

Health Care Finance and Administration	Section: General Administrative Procedures and Compliance
Policy Manual Number: 200.025	Chapter: Assignment of Third Party Medical Support

ASSIGNMENT OF THIRD PARTY MEDICAL SUPPORT

Legal Authority: 42 CFR 435.610

1. Policy Statement

As a condition of eligibility, an individual is required to assign his or her rights to medical support or other third party payments to the State, and to cooperate with the State in obtaining medical support and payments.

Third party medical support is also referred to as Third Party Liability (TPL).

2. Definitions

Assignment of Rights: When the individual or responsible party signs the application for benefits, he or she agrees that rights to any medical support or payment for medical expenses are assigned or given to the State.

The State reserves the right to receive reimbursement from any third party, including an insurance company, for any medical expenditure made on the individual's behalf.

The individual is required to return to the State any support or payments for medical expenses he or she may receive from a third party.

Medical Support: Medical Support is financial support available to an individual for his or her medical expenses.

Third Party Payments: Any payment made by an entity that is not the individual and not the State, including a responsible relative or an insurance company.

3. Cooperation with the State

The individual is required to provide the State any and all information necessary to obtain medical support or payment including but not limited to the following:

- The name(s) of the third party;
- The address;
- Any identifying information required to claim payment such as the subscriber's information, the subscriber's Social Security Number (SSN), the policy number, and the group or certification number;
- Household members covered by a health insurance policy; and
- The individual's signature on all forms required for reimbursement.

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The individual is required to cooperate in any other way with the State in obtaining the medical support or payments to which he or she is entitled.

4. Refusal to Cooperate In Assignment

The refusal to cooperate with the State in reporting and obtaining medical support, or in the assignment of such support or third party payment to the State results in the individual's ineligibility for program benefits.

5. Medical Trust Fund

The individual is required to provide information regarding a medical trust fund established to defray or to entirely absorb his or her medical expenses including but not limited to the following:

- Location of the account;
- Account trustee;
- Account number; and
- Availability of the funds (e.g. limitations on disbursement).

6. Individual Responsibilities

The individual is required to provide sufficient information to obtain the third party medical support to which he or she is entitled such as:

- The name(s) of the third party;
- The address;
- Any identifying information required to claim payment such as the subscriber's information, the subscriber's Social Security Number (SSN), the policy number, and the group or certification number;
- Household members covered by a health insurance policy; and
- The individual's signature on all forms required for reimbursement.

The individual is required to cooperate with the State in any collection efforts including but not limited to his or her signature on all forms required to obtain reimbursement.

The individual is required to report within 10 days the receipt of any cash reimbursement for medical expenses including the following:

- Insurance settlement and refunds;
- Medical support paid by an absent parent; and

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- Medical trust fund proceeds.

7. Reporting Third Party Medical Support

a. Overview

TPL information is collected at application and renewal. The individual is required to provide information about third party support and the information is collected in interChange.

8. Reporting Changes in Third Party Medical Support

Individuals must report any changes in third party support. Types of changes that must be reported include:

- Addition of third party support (e.g. purchase of health insurance or gaining Medicare eligibility);
- Deletion of third party support (e.g. termination of health insurance coverage for any reason);
- Third party change (e.g. coverage changed from one insurance company to another); and
- Receipt of cash reimbursement for medical expenses.

9. HCFA TPL Unit

The HCFA TPL Unit is responsible for pursuing TPL collection. All third party medical support is entered into interChange. If TPL information must be submitted via mail or fax, the individual should send the information to Tennessee Health Connection (TNHC) at:

Tennessee Health Connection
P.O. Box 305240
Nashville, TN 37230-5240

FAX: 1-855-315-0669

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