</li> </ul>	42 CFR 433.138(j)	Phase II	TPL Vendor

Outcome	Outcome Description	Regulatory Source	Implementation Phase	Responsible Entities
	the state can evaluate its TPL identification process.			
<b>TPL10 Cost Effectiveness</b>	<ul style="list-style-type: none"> <li>The system enables the agency to seek reimbursement from a liable third party on all claims for which it is cost effective.</li> </ul>	42 CFR 433.139(f)	Phase II	TPL Vendor
<b>TPL11 MCO TPL Recovery</b>	<ul style="list-style-type: none"> <li>As determined by the state policies, system(s) enables the state to manage and oversee TPL recoveries made by its MCOs.</li> </ul>	COB/TPL Training and Handbook- 2020 (pg. 53-55)	Phase II	MCO TPL Vendor
<b>TPL12 Privacy and Security</b>	<ul style="list-style-type: none"> <li>Before requesting information from or releasing information to other agencies to identify legally liable third-party resources, the state must execute data exchange agreements with those agencies.</li> </ul>	42 CFR 433.138(h)	Both	PRMP

Outcome	Outcome Description	Regulatory Source	Implementation Phase	Responsible Entities
<b>TPL13 Reimbursement Tracking</b>	<ul style="list-style-type: none"> <li>The system tracks TPL reimbursements received so the state can reimburse the federal government in accordance with the state's FMAP.</li> </ul>	42 CFR 433.140 (c)	Phase II	TPL Vendor

## 4.3 Key Stakeholders

For the purposes of the roadmap, key project stakeholders and their roles have been identified below in Figure 2. The stakeholders will serve as the key resources to achieve PRMP's vision. All key stakeholders, except the TPL vendor, will be involved beginning with the development and implementation of the new TPL program. The TPL vendor will be involved beginning with Phase II.

**Figure 2: Roles of Key Stakeholders**

Stakeholders	Responsibilities
<b>PRMP and PRDOH</b>	<ul style="list-style-type: none"> <li>• Provide approval, funding, and oversight</li> <li>• Coordinate on needed MCO contract changes</li> <li>• Updates state policy</li> <li>• End-users of the TPL system</li> </ul>
<b>ASES</b>	<ul style="list-style-type: none"> <li>• Source of territory health insurance data</li> <li>• Coordinates contract changes with MCOs</li> </ul>
<b>MCOs</b>	<ul style="list-style-type: none"> <li>• Track and report cost avoidance and recovery</li> <li>• Receive and send data from MMIS</li> <li>• Send reports to TPL Vendor</li> </ul>
<b>PIU</b>	<ul style="list-style-type: none"> <li>• Provides SME support</li> <li>• End-users of the TPL system</li> </ul>
<b>MMIS Vendor</b>	<ul style="list-style-type: none"> <li>• Develop and operate key interfaces</li> <li>• Reports recoveries accurately</li> </ul>
<b>TPL Vendor</b>	<ul style="list-style-type: none"> <li>• Develop and operate the TPL system, including TPL Dashboards</li> <li>• Provide needed certification, training, and other support</li> </ul>
<b>Support Vendors</b>	<ul style="list-style-type: none"> <li>• Provide PMO support</li> <li>• Provide certification support</li> <li>• Provide OCM Support</li> <li>• Provide other project support as needed</li> </ul>
<b>MEDITI3G</b>	<ul style="list-style-type: none"> <li>• Source of eligibility data and initial TPL data</li> <li>• Source of absent parent data</li> </ul>
<b>ACAA and CFSE</b>	<ul style="list-style-type: none"> <li>• Send data to the MMIS to allow Medicaid to enforce TPL regulations</li> </ul>

## 4.4 Future Areas of Consideration

This inclusion will require the need for PRMP to hire additional staff to support either an in-house estate recovery unit or an outside TPL vendor who pursues estate recoveries.

The Medicare buy-in program is currently not a requirement for the territory. If PRMP elects to identify a buy-in group, a portion of the current population who are not purchasing Medicare or Medicare Part B could transition to a Platino plan per 42 CFR § 407.43. This inclusion is likely a reliable source of additional cost avoidance funds.



The HIPP activities are not being considered as a priority by PRMP. PRMP may review absent parent information that identifies employment and insurance information to determine if HIPP activities should be a priority.

## 5.0 TPL in an All-Managed Care Universe

One challenge for PRMP is identifying ways to recover TPL in an all-managed care universe. In general, the contract between ASES and the MCOs establishes the terms and conditions under which each MCO assumes TPL responsibility. To incorporate the changes outlined in this roadmap, ASES and PRMP will need to coordinate updates required to the MCO contract. The contract updates are required to help ensure PRMP retains oversight responsibility for MCO TPL activities.<sup>23</sup> PRMP will require access to the MCO TPL reporting data, at a minimum, to perform their oversight responsibilities.

CMS identifies four basic approaches to carrying out TPL functions in a managed care environment.<sup>24</sup> Of the four approaches, two are applicable to PRMP, including:

- Members with other insurance coverage are enrolled in managed care and the territory retains TPL responsibilities
- Members are enrolled in managed care and TPL responsibilities are delegated to the MCO with an appropriate adjustment of the MCO capitation payments.<sup>25</sup>

BerryDunn recommends a combined approach that will take advantage of the MCO's direct involvement with providers and allow PRMP to better fulfill their oversight and greater recovery responsibilities. The combined approach also provides PRMP better control of the new TPL program because it requires fewer MCO-ASES contract changes compared to the MCO only approach. Instead, the biggest changes are completed with the MCO vendor. With this approach, the MCO performs cost avoidance as well as pay-and-chase processes, while PRMP performs additional recoveries and validates the cost avoidance and pay-and-chase processes completed by the MCO through the MMIS and a new TPL vendor.

In this scenario, the MCOs will need access to the CMS-required data sources for cost avoidance. As a result, this roadmap includes activities that provide the MCOs with more health insurance data so that the MCOs can cost avoid more claims. Additionally, the MCOs will

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<sup>23</sup> Centers for Medicare & Medicaid Services. "Medicaid Third Party Liability & Coordination of Benefits. *Coordination of Benefits & Third Party Liability*. Accessed August 1, 2024.

<https://www.medicare.gov/medicaid/eligibility/coordination-of-benefits-third-party-liability/index.html>

<sup>24</sup> Centers for Medicare & Medicaid Services. "Medicaid Third Party Liability & Coordination of Benefits. *Coordination of Benefits & Third Party Liability*. Accessed August 1, 2024.

<https://www.medicare.gov/medicaid/eligibility/coordination-of-benefits-third-party-liability/index.html>

<sup>25</sup> Centers for Medicare & Medicaid Services. "Medicaid Third Party Liability & Coordination of Benefits. *Coordination of Benefits & Third Party Liability*. Accessed August 1, 2024.

