

Reporting and Returning of Overpayments

Updates Approved by Compliance Committee: 9.7.2023; 9.4.2024;

Reviewed w/ No Changes: 9.3.2025

Revised: 8.22.2024 (added webpage)

PURPOSE:

To establish a process to report and return identified and quantified overpayments from Federal healthcare programs.

POLICY:

CHS will exercise reasonable diligence to review potential payment errors. Potential overpayments will be identified and quantified in a timely manner.

Overpayments that have been identified and quantified will be reported and refunded to the appropriate Federal healthcare program within 60 days from the date of identification and quantification of the overpayment.

DEFINITIONS:

Federal healthcare program: Any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government (other than the health insurance program under chapter 89 of title 5 of the United States Code—the Federal Employees Health Benefit Program); or any State healthcare program, as defined in 42 U.S.C. §1320a-7(h).

Federal healthcare programs include, at a minimum, the following:

- Medicare Program, Parts A&B (Title XVIII of the Social Security Act); (but not Medicare managed care plans)
- Medicaid (Title XIX of the Social Security Act); (but not Medicaid managed care plans)
- Federal Prison Hospitals (prisoners);
- Indian Health Service;
- OWCP (workers' compensation for federal employees);
- Public Health Service;
- Railroad Retirement Board;
- The Black Lung Program;
- TRICARE/CHAMPUS/Department of Defense healthcare programs (Chapter 55 of Title 10, United States Code); and
- Veterans Administration (VA).

Identified: The date on which CHS has or should have determined, through the exercise of reasonable diligence, that an overpayment has been received from a Federal Healthcare program, and has quantified the overpayment amount.

Overpayment: Any funds that CHS has received or retained under a Federal healthcare program to which CHS, after applicable reconciliation, is not entitled.

Reasonable Diligence: Conducting proactive compliance activities in good faith by qualified individuals at CHS to monitor for the receipt of overpayments, and in response to receiving credible information of an overpayment, research of such credible information in good faith and in a timely manner by qualified individuals of CHS. CHS efforts to review, report and return a potential overpayment should typically be completed within a period of up to six months. However, complex matters and refund calculations may result in extending this time frame.

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PROCEDURE:

1. Anyone who has credible information about a pattern of potential overpayments from a Federal healthcare program must report the information to (i) a supervisor or member of management, (ii) the System Compliance Officer, (iii) the Compliance Hotline at 607-274-4170, and/or (iv) the anonymous webpage cayugahealth.org/about/corporate-compliance. This notification should include a narrative description of the matter based on current knowledge, with as much specificity as possible, to assist in further review. For example, a detailed description of the issue, the type of service (inpatient, outpatient, hospital, physician, etc.), and the affected service line(s) (e.g., radiology, oncology, lab, etc.). Generally, isolated clerical errors, unintended patient specific coding/charging/billing errors, or any other non-repetitive errors (i.e., errors that only affect a single claim or handful of claims) resulting in an overpayment should be dealt with in the ordinary course of business and shall be refunded within 60 days.
2. Regulatory Compliance personnel, along with the appropriate personnel with operational responsibility for the areas involved, will engage in, or facilitate the exercise of reasonable diligence, including conducting a review into matters at issue.
3. Based upon the findings of the reasonable diligence, the Compliance Officer will consult as necessary and appropriate with other relevant parties with substantive knowledge of the issue to determine if an overpayment has been identified. This would include a determination as to the initial matter and the appropriate timeframe to be addressed.
4. If an overpayment is identified:
 - a. The Compliance Officer will take prompt action to (i) notify the appropriate personnel with operational responsibility for the impacted claims of the overpayment amount, and (ii) coordinate with such personnel regarding the method for reporting and returning the overpayment.
 - b. Management of the areas with operational responsibility will correct the cause of the overpayment on a going forward basis and take other remedial actions as may be necessary to minimize recurrence. In addition, other appropriate corrective actions should be undertaken, which may include education and training of staff, revisions to policies, processes or systems, information system changes, ongoing monitoring and auditing, or disciplinary actions for personnel consistent with Company policies and procedures.
5. The appropriate personnel will work to ensure that the overpayment is timely reported and returned within 60 days from the date of identification and quantification. Depending on the situation, the refund may be made by check, claims adjustment, charge correction, credit balance or other government-approved process for reporting and returning of overpayments.