

## Part B Insider (Multispecialty) Coding Alert

### Refunds: Tell Florida Payers 'No' for Refunds After A Year

**A new law will change one state's overpayment rules.**

You may know that you should take refund requests from payers seriously. But what if a payer requests a refund on a claim it paid out 29 months ago? Your obligation to repay that money may vary by state.

#### Check Your State's Statutes

A new law in Florida, which took effect on Nov. 1, changes the time limit when a carrier can retroactively seek a refund on a previously paid claim from a practice from 30 months to just 12 months.

Many states have a law or regulation governing how long payers have to ask for a refund. For example, New York's recoupment law says payers cannot demand refunds from a physician more than two years after the claim was initially paid.

Some states, such as Hawaii and Nevada, do not have such a law, however. In that case, you should refer to your payer contract for help, advises **Cyndee Weston**, executive director of the American Medical Billing Association in Sulphur, Okla.

Florida's new law is a positive step for practices in that state, experts say. "I think it's about time," says **Leslie Johnson, CCS-P, CPC**, manager/consultant of coding and compliance for DR Management in Fort Wayne, Ind. "It's nice that more states are chiming in with the idea that insurance companies need to fall in line with some kinds of time limits as well. Providers in Florida will be able to rest a little easier knowing that they can have a choice to say 'no' and have a law to back them up for it."

**Good advice:** "We've been recommending that if there is not a look-back period addressed by state statute, that a biller give the carrier the same time the carrier gave them for a timely submission on a claim," Weston says. "After all, that's fair, isn't it?"

**Pay attention:** Make sure you know what the laws are in your state so that payers don't take advantage of your lack of knowledge. For example, "UHC is notorious for asking for money back in states where there is a limitation on look-backs," Weston says. "If the biller doesn't realize it, they could refund money where there is no legal obligation to do so. And finding patients after a year has passed is often hard to do, so providers are often left holding the bag."

#### Watch Out for Additional Provisions

When you're dealing with refund requests you need to know about more than just the time limit for your state. For example, you must respond to the insurance company seeking a refund even if you're outside of the look-back period, Johnson explains. "By being silent, they act guilty, and the insurance company may have the right to do an offset based on the presumption of guilt by omission," she adds.

**Payer option:** If the insurance company suspects you or the patient are committing any type of fraud, it may be able to request a refund outside of the time limit set forth in your state's law if they can prove fraud.

"Finally, some insurance companies are trying to say that because they are out of state, they don't have to adhere to a particular state's laws," Johnson warns. "That's not true, because if business is being done inside that particular state, that state's law has jurisdiction."

**The future:** Experts are hoping that more states jump on the bandwagon and pass laws restricting look-back time

periods. "There are too many states with outdated laws on this or who are without any kind of protection at all," Johnson laments. "They're coming around, but it's still a little ways off."

Florida's new law will do more than just limit the time period for requesting refunds. The law also requires that insurance companies honor a member's assignment of benefits when that member sees an in-network physician.

**Another plus:** The new law also prevents insurers from selling network discounts to third parties without a physician's consent.

"Probably the biggest win for our members is where plans can no longer rent their discounts," Weston explains. "You never knew who was going to try and force a discount, but this should alleviate a lot of headaches on this issue."