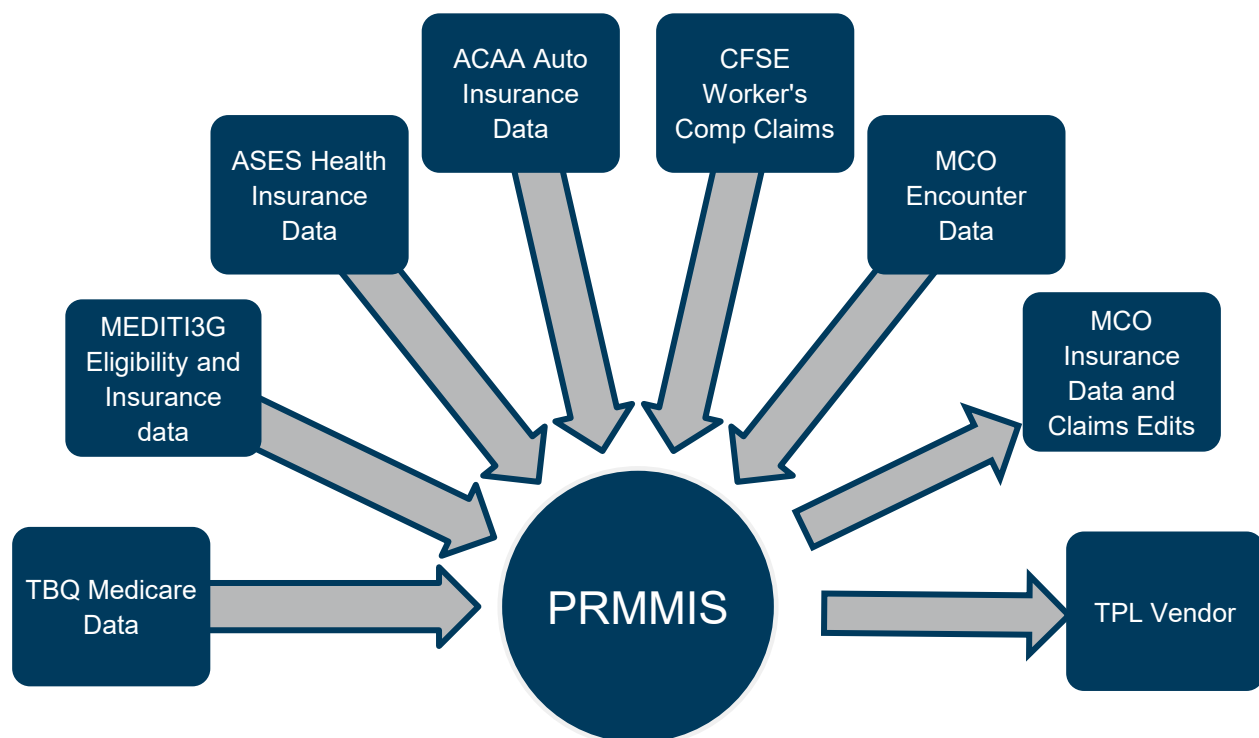
<https://www.medicare.gov/medicaid/eligibility/coordination-of-benefits-third-party-liability/index.html>

receive PR vehicle insurance claims data and workers' compensation data so the MCOs can better pursue recoveries.

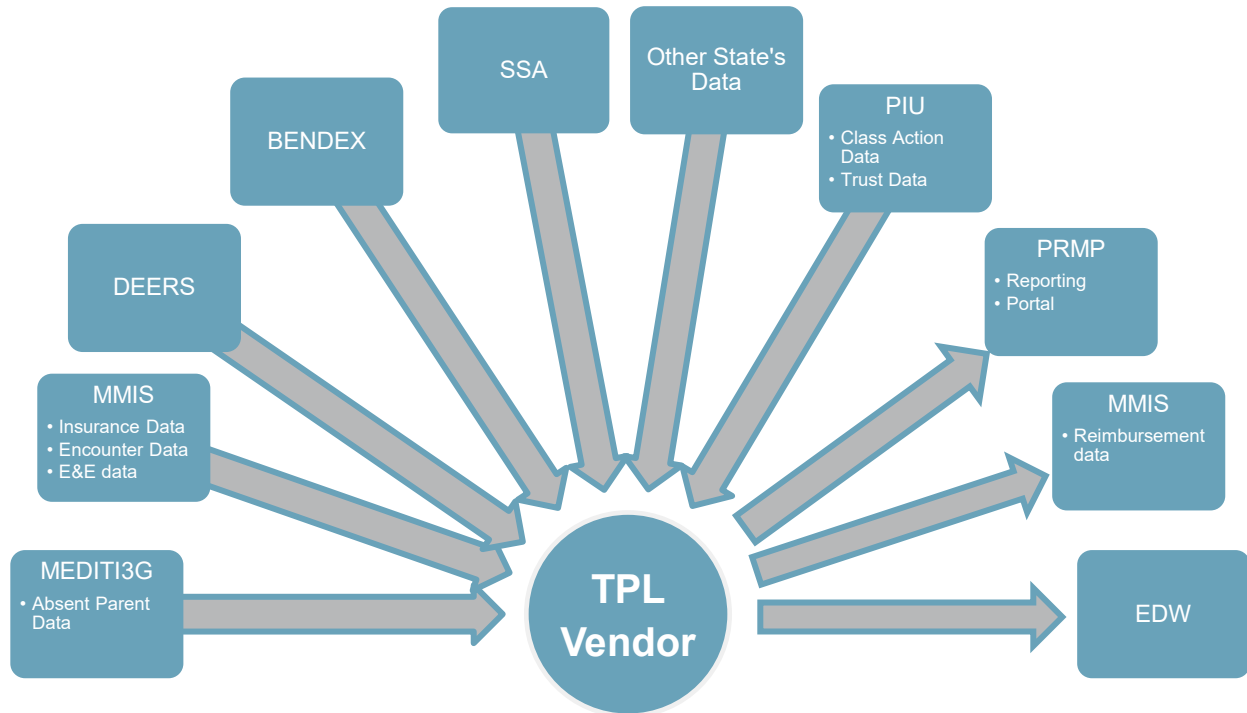
Once the TPL vendor is onboarded, a cooperative effort between the MCOs and the TPL vendor will be necessary to achieve the most cost-effective outcomes. This will help enable the TPL vendor to pursue recoveries where the MCO has not been able to or where the data is not immediately available to the MCO. To accomplish this, PRMP will need to integrate the data of several source systems so the data is available through the MMIS to the MCOs and to the new TPL vendor. In the future, the data could also be integrated into the Enterprise Data Warehouse (EDW).

Figure 3 indicates the flow of data to and from the PRMMIS, and Figure 4 depicts the flow to and from the TPL vendor. Integrating data in this way creates a path for PRMP to achieve CMS certification for the TPL processes in Puerto Rico's capitation-only environment. Importantly, this combination of systems will allow TPL identification to produce a higher return on investment for PRMP, rather than simply using the MCOs to complete all recoveries.

**Figure 3: PRMMIS as Target and Source for TPL Data**



**Figure 4: TPL Vendor as Target and Source for TPL Data**



## 6.0 TPL Roadmap Activities

Section 6.0 details activities needed achieve PRMP’s vision for TPL. To develop the roadmap, BerryDunn conducted interviews with key stakeholders and TPL staff in other states, attended Medicaid Enterprise Systems Conference (MESC) sessions, and researched NASPO requirements for new systems to better understand current opportunities and challenges in building the TPL functionality.

The roadmap is divided into two phases. The first phase is focused on items that can be achieved primarily through coordination with the MCOs, ASES, and the PRMMIS. These activities include identifying new sources of TPL, and enhancing MCO cost avoidance and pay and chase activities that are already required in the MCO-ASES contract. During the first phase, the procurement for the new vendor begins, as well. The second phase brings in the new TPL vendor. It is focused on identifying additional TPL resources, performing TPL recovery and recoupment, and enhanced monitoring of all TPL activities.

The below table outlines the necessary to-be capabilities and provides a detailed plan for implementing a complete TPL solution.

**Table 4: TPL Roadmap Details**

### 6.1 Identifying TPL

Identifying TPL
<p><b>Definition:</b> The Medicaid agency “must take reasonable measures to determine the legal liability of the third parties who are liable to pay for services furnished under the plan.”<sup>26</sup></p>
<p><b>Phase I Tasks:</b></p> <p><b>Establish monthly health insurance file transfer:</b> The PRMMIS will establish a monthly file transfer from ASES to begin receiving health insurance data from the territory’s insurance companies. ASES by law is required to receive this information and they have committed and are ready to establish a monthly feed through the existing Secure File Transfer Protocol (SFTP) between the MMIS and ASES.</p> <p><b>Establish daily TBQ file:</b> PRMP will begin a file transfer between the PRMMIS and CMS for the TBQ file of Medicare data. Currently, the file is processed by MEDITI3G monthly. Once TBQ is processed daily by the PRMMIS, the PRMMIS can update the MCOs with more timely Medicare data, allowing for more accurate cost avoidance efforts downstream.</p>

<sup>26</sup> National Archives Code of Federal Regulations. July 1, 2024. “Identifying Liable Third Parties.” *National Archives Code of Federal Regulations*. Accessed July 1, 2024. [eCFR :: 42 CFR 433.138 -- Identifying liable third parties.](#)

### Identifying TPL

**Update MEDITI3G's absent parent data:** The interface between MEDITI3G and Administración para el Sustento de Menores (ASUME) will need to be updated so PRMP can receive more data from ASUME on members absent parents, including social security number.<sup>27</sup>

**Maintain a list of valid insurance carriers:** PRMP will follow standard operating procedures for MEDITI3G and for the PRMMIS to maintain the list of valid insurance carriers. The administrator will need to update carrier valid values when new insurance carriers begin providing coverage to Medicaid members.

