



**POLICY SUBJECT:**

**EFFECTIVE DATE: 08/12/2010**

*Reporting and Refunding of Overpayments  
To Government Healthcare Programs*

*To be reviewed every three years by  
Ethics & Compliance Committee*

**Reporting & Refunding of Overpayments to Government Healthcare Programs**

**I. PURPOSE:**

The purposes of this policy are to ensure the appropriate handling of Overpayments received from Federal health care programs. This policy applies only to the reporting and refunding of Overpayments. All other reportable events, will be handled in accordance with Sound Physicians’ policy of Addressing Inquiries and Reported Concerns.

**III. DEFINITIONS:**

A. “Federal health care programs” means Medicare, Medicaid/MediCal, managed Medicare/Medicaid/MediCal, TriCare/VA/ CHAMPUS, SCHIP, Federal Employees Health Benefit Plan, Indian Health Services, Health Services for Peace Corp Volunteers, Services Provided to Federal Prisoners, Black Lung Program, and Railroad Retirement Benefits.

B. “Overpayment” means the amount of money Sound Physicians has received in excess of the amount due and payable under any Federal health care program requirements, including applicable federal statutes, regulations, Medicare or other federal health care program payment manuals, and Medicare Fiscal Intermediary, Medicare Regional Carrier or Medicare Administrative Contractor Local Coverage Decisions. An Overpayment may be the result of non-adherence to Federal health care program requirements, errors by Sound Physicians’ personnel, payment processing errors by the payer, or erroneous or incomplete information provided to Sound Physicians by the patient or responsible party.

C. “Identifying” an Overpayment means that a final determination has been made that Sound Physicians has received an amount of money in excess of the amount due and payable under any Federal health care program requirements, even if the final amount of the Overpayment has not yet been quantified or otherwise determined, or a final

determination has been made that a Reportable Event has probably occurred, even if all the underlying details and cause(s) of the event have not yet been determined.

#### **IV. POLICY:**

Within thirty (30) days after Identification of the Overpayment, Sound Physicians will repay the Identified Overpayments to the payer to the extent such Overpayment has been quantified. If not yet quantified, within thirty (30) days after Identification, Sound Physicians will notify the payer in writing of its efforts to quantify the Overpayment amount and provide a written time schedule for when any further work to quantify the Overpayment is expected to be completed. Reporting and refunding of any Overpayment that is routinely reconciled with or adjusted pursuant to written payer policies and procedures will be handled in accordance with such policies and procedures.

#### **V. PROCEDURE:**

##### **A. Refunding and Report Process**

Refunding of Overpayments will be done in accordance with the payer's policies and procedures and will include, at a minimum, the provider name, address, provider number, contact person, phone number, amount of Overpayment, check number and check date if applicable, patient name, HIC number, Account number, and reason for Overpayment.

All Overpayments will be tracked and reported by Sound Physicians operations staff to the Compliance Director. The Compliance Director will provide the Ethics and Compliance a summary report of the overpayments and their causes.

##### **C. Corrective Action on Overpayments**

Sound Physicians will take remedial steps to correct the underlying cause of the Overpayment within sixty (60) days after Identification or within such additional time period as may be agreed to by the payer. The corrective action will include correcting the underlying cause of the Overpayment and taking remedial action to prevent the Overpayment from recurring.

##### **D. Enforcement**

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate disciplinary action pursuant to all applicable policies and procedures, up to and including termination. Such disciplinary action may also include modification of compensation, including any merit or discretionary compensation awards.

#### **Reporting & Refunding of Govt Overpayments - 8.12.11v2**

All policies available online at <http://www.soundphysicians.com/about-us/compliance-plan>.  
Confidential Compliance Hotline – (866) 898-2672 or [www.soundphysicians.ethicspoint.com](http://www.soundphysicians.ethicspoint.com)