

## Optometry Coding & Billing Alert

### Reader Question: Don't Take the Money and Run

**Question:** How should I handle overpayments by insurers? How fast do I have to repay? If the amount overpaid is small, do I still have to refund it?

Georgia Subscriber

**Answer:** Your practice should have a protocol for repaying overpayments. Depending on your carriers' policies, you may be required to refund any overpayments, regardless of the amount.

Scrutiny from the Office of Inspector General (OIG) and a variety of laws -- including Social Security laws detailing criminal penalties for acts involving Medicare or state healthcare programs (42 USC 1320a-7b) -- obligate you to return overpayments to payers.

Other federal laws cover theft or embezzlement in connection with healthcare and state that you must return the overpayment whether or not you are liable for the receipt of the funds. The OIG prefers that practices conduct regular reviews of their credit balances to refund any overpayments they find.

After discovering an overpayment, don't delay making a refund until the carrier requests it, which could put you at risk of noncompliance.

Before refunding any money, make sure the balance isn't a payment-posting mistake. If the overpayment is legitimate, determine what occurred and develop a process to avoid it.

Before you make the refund to the insurer, contact the company to learn its policies about such credit balances. Carriers differ in how they handle refunds. Some optometry coders recommend calling the carrier as soon as you discover an overpayment so the carrier can correct the mistake in its computer and take out the difference in the next statement.

For payers other than Medicare, send a check by certified mail with a copy of the explanation of benefits and a note why you are refunding the money. Some payers have a policy not to request a refund if they made the mistake and it is less than \$25.