**Develop and submit to the CMS Regional office a TPL Action Plan.** PRMP's TPL Action Plan should do the following:

- Identify third parties
- Determine the liability of third parties
- Avoid payment of third-party claims
- Recover reimbursement from third parties, as appropriate
- Record information and actions related to the action plan<sup>28</sup>

**Establish an MOU to acquire auto insurance and workers' compensation data:** During phase one, PRMP will set up the Memoranda of Understanding (MOU) necessary to acquire auto insurance and workers' compensation data from Administración de Compensación por Accidentes de Automóviles (ACAA) and Corporation del Fondo del Seguro del Estado (CFSE), respectively.

**Incorporate additional data into the PRMMIS.** Once the MOUs are approved, the PRMMIS can begin bringing in ACAA and CFSE data. This will allow the PRMMIS to have territory-wide insurance information and the ability to share the information with the MCOs and, eventually, with the new TPL vendor. This also allows PRMP to meet 42 CFR 433.138(d)(4).

**Help ensure the MCOs are identifying claims with accident, trauma, and poisoning indicators.** Although the MCO-ASES contract states that the MCOs should be identifying claims with accident, trauma, and poisoning indicators, there is good reason to believe they may not be doing this consistently. Giving them a deadline for ensuring they are properly implemented will help the implementation of Phase II proceed more smoothly.

**PRMP OCM team will communicate with the MCOs about changes in data and reporting:** Working with ASES and PRMP, the OCM team will address communication needs between ASES, PRMP, and the MCOs regarding the new data sources and updates to the MCO contract. In addition, the OCM team can assist in communication about TPL identification requirements that currently exist in the contract that will be more closely enforced as the TPL program develops.

<sup>27</sup> National Archives Code of Federal Regulations. July 1, 2024. "Identifying Liable Third Parties." *National Archives Code of Federal Regulations*. Accessed July 1, 2024. [eCFR :: 42 CFR 433.138 -- Identifying liable third parties](#).

<sup>28</sup> National Archives Code of Federal Regulations. July 1, 2024 "Identifying Liable Third Parties." *National Archives Code of Federal Regulations*. Accessed July 1, 2024. [eCFR :: 42 CFR 433.138 -- Identifying liable third parties](#).

Identifying TPL		
<p><b>Compose and release TPL RFP:</b> While beginning Phase I, PRMP will also compose and release the RFP for the new vendor. The requirements will include identifying other sources of TPL, as identified in the Phase II tasks.</p>		
<p><b><u>Phase II Tasks:</u></b></p> <p><b>Establish an interface between PRMMIS and the TPL vendor.</b> The data needed by the new TPL vendor will likely include member, insurance, claims, financial, and provider data, as well as reference data.</p> <p><b>Require that the TPL vendor verify the sources of insurance.</b> Where the PRMMIS shows a third party is liable but there is not a TPL amount on the encounter, the TPL vendor should verify the member's policy was valid on the encounter date of service.</p> <p><b>Develop a portal and/or location within the existing portal for entering TPL data.</b> Using the TPL vendor and the current PR Medicaid enrollment site, create a portal through which a member or provider could enter third party data for a member.</p> <p><b>Collaborate with TPL vendor to validate TPL.</b> The TPL vendor will develop a process to validate TPL added through the portal or that they identify through other means and will send that data back to the PRMMIS so it can be stored with the member data in the PRMMIS.</p> <p><b>Require that the TPL vendor identify encounters with accident, trauma, and poisoning indicators.</b> This will allow the vendor to identify claims with a potential for tort recovery.</p> <p><b>Require that the TPL vendor use other sources of data.</b> PRMP will likely want to require the vendor include Deference Enrollment Eligibility Reporting System (DEERs) for Tricare data, the Beneficiary Earnings and Data Exchange (BENDEX), for more data on member income sources, and other states' health and automobile insurance information. PRMP should also consult with the TPL vendor for additional data sources that could be helpful in supporting their TPL processes.</p> <p><b>Set up additional MOUs for new sources of TPL as needed.</b></p> <p><b>Develop reports.</b> The TPL vendor should provide reports that detail at a minimum newly identified TPL and on claims where trauma codes identify possible TPL.</p> <p><b>Establish an interface from MEDIT3G to the new TPL vendor.</b> The new interface will send absent parent data to assist the TPL vendor in identifying the employers of the absent parents and potentially available health insurance.</p> <p><b>PRMP OCM team to continue communicating with the end users about changes in data and processes.</b></p>		
<p><b>Key Stakeholders:</b></p> <p>Phase I: PRMP, ASES, PRMMIS Vendor, MEDIT3G Vendor, ASUME, ACAA, CFSE</p> <p>Phase II: PRMP, PRMMIS Vendor, MEDIT3G Vendor, TPL Vendor</p>	<p><b>MCO Contract Dependencies:</b></p> <p>Revisions to add other sources of data (i.e. ACAA and CFSE)</p>	<p><b>Policy Dependencies:</b></p> <ul style="list-style-type: none"> <li>• Revisions as system updates are implemented</li> <li>• Updates to reflect changes in the MCO contracts to indicate the new sources of data</li> <li>• Updates describing the frequency of data updates</li> </ul>

### Identifying TPL

#### **CMS Outcomes Tied to Tasks:**

TPL1: Application (partial)  
 TPL3: Information to Determine Legal Liability  
 TPL7: Claims Identification for TPL  
 TPL8: Probable TPL Determination Timeline  
 TPL9: Report Generation  
 TPL 12: Privacy and Security

#### **PRMP Additional Resource Considerations:**

##### **1 FTE: TPL Administrator**

BerryDunn recommends the TPL administrator begins when Phase I kicks off to assist in managing the addition of three new MMIS interfaces, other changes in the MMIS, and to manage the MOU process. Importantly, the TPL administrator will collaborate with SMEs to create and submit to CMS the TPL action plan, manage the TPL carrier list, and assist in OCM, training, SOP development, and policy activities. Finally, the TPL administrator can assist in procurement activities as necessary in preparation for Phase II.

##### **1 FTE: TPL Subject Matter Expert**

BerryDunn recommends that a TPL subject matter expertise (SME) join PRMP at the beginning of Phase II to provide SME support during the design, development, and initiation of Phase II. In addition, the TPL SME will work with PRMP's certification teams to help gather evidence for CMS certification.

##### **1 FTE: TPL Certification Lead**

The TPL certification lead is accountable for gathering and tracking all required TPL certification evidence. Beginning with Phase II, the lead will liaison between TPL business and technical SMEs, in coordination with the vendor certification lead, to work to ensure all CMS TPL certification outcomes are met.

## 6.2 Cost Avoidance

### Cost Avoidance

#### **Definition:**

If the SMA determines a third party is liable for a claim or encounter, it must reject (not deny) the claim or encounter. The claim should be sent back to the provider, noting the identified third party Medicaid believes to be legally responsible for paying the claim. <sup>29</sup>

<sup>29</sup> Centers for Medicare & Medicaid Services. "Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook." *Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook*. Accessed 07/01/2024. [cob-tpl-handbook.pdf \(medicaid.gov\)](https://www.medicaid.gov/cob-tpl-handbook.pdf)



## Cost Avoidance

### Phase I Tasks:

**Confirm the MCOs reject claims where a third party is liable.** The MCOs should expect the providers to bill the liable third party. The expectation is that with more data to identify health insurance and other insurance, the MCOs will be able to cost avoid more money.

