



Montana Healthcare Programs Provider Notice

May 7, 2026

Informational

All Providers

CMS-1500 Coordination of Benefits Processing: Medicare vs. TPL

The MMIS currently processes Coordination of Benefits (COB) differently depending on the payer type. Traditional Medicare COB is processed at the claim line level, while Third Party Liability (TPL)—including Medicare Part C (Advantage) and commercial payers such as BCBS—is processed at the claim (header) level on the CMS-1500.

Medicare Part C (Advantage) is treated as TPL rather than traditional Medicare because these plans often cover additional services and require submission of an Explanation of Benefits (EOB) with the claim. A common submission error occurs when providers report Medicare Part C payment information at the claim line level while also attaching the EOB from the primary payer. Because Part C is processed as TPL, Conduent claim examiners must enter payment information from the EOB at the claim level as submitted. This results in both line-level and header-level COB being recorded on the claim, which can negatively affect pricing and reimbursement. In these cases, a claim adjustment is required to remove the line-level payment and allow for correct reprocessing.

The Medicaid Enterprise System (MES) Provider Services Portal is a commercial off-the-shelf (COTS) product that includes features not supported in the legacy MMIS, including the ability to enter Part C COB at the line level. Providers should not use this functionality. Instead, report Part C COB at the claim level and attach the EOB. Alternatively, providers may omit COB payment details from both the line and claim levels and submit the EOB using the Paperwork Attachment process.

Coordination of Benefits processing will change (including advanced business rules, editing, and automation) with the implementation of the Montana Healthcare Claims System (MTHCS), scheduled for 2027. The Department of Public Health and Human Services (DPHHS) will continue to share updates on project status, timelines, training opportunities, and potential impacts to providers. To stay informed, register your email address on the Claims Modernization webpage:

<https://dphhs.mt.gov/MontanaHealthcarePrograms/ClaimsModernization>

Contact and Website Information

For claims questions or additional information, contact Montana Provider Relations at (800) 624-3958 or (406) 442-1837 or email [Montana Provider Relations Helpdesk](#).

Visit the [Montana Healthcare Programs Provider Information website](#) to access your provider type page. Choose Resources by Provider Type in the left-hand menu.

Visit the [Contact Us page](#) on the Provider Information website for additional DPHHS contact numbers.