

**Overpayments**

<b>Federal Regulations:</b> PPACA Section 6402	<b>Effective Date:</b> September 3, 2019
<b>State Regulations:</b>	<b>Revision Date(s):</b> February 27, 2023

**PURPOSE:** Establish the identification of overpayments and the process for timely reporting and return of identified overpayments as required under Section 6402 of the Patient Protection and Affordable Care Act (PPACA).

**POLICY:** Any overpayments identified during billing compliance routine monitoring, internal audits or investigations and confirmed as identified overpayments as established by this policy, are reported, and refunded as outlined in this policy.

The PPACA requires health care providers to report and return any overpayment within 60 days of either the date the overpayment is identified or the date a corresponding cost report is due, whichever is later. An overpayment that is retained after this date becomes an “obligation” under the False Claims Act. The definition of “obligation” includes “retention of overpayments,” which, under the PPACA amendment, means the failure to repay an overpayment within 60 days of the date on which the overpayment is identified.

**Definition**

Overpayment - funds that a person receives or retains under title XVIII (Medicare) or XIX (Medicaid) to which the person, after applicable reconciliation, is not entitled under such title.

**PROCEDURE:**

- 1) Hospice’s auditing and monitoring protocol provides for continual assessment of the documentation of services and accuracy of billing as part of its compliance program.
- 2) Hospice promptly audits and investigates allegations of overpayments.
- 3) Overpayment investigations may be conducted under attorney-client privilege.
- 4) Overpayments are reported and returned to Medicare within 60 days from the date the overpayments are identified.
- 5) Applicable staff are educated on current coverage and payment requirements.
- 6) Managed care overpayments are governed by the agreement between Hospice and the managed care payor.