**Require MCOs to implement system edits:** The MCOs must ensure providers are reporting the amounts cost avoided as the TPL amount on encounters to PRMP and ASES.

**Update requirements for the MCO coordination of benefits report.** MCOs will report to ASES and PRMP on claims that are cost avoided. Ideally, the quarterly report that the MCOs currently provide for coordination of benefits would be shared with ASES, the PRMP TPL administrator, and the PIU.

**Review reporting on cost avoidance.** PRMP and the PIU will receive, and review cost avoidance reporting. PRMP will work with ASES to adjust policies as needed to help ensure that the MCOs are following federal regulation.

**Require that the PRMMIS identify encounters where the member has other insurance available.** The PRMMIS should reject those encounters that do not show a TPL amount when a third party, such as a private health insurance carrier, is liable. (The edits, however, should be constructed so that pay-and-chase encounters are not rejected.)

**Enhance claims and encounter editing using Category of Service edits.** To efficiently cost avoid, PRMP will need to require these edits are configured by the MCOs and PRMMIS. This is because insurance coverage is aligned with claim types and categories of service. For example, if a provider bills inpatient hospital services on a dental claim, the system may not accurately cost avoid it if the member has hospital insurance but not dental insurance.

**Require that the PRMMIS use a configurable length of time to reject the encounters.** For example, PRMP could determine that the MCOs should be given 180 days to perform their cost avoidance activities. After that date, the system should allow those encounters with liable third parties, to be processed so that they can be pursued by the TPL vendor (see section 6.3 below). Configuring the system will save time and reduce resource needs.

**The OCM team identifies communication needs, resistance points, and areas where OCM activities can be focused to minimize disruption and maximize the chances of success for the newly implemented TPL processes:** The OCM team will assist in communicating new processes for the coordination of benefits reporting and will work to assist stakeholders in adapting to new policies and procedures.

**Compose and release TPL RFP:** PRMP will also compose and release the RFP for the new vendor. PRMP will include the cost avoid tasks identified in the Phase II tasks below as part of the RFP requirements.

### Phase II Tasks:

**Require the TPL vendor pull in the MCO coordination of benefits reports.** PRMP will want the TPL system to be able to compare what the MCOs report to what is reported on claims. PRMP will also establish a process with the MES and MCOs to be sure the reports are available.

Cost Avoidance		
<p><b>Develop, with the TPL vendor, additional reporting.</b> Include a report, by MCO, on the difference between claims that are cost avoided and claims that could have been cost avoided but had to go into recovery instead. This will provide a quality check on the MCO cost avoidance process.</p> <p><b>Provide SME and analysis to help PRMP adjust the TPL cost avoidance edits.</b> Beginning with the development in Phase II, and continuing into operations, the vendor's SME, working with PRMP, will perform analysis to accurately identify claims insurers will likely pay. There also may be services covered by Medicaid that are not covered by private insurance that should be excluded from cost avoidance. Tailoring the edits used by the MCOs, the MMIS, and the TPL vendor will improve the efficiency of the program and reduce provider complaints about delayed reimbursement.</p>		
<p><b>Key Stakeholders:</b></p> <p>Phase I: PRMP, MCOs, ASES, MMIS Vendors</p> <p>Phase II: PRMP, MCO, TPL Vendor</p>	<p><b>MCO Contract Dependencies:</b></p> <p>Revisions to update reporting responsibilities</p>	<p><b>Policy Dependencies:</b></p> <p>None</p>
<p><b>CMS Outcomes Tied to Phase:</b></p> <p>TPL4: Rejection Based on TPL</p>		
<p><b>PRMP Additional Resource Considerations:</b></p> <p><b>1 FTE: TPL Administrator</b></p> <p>The TPL administrator will assist in managing updates to the PRMMIS and manage the process to receive and review the coordination of benefits report from the MCOs. Additionally, the TPL administrator will assist in OCM, training, SOP, and policy activities.</p> <p><b>1 FTE: TPL SME</b></p> <p>Besides participating in ongoing development, testing, and certification activities, the SME will perform ongoing analysis to narrow the population of claims identified for cost avoidance.</p> <p><b>1 FTE: TPL Certification Lead</b></p> <p>Beginning with Phase II, the lead will liaison between TPL business and technical SMEs, in coordination with the vendor certification lead, to help ensure all CMS TPL certification outcomes are met.</p>		

## 6.3 TPL Pay-and-Chase

Pay-and-Chase
<p><b>Definition:</b> Some claims are exempt from cost avoidance. Instead, the agency pays for the claim and chases the insurer for recovery. Pay-and-chase is required where a claim is for a service provided to</p>

Pay-and-Chase		
an individual on whose behalf child support enforcement is being carried out and the third-party coverage is through the absent parent.. <sup>30</sup>		
<p><b>Phase I Tasks:</b></p> <p><b>Define a report for pay-and-chase activities.</b> Although the MCOs are currently required to perform pay-and-chase activities, there is no verification of that activity. A report showing pay-and-chase activities will need to be defined and then submitted to ASES, PRMP, and the PIU.</p> <p><b>Validate the MCOs require providers to submit adjustments to claims when they collect from an insurer after paying.</b> PRMP will work with the PRMMIS vendor and other SMEs to identify submitted adjustments that show the provider paid a claim and chased the insurer for the recovery.</p> <p><b>Establish accurate edits in the PRMMIS.</b> PRMP and the PRMMIS vendor should define the new TPL edits so that encounters identified for pay-and-chase are not rejected. If a claim is for a service provided to an individual on whose behalf child support enforcement is being carried out and the third-party coverage is through the absent parent or if the claim is for preventative pediatric services, including EPSDT, the claim should not be identified as a pay-and-chase claim, and not a claim that should be cost avoided.</p> <p><b>The OCM team to identify communication needs, resistance points, and areas where OCM activities can be focused to minimize disruption and maximize the chances of success for the newly implemented TPL processes:</b> The OCM team will communicate new processes for pay-and-chase reporting and will work to assist stakeholders in adapting to new policies and procedures.</p> <p><b>Compose and release TPL RFP:</b> PRMP will compose and release the RFP for the new vendor. PRMP will include the pay and chase tasks identified in the Phase II tasks below as part of the RFP requirements.</p>		
<p><b>Phase II Tasks:</b></p> <p><b>Establish a time period during which the MCO should pursue pay-and-chase activities.</b> Working with the TPL vendor SMEs, PRMP will identify the number of days after the claim paid date that the MCO may collect from the liable third party. If the MCO has not made the recovery against the insurance identified in the pay-and-chase process within that number of days, the TPL vendor will become responsible for the recovery against the capitation payment for the pay-and-chase claim (see section 6.4).</p>		
<p><b>Key Stakeholders:</b></p> <p><u>Phase I:</u> PRMP, MCOs, ASES, MMIS Vendors</p> <p><u>Phase II:</u> PRMP, MCOs, TPL Vendor</p>	<p><b>MCO Contract Dependencies:</b></p> <p>Revisions to update reporting responsibilities</p>	<p><b>Policy Dependencies:</b></p> <p>Updates describing the pay-and-chase methods the SMA uses and the frequency of data updates</p>

<sup>30</sup> Centers for Medicare & Medicaid Services. "Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook." *Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook*. Accessed 07/01/2024. [cob-tpl-handbook.pdf \(medicaid.gov\)](https://www.medicare.gov/cob-tpl-handbook.pdf)

Pay-and-Chase
<b>CMS Outcomes Tied to Phase:</b> TPL5: Pay-and-Chase Identification TPL6: Pay-and-Chase Timelines
<b>PRMP Additional Resource Considerations:</b> <b>1 FTE: TPL Administrator</b> The TPL administrator will assist in managing the development of the pay-and-chase report from the MCOs and validate that the MCOs are correctly identifying certain claims for pay-and-chase. Additionally, the TPL administrator will assist in OCM, training, SOP, and policy activities. <b>1 FTE: TPL SME</b> Besides participating in design, development, and certification activities, the SME will assist in identifying the length of time during which the MCOs should be permitted to pay-and-chase claim recovery. <b>1 FTE: TPL Certification Lead</b> Beginning with Phase II, the lead will liaison between TPL business and technical SMEs, in coordination with the vendor certification lead, to help ensure all CMS TPL certification outcomes are met.

