



Louisiana Department of Health
Health Plan Advisory 16-17
Revised February 21, 2017

Pay and Chase

All Managed Care Organizations (MCO) must implement Pay and Chase policies for the following services by Oct. 16, 2016 processing day. MCOs may utilize ACT 517 of 2008 Regular Legislative Session to seek recovery of reimbursement from liable third parties for up to 36 months from the date of service reported on the claim.

The Pay and Chase method occurs when payment is made by MCOs for submitted claims despite the known existence of liable third parties, and then attempts are made by the MCOs to recover payments from the liable third parties. The Pay and Chase methodology should be applied at the service line level.

Code of Federal Regulations 433.139 requires MCOs to pay the full amount allowed under the MCO payment schedule, and then seek recovery of reimbursement from the third party within **60 days** after the end of the month in which payment is made when:

- Third party liability is derived from an absent parent whose obligation to pay support is being enforced by the State Title IV-D agency and the service is a Medicaid covered service.
- The claim is prenatal care for pregnant women.
- The service is Preventive Pediatric Care (PPC), including Early and Preventive Screening, Diagnostic and Treatment (EPSDT).

NOTES

1. The "Pay and Chase" method of payment for primary prenatal care diagnoses are confined to those listed here: [Diagnosis Codes related to Prenatal Services](#). **Professional services for labor and delivery and post natal care are not included in the Pay and Chase methodology; these claims must be filed with the primary health insurance carrier.** Hospitals are not included in the Pay and Chase methodology and must continue to file claims with the health insurance carriers.
2. The "Pay and Chase" method of payment for primary preventive pediatric care diagnoses are confined to those listed here: [Diagnosis codes related to Preventive Pediatric Care Services](#). Individuals under age 21 qualify. Hospitals are not included and must continue to file claims with the health insurance carriers.
3. Refer to lamedicaid.com EPSDT fee schedules for listing of EPSDT services for which MCOs must "pay and chase."
4. MCOs must "Pay and Chase" services which are a result of an EPSDT referral, indicated as "Y" in block 24H of the CMS-1500 claim form or "A1" as a condition code on the UB-04 (form locators 18 - 28).\

5. Effective with date of processing May 1, 2017, the “Pay and Chase” method of payment shall be applied to EPSDT well baby procedure codes 99460, 99462 and 99238 when billed with diagnosis code Z38 through Z38.8.