## 6.4 TPL Recovery

TPL Recovery
<b>Definition</b> If the State Medicaid Agency learns of the existence of a liable third party <i>after</i> a claim is paid, or if benefits become available from a third party <i>after</i> a claim is paid, the agency must seek recovery. <sup>31</sup>
<b>Phase I Tasks:</b> <b>Recover for pay-and-chase activities and for any accident and trauma cases identified.</b> During all of Phase I and for a period to be determined by PRMP, the MCO should perform accident and trauma and pay-and-chase recoveries. Recoveries should use the sources for TPL listed in 6.1 Phase I. <b>Identify when, after the claims paid date, PRMP will move responsibility for recovery to the TPL vendor.</b> After careful analysis and discussions with the MCOs, PRMP and ASES will work together to communicate to the MCOs the agreed time for recovery and update the contract. <b>Require that the MCOs providers report recoveries accurately.</b> Providers should submit adjustments on 837 transaction files sent to PRMMIS within the time limit PRMP and ASES establish.

<sup>31</sup> Centers for Medicare & Medicaid Services. "Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook." *Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook*. Accessed 07/01/2024. [cob-tpl-handbook.pdf \(medicaid.gov\)](https://www.medicaid.gov/cob-tpl-handbook.pdf)

### TPL Recovery

**Develop new reports.** PRMP and ASES will need to work together with the MCOs to define a new recovery report like the existing coordination of benefits report the MCOs already provide so that the MCOs accurately report recoveries.

**Work to ensure the reports allow users to verify that the MCOs and providers are reporting accurately.** The MCOs will deliver the new report to ASES, PRMP, and the PIU so they can review the reports against the submitted 837 transaction files. End users will validate the MCOs are accurately reporting on recoveries and the providers are accurately and timely adjusting claims.

**The OCM team will communicate needs, resistance points, and areas where OCM activities can be focused to minimize disruption and maximize the chances of success for the newly implemented TPL processes:** The OCM team will collaborate and communicate the new processes for TPL recovery and will work to assist stakeholders in adapting to new policies and procedures.

**Compose and release TPL RFP:** PRMP will also compose and release the RFP for the new vendor. PRMP will include the recovery tasks identified in the Phase II tasks below as part of the RFP requirements.

#### Phase II Tasks

**Perform ‘Come Behind’ services.** In Phase II, the TPL vendor will begin Come Behind services, meaning that, after giving the MCOs a predetermined length of time to recover monies from other insurance companies, the TPL vendor must pursue the recovery.

**Perform other recoveries.** The TPL vendor will use its other sources of TPL information, such as DEERs for Tricare data and other state health and automobile insurance information, to perform recoveries. The TPL vendor will also identify encounters use accident, trauma, and poisoning indicators to identify other recoveries.

**Identify absent parent’s insurance and pursue recovery.** The TPL vendor will use the absent parent data to identify the employers of the absent parents and potentially available health insurance.

Develop new process for the TPL vendor to send to the PRMMIS an interface listing capitation or supplemental claims or payments that must be adjusted because of recovered TPL.

**Develop a process in the PRMMIS for processing the new file.** The PRMMIS will need to receive the file of adjusted claims and capitations and update them in the PRMMIS. In this way, the adjustments will be accurately reflected on federal reporting.

**Determine the policy for assigning fund codes to recovery amounts if lump-sum recoveries are collected.** BerryDunn recommends calculating a percentage of the total amount for each fund code in the initial recovery case

**Develop reports.** The TPL vendor will report on recoveries, leads, and claims and capitation amount that should be recovered in the MMIS.

**Provide case tracking functionality.** The vendor’s TPL unit recovery case workflow should be transparent to PRMP and the PIU. PRMP and the PIU should have access to input new recovery cases.

**Assist in finding leads for recovery.** The TPL vendor will assist in finding leads and building cases involving trusts and casualty and tort recoveries.

TPL Recovery		
<p><b>Monitor recoveries in the case tracking tool and review TPL reports and the TPL dashboard.</b> PRMP will oversee recovery processes and reports provided by the TPL vendor. Reviewing the recoveries in the new case tracking tool and following up on reporting will assist the PIU and PRMP in validating reporting on reimbursements against capitation payments in the PRMMIS. PRMP will be able to trace reimbursements from the TPL vendor to the PRMMIS to the output on the CMS 64. The PIU will continue to record and track recoveries based on class action lawsuits and perform Medicaid Fraud Control Unit (MFCU) recoveries.</p> <p><b>The OCM team will again identify communication needs, resistance points, and areas where OCM activities can be focused to minimize disruption and maximize the chances of success for the newly implemented TPL processes:</b> The OCM team will assist in communication about the new processes for TPL recovery and will work to assist stakeholders in adapting to new policies and procedures.</p>		
<p><b>Key Stakeholders:</b></p> <p><u>Phase I</u> PRMP, MCOs, ASES</p> <p><u>Phase II</u> PRMP, TPL Vendor, PRMMIS</p>	<p><b>MCO Contract Dependencies:</b></p> <p>Revisions to update reporting responsibilities</p>	<p><b>Policy Dependencies:</b></p> <p>Revisions as system updates are implemented</p>
<p><b>CMS Outcomes Tied to Phase:</b></p> <p>TPL10: Cost Effectiveness</p> <p>TPL11: MCO TPL Recovery</p> <p>TPL13: Reimbursement Tracking</p>		
<p><b>PRMP Additional Resource Considerations:</b></p> <p><b>1 FTE: TPL Administrator</b></p> <p>The TPL administrator will assist in managing the TPL vendor and managing updates to the PRMMIS. In addition, the TPL administrator will assist in identifying reporting requirements. Further, the TPL administrator will assist in OCM, training, SOP, and policy activities.</p> <p><b>1 FTE: TPL SME</b></p> <p>The TPL SME, besides providing support for the design, development, testing, and certification, will provide analysis to assist in identifying the time period to allow the MCOs to pursue recoveries. In addition, the SME will perform ongoing analysis of recovery cases and reporting. The SME can also follow up on leads provided by the TPL vendor.</p> <p><b>1 FTE: TPL Certification Lead</b></p> <p>Beginning with Phase II, the lead will liaison between TPL business and technical SMEs, in coordination with the vendor certification lead, to help ensure all CMS TPL certification outcomes are met.</p>		

## 6.5 Other TPL Activities

### Other TPL Activities

#### **Estate Recovery**

PRMP may wish to include estate recovery as an option in the TPL RFP, to be triggered when PRMP chooses, within a limited amount of time. Alternatively, PRMP may require that the TPL vendor build recover case functionality in the core system as part of release II but not require the vendor provide any resources to work estate recovery until LTC services, home and community-based services, and related hospital and prescription drug services are implemented.

#### **Medicare Buy-In**

Medicare buy-in requires that PRMP establish a buy-in group for which to pursue Medicare buy-in. Many Medicare members on the island do not purchase Medicare Part B during their initial enrollment period. Identifying the buy-in group based on analytics is important to keeping the cost of the buy-in program affordable and to allow the territory to see a return on their investment. PRMP may choose to pursue buy-in after performing the data analysis necessary to determine the most cost-efficient buy-in group for the island.<sup>32</sup>

#### **HIPP**

PRMP may, if it proved to be cost effective, pay for a member's insurance if they are eligible to receive it but are not able to pay for it themselves. A common example of this is when a child has an employed, absent parent who has not purchased health insurance for the child. The Medicaid agency can calculate if it is more cost effective to pay for the health insurance or to pay the monthly capitation payments for the member. If it is cheaper to pay for the health insurance, the Medicaid program would then set up a monthly payment plan to cover the member until the member is up for renewal. Before the member is up for renewal, the Medicaid program would again calculate whether it is more cost effective to pay for the health insurance than to pay the monthly capitation payment for the member. Currently, there is not enough information readily available for PRMP to decide on whether they wish to pursue a HIPP program. PRMP may pursue this in the future and would expect that the TPL vendor perform the analysis to determine if a HIPP program would be beneficial for the island.

## 6.6 PRMP Roles and Responsibilities for the TPL Program

Although the activities listed above identify the need for three resources to support the TPL program, several other key PRMP staff members will be involved in the TPL project. Table 4 describes the project phase and percent of time for key resources, as well as their responsibilities for TPL.

<sup>32</sup> National Archives Code of Federal Regulations. July 1, 2024. "Buy-in groups available to Puerto Rico, Guam, the Virgin Islands, and American Samoa." *National Archives Code of Federal Regulations*. Accessed July 1, 2024. [eCFR :: 42 CFR 407.43 -- Buy-in groups available to Puerto Rico, Guam, the Virgin Islands, and American Samoa](#).



**Table 5: PRMP Roles and Responsibilities**

Project Phase	Percent of Time	TPL Initiative Key Roles	TPL Role Responsibilities
<b>Phase I, II, and Maintenance and Operations (M&amp;O)</b>	<5%	PRMP's TPL Sponsor	<ul style="list-style-type: none"> <li>• Endorse and communicate the vision, goals, and outcomes of PRMP's TPL Initiative to PRMP vendors and agencies articulating expected support and alignment to project objectives</li> <li>• Provide project oversight, timely decisions, and approvals as/when requested to support project progress</li> </ul>
<b>Phase I, II, and M&amp;O</b>	<5%	Medicaid Director	<ul style="list-style-type: none"> <li>• Enable and endorse collaboration with supporting TPL vendors and agencies responsible for sharing third-party data to PRMP</li> <li>• Provide guidance and support to TPL leadership to help ensure project deliverable expectations are met and seamless integration of the new TPL system into the existing MES</li> </ul>
<b>Phase I, II, and M&amp;O</b>	<5%	Program Management Office (PgMO) Director	<ul style="list-style-type: none"> <li>• Provide oversight for the TPL system implementation and its integration into the MES</li> <li>• Assignment of, leadership, and oversight of project resource(s) assignments and funding availability for PRMP's TPL initiative.</li> <li>• Provide PRMP operations leadership and serve as single point of contact for the</li> </ul>



Project Phase	Percent of Time	TPL Initiative Key Roles	TPL Role Responsibilities
			<p>final deployment of TPL into operations</p> <ul style="list-style-type: none"> <li>• Provide executive leadership during CMS operational readiness review (ORR) and certification review (CR).</li> </ul>
<b>Phase I, II, and M&amp;O</b>	100%	TPL Administrator	<ul style="list-style-type: none"> <li>• Serve as SME during the TPL system development to help ensure all policy and CMS program requirements are met during the design, development, and initiation of the new TPL system</li> <li>• Help ensure consistent communication between PRMP, its data sharing partners, and other TPL stakeholders</li> <li>• Oversight and management of new TPL system and resources assigned to identify and recover any third-party payments.</li> </ul>
<b>Phase II Through the Certification Review</b>	100%	TPL Certification Lead	<ul style="list-style-type: none"> <li>• Liaison between TPL business and technical SMEs to help ensure all CMS TPL certification outcomes are met</li> <li>• Accountable for gathering and tracking all required TPL certification evidence and uploading that evidence along with a complete TPL certification intake form into the CMS Certification portal (box)</li> <li>• Partnering with the TPL vendor's certification lead to help ensure all system</li> </ul>

Project Phase	Percent of Time	TPL Initiative Key Roles	TPL Role Responsibilities
			outcomes are accurate and approved by PRMP business users prior to sharing with CMS certification team
<b>Phase I, II and M&amp;O</b>	<10%	Legal Advisor	<ul style="list-style-type: none"> <li>• Help ensure all MOUs and other data sharing governance requirements are accurate, up to date, and tracked throughout the life cycle of the data sharing agreements.</li> <li>• Offer legal interpretations related to TPL recoupments per legal or estate settlements as needed</li> </ul>
<b>Phase I, II, and M&amp;O</b>	<20%	Contract Manager	<ul style="list-style-type: none"> <li>• Help ensure all contracted TPL system service level agreements (SLA)s and key performance indicators (KPIs) are met</li> <li>• Assist with helping PRMP's TPL initiative team in identifying and/or rectifying gaps found within any contracted deliverables</li> </ul>
<b>Phase II and M&amp;O</b>	<20%	Customer Service Representatives	<ul style="list-style-type: none"> <li>• Assist beneficiaries and providers in rectifying any third-party liability issues, and aiding with any TPL questions or concerns; PRMP may also consider leveraging existing call center staff to fulfill this role</li> <li>• Develop and submit data that may help identify trends or other training needs based on TPL questions and assistance being provided to beneficiaries and providers</li> </ul>

Project Phase	Percent of Time	TPL Initiative Key Roles	TPL Role Responsibilities
Phase II and M&O	100%	TPL SMEs and Account Examiners	<ul style="list-style-type: none"> <li>• Provide SME support during the design, development, and initiation phases of PRMP's TPL initiative</li> <li>• Determine availability and liability of third-party payers for Medicaid beneficiary healthcare expenditures</li> <li>• Determine the correct Medicaid services available for beneficiaries with third-party payors during the enrollment process</li> <li>• Work with PRMP and vendor certification teams to help gather evidence for CMS certification.</li> </ul>

If PRMP implements estate recoveries, PRMP may need to bring on additional resources. Until the extent of the available estate recovery is known, PRMP may use the TPL vendor to begin the work, with supervision by the state.

## 7.0 Analysis of Alternatives

### 7.1 Objectives

The key business objectives for the TPL project are to assist PRMP in building a program that meets each of the CMS TPL requirements. Below are high-level summaries of how PRMP plans to meet each business objective:

- **Identify TPL:** PRMP will enhance the sources of available data that allow the agency to identify third parties who are liable to pay for services furnished under PRMP's Medicaid plan. PRMP will have the ability to monitor the addition of new sources of TPL for members using reports and a reporting dashboard.
- **Cost Avoid:** If PRMP determines that a third party is liable for a claim or encounter, it must reject (not deny) the claim or encounter. The claim should be sent back to the MCO to send it back to the provider, noting the identified third party that Medicaid believes to be legally responsible for paying the claim.<sup>33</sup> PRMP will have the ability to monitor the MCO cost avoidance efforts, including the amounts cost avoided, using reports and a reporting dashboard. PRMP will be able to utilize the reporting to make future TPL program decisions.
- **Pay-and-Chase:** PRMP will help ensure that claims for certain services are exempt from cost avoidance. Instead, the agency or MCO will pay for the claims and chase the insurer for recovery.<sup>34</sup> PRMP will have the ability to monitor MCO pay-and-chase activities using reports and a reporting dashboard.
- **Recover from Liable Third Parties:** If the PRMP learns of the existence of a liable third party *after* a claim is paid, or if benefits become available from a third party *after* a claim is paid, the agency will seek recovery. PRMP will be able to monitor and report amounts recovered by PRMP and the MCOs and will have access to analysis tools to assist in making future program decisions.

### 7.2 Options to Meet Objectives

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<sup>33</sup> Centers for Medicare & Medicaid Services. "Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook." *Coordination of Benefits and Third Party Liability (COB-TPL) in Medicaid Handbook*. Accessed 07/01/2024. [cob-tpl-handbook.pdf](https://www.medicare.gov/cob-tpl-handbook.pdf) ([medicaid.gov](https://www.medicare.gov))

<sup>34</sup> National Archives Code of Federal Regulations. July 1, 2024. "Subpart D—Third Party Liability." *National Archives Code of Federal Regulations*. Accessed July 1, 2024. <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-C/part-433/subpart-D>.

BerryDunn researched the options available to support PRMP in meeting the business objectives. The five options are as follows:

- **Option 1: Status Quo (i.e., no procurement, no policy changes):** PRMP continues with existing business processes and ASES is responsible for monitoring existing MCO TPL processes.
- **Option 2: Contract With Incumbent MMIS Vendor:** PRMP procures its existing MMIS vendor, Gainwell Technology, to design and implement TPL system functionalities withing the MMIS.
- **Option 3: Competitive Procurement:** PRMP releases an RFP to solicit vendor proposals for TPL system functionalities implementation.
- **Option 4: NASPO:** PRMP uses the NASPO TPL procurement to procure the TPL system implementation.
- **Option 5: Combination Approach:** PRMP uses the incumbent vendor for some TPL functionalities and uses a competitive procurement to solicit proposals for the remaining TPL system functionalities.

PRMP used three satisfaction indicators to evaluate the degree to which each option satisfies PRMP's TPL objectives. The indicators and criteria for each are outlined in Table 6.

**Table 6: Satisfaction Indicators and Criteria**

Satisfaction Indicator	Criteria
Yes	The option fully satisfies PRMP's MES goals.
Partial	The option only partially satisfies PRMP's MES goals.
No	The option does not satisfy PRMP's MES goals.

## 7.3 Analysis

Each of the available options for implementing TPL were evaluated based on PRMP's business objectives. A summary of that analysis is provided in Table 7.

**Table 7: Summary of Alternatives**

TPL Objective	Option 1 Status Quo	Option 2 Contract with Incumbent MES Vendor	Option 3 Competitive Procurement	Option 4 NASPO	Option 5 Combination Approach
<b>Identify TPL</b>	Partial	Partial	Partial	Partial	Yes
<b>Cost Avoid</b>	Partial	Partial	Partial	No	Yes
<b>Pay and Chase</b>	No	Partial	Partial	No	Yes
<b>Recovery</b>	Partial	Partial	Yes	Partial	Yes

Tables 8 – 12 detail BerryDunn and PRMP's evaluation of each available option and the degree to which each option satisfies PRMP's objectives. The evaluation includes the measurement of satisfaction for each objective, as well as a description of the advantages and disadvantages that factored into the final satisfaction indicator assessment.

Ultimately, PRMP decided to proceed with a combination approach, using the PRMMIS and a new TPL vendor, to achieve the benefits of speed associated with some of the PRMMIS capabilities and the benefit of breadth and expertise, achieved with the new procurement option.

**Table 8: Satisfaction Evaluation for the Option 1: Status Quo**

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Identify TPL</b>	Partial	N/A	The only sources for collecting from third parties in the MES are those reported by members and the Medicare information received monthly on the TBQ file.
<b>Cost Avoid</b>	Partial	The functionality is already identified as a requirement in the MCO contracts.	The MCOs are only using the minimum data provided by the MMIS in the 834 and any information they have about their own commercial policies. PRMP does not have access to the MCOs coordination of benefits reports and cannot verify the MCOs are properly cost avoiding.

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Pay-and-Chase</b>	No	The functionality is already identified as a requirement in the MCO contracts.	MCOs do not report on pay-and-chase. Neither ASES nor PRMP has any way to verify if the MCOs are properly paying and chasing.
<b>Recovery</b>	Partial	PRMP can continue to recover Medicaid payments based on class action lawsuits. The functionality is already identified as a requirement in the MCO contracts.	PRMP has no other sources of data available to pursue recovery. Neither ASES nor PRMP receive reporting from the MCOs on recovery that they may be pursuing.

**Table 9: Satisfaction Evaluation for the Option 2: Contract with Incumbent MES Vendor**

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Identify TPL</b>	Partial	ASES has the health insurance data and the connection to the MMIS to provide it. PRMMIS will be able to reject encounters where insurance is available.	Sources would only include territory insurance and the TBQ. Some data sources, such as out of state insurance, are not readily available PRMMIS provides limited reporting functionality. The TPL functionality may not be added before the current contract is up.
<b>Cost Avoid</b>	Partial	Once the PR insurance data is available to the MCOs, they should be able to promptly begin to perform cost avoidance. If MCOs have full file of insurance data, they	The MCOs are not accustomed to pursuing cost avoidance using the new sources of data. PRMMIS only provides limited reporting functionality and does not provide dashboard functionality.

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
		<p>should be able to cost avoid more frequently.</p> <p>If MCOs receive ACA and CFSE data from the MMIS, they should be able to cost avoid additional claims.</p> <p>The MCOS can recover the full claims amount.</p> <p>If the MCOs perform cost avoidance properly, their rates will decrease for some payments and more money could be available for other priorities.</p> <p>If the MCOs share the COB report with the MMIS, PRMP could review the report within the MMIS' existing reporting functionality.</p> <p>The MCOs are the most suited entity to perform cost avoidance as described by CMS</p>	<p>The TPL functionality may not be added before the current contract is up.</p>
<b>Pay-and-Chase</b>	Partial	<p>If MCOs are required to track and report on pay-and-chase claims and that is brought into the MMIS, PRMP will have a broader understanding of the TPL coverage the MCOs are pursuing.</p>	<p>PRMMIS only provides limited reporting functionality and does not provide dashboard functionality.</p> <p>The TPL functionality may not be added before the current contract is up.</p>
<b>Recovery</b>	Partial	<p>PRMP can continue to recover Medicaid payments based on class action lawsuits.</p>	<p>PRMP would need to hire three – five additional staff on the island with knowledge of TPL, which may prove difficult.</p>



TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
		<p>If MCOs are required to track and report on recoveries and that is brought into the MMIS, PRMP will have a broader understanding of the TPL recoveries the MCOs are pursuing</p>	<p>PRMP would not have access to training on additional recovery methods.</p> <p>Only a limited amount of recovery would occur because of limited sources.</p> <p>The MCOs would only recover against the sources of data that they have access to.</p> <p>PRMP's existing case tracking system is not integrated with the financial data in the PRMMIS, and it would be difficult to easily manage the identification of capitation payments that need to be recovered.</p> <p>Gainwell leadership recommended pursuing another vendor rather than pursuing change requests for recovery functionality through the existing MMIS.</p> <p>PRMMIS only provides limited reporting functionality and does not provide dashboard functionality.</p> <p>The TPL functionality may not be added before the current contract is up.</p>

**Table 10: Satisfaction Evaluation for the Option 3: Competitive Procurement**

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Identify TPL</b>	Partial	<p>TPL vendors can typically set up interfaces with TPL sources easily because of their experience with TPL sources.</p> <p>The TPL vendor would have established reporting on TPL sources.</p>	<p>Interfaces with PR agencies would need to be postponed until the procurement was awarded</p>
<b>Cost Avoid</b>	Partial	<p>If the MCOs report are provided to the new vendor, the reporting dashboard would be augmented.</p> <p>PRMP and PIU, accountable by CMS for helping to ensure cost avoidance occurs, will be able to validate the reports.</p>	<p>The cost avoid activities would need to be postponed until the procurement was awarded and new services were implemented.</p> <p>Would require the new TPL vendor interface with all MCOs and MAOs</p>
<b>Pay-and-Chase</b>	Partial	<p>If the MCOs report are provided to the new vendor, the reporting dashboard would be augmented.</p> <p>PRMP and PIU, accountable by CMS for helping to ensure that pay-and-chase occurs, will be able to validate the reports.</p>	<p>The pay-and-chase activities would need to be postponed until the procurement was awarded and new services were implemented.</p> <p>Would require the new TPL vendor interface with all MCOs and MAOs</p>

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Recovery</b>	Yes	<p>If the MCOs report are provided to the new vendor, the reporting dashboard would be augmented.</p> <p>PRMP and PIU, accountable by CMS for helping to ensure that recovery occurs, will be able to validate the reports.</p> <p>Duplicative recovery efforts are avoided.</p>	Would require the new TPL vendor interface with all MCOs and MAOs

**Table 11: Satisfaction Evaluation for the Option 4: NASPO**

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Identify TPL</b>	Partial	N/A	Only Come Behind services are priced for an MCO environment; all pricing would need to be redone.
<b>Cost Avoid</b>	No	N/A	No cost avoidance services are available for an MCO environment.
<b>Pay-and-Chase</b>	No	N/A	No pay and chase services are available for an MCO environment.
<b>Recovery</b>	Partial	The procurement would be quicker than with a new procurement.	Only Come Behind services are priced for an MCO environment; all pricing would need to be redone

**Table 12: Satisfaction Evaluation for the Option 5: Combination Approach**

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Identify Health Insurance</b>	Yes	Using both the PRMMIS and the new TPL vendor, PRMP can take advantage of the speed of the already existing PRMMIS/ASES interface compatibility as well as the breadth and quality of the data available to the TPL vendor.	N/A
<b>Cost Avoid</b>	Yes	<p>The MCO performs cost avoidance and sends reporting to the MMIS who then sends it to the new vendor, thus minimizing new interfaces for the MCOs but maximizing the potential quality of reporting.</p> <p>Cost avoidance is improved quicker with the PRMMIS vendor.</p>	N/A

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Pay-and-Chase</b>	Yes	<p>The MCO performs pay-and-chase and sends reporting to the MMIS who then sends it to the new vendor, thus minimizing new interfaces for the MCOs but maximizing the potential quality of reporting.</p> <p>Pay-and-chase is implemented more quickly with the existing PRMMIS vendor.</p>	Updates to the MCO contract and to policy are required.

TPL Objective	Satisfaction Indicator	Advantage	Disadvantage
<b>Recovery</b>	Yes	<p>The MCO performs some recovery and sends reporting to the MMIS who then sends it to the new vendor, thus minimizing new interfaces for the MCOs but maximizing the potential quality of reporting.</p> <p>Some recovery is implemented quickly, but the TPL vendor performs Come Behind services and other recoveries, for which it has the tools and staff.</p> <p>Only two additional TPL staff are required and the TPL vendor can help with training and SOPs.</p> <p>The new vendor has additional sources to use to perform recovery.</p>	<p>Updates to the MCO contract are required.</p>

## 8.0 Next Steps

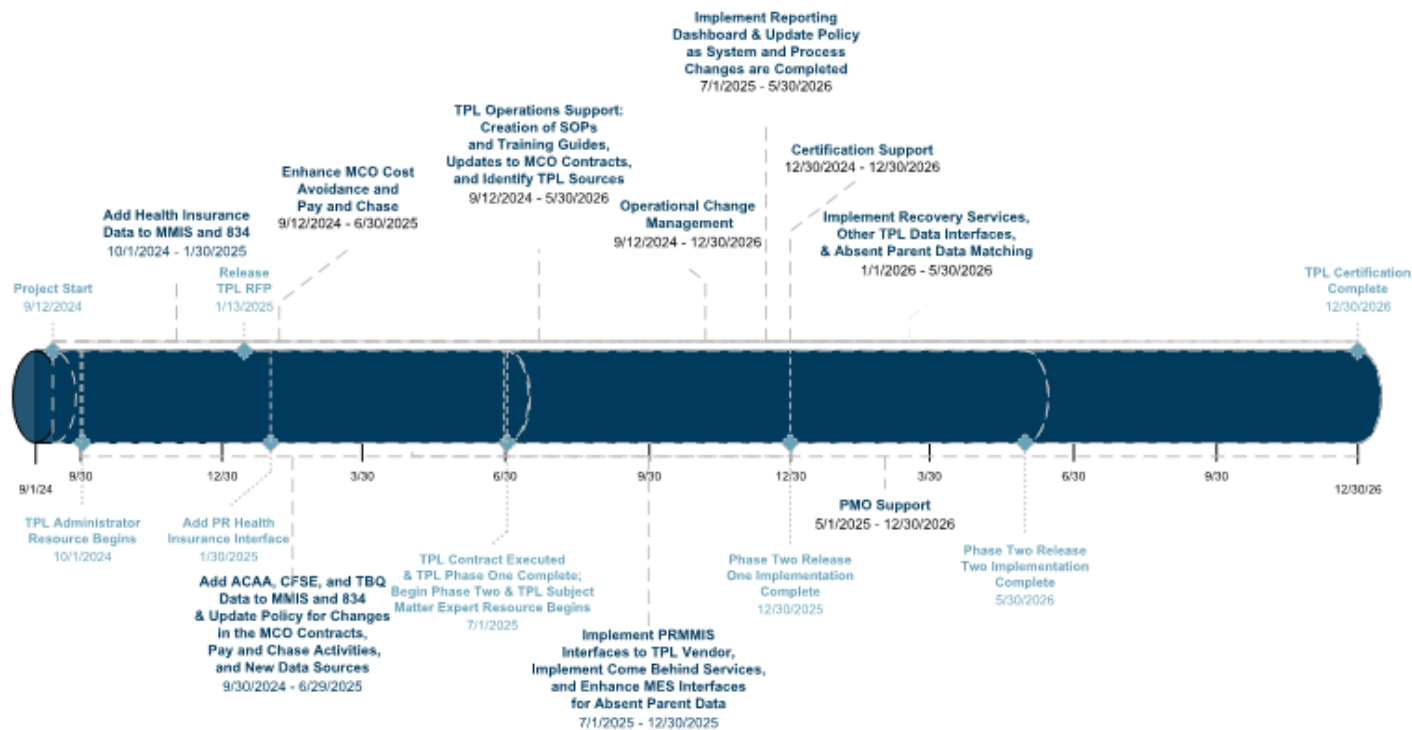
As PRMP moves forward with the implementation of compliant TPL processes to address the gaps identified within MITA Pre-Assessment, BerryDunn recommends prioritizing the following items:

- Prepare APD to secure funding for TPL system vendor
- Identify PRMP resources to assist with TPL activities
- Phase One
  - Assess OCM needs and create a stakeholder map and communication plan
  - Submit a change request (CR) to the current MMIS vendor, Gainwell, to process TBQ data daily and to allow the MCOs to more accurately cost avoid where Medicare is the primary payer.
  - Finalize estimated CRs submitted to Gainwell:
    - 24-1065: Process Health Insurance File from ASES
    - 24-1066: Receive and Report on Accident and Trauma Data
- Phase Two
  - Prepare a request for proposal (RFP) to secure a TPL system vendor

## 9.0 Timeline

This section provides the roadmap and timeline in graphic format.

**Figure 5: Timeline for Roadmap**





## Appendix A: Acronyms and Abbreviations

**Table 13: Common Acronyms and Abbreviations**

Term/Abbreviation	Definition/Explanation
AACA	AACA
ASES	Administración de Seguros de Salud de Puerto Rico (Puerto Rico Health Insurance Administration)
ASUME	Administración para el Sustento de Menores (Child Support Administration)
BENDEX	Beneficiary Earnings and Data Exchange
CMS	Centers for Medicaid and Medicare Services
DAF	Deliverable Acceptance Form
DEERS	Defense Enrollment Eligibility Reporting System
DED	Deliverable Expectation Document
EOMC	Enterprise Objective Monitoring and Control
EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
MEDITI3G	Medicaid Integrated Technology Initiative, 3rd Generation
MES	Medicaid Enterprise Systems
MCO	Managed Care Organization
MITA	Medicaid Information Technology Architecture
MMIS	Medicaid Management Information Systems
NASPO	National Associations of State Procurement Official
OCM	Operational Change Management
PIU	Program Integrity Unit
PR	The Commonwealth of Puerto Rico
PRDoH	Puerto Rico Department of Health
PRMMIS	Puerto Rico Medicaid Management Information System

Term/Abbreviation	Definition/Explanation
PRMP	Puerto Rico Medicaid Program
RFP	Request for Proposal
SMA	State Medicaid Agencies
SPRF	Subproject Request Form
SSA	Social Security Administration
TBQ	Territory Beneficiary Query
TPL	Third Party Liability