

Eli's Rehab Report

Reader Questions: Return Overpayments Immediately -- Or Else

Question: We've discovered that a patient overpaid us on her copay. We collected \$50, which was the last copay we had on record. It turns out that the patient's plan changed but is still under the same payer. Her copay is now only \$10 for an office visit, however. Can we just credit her account or do we need to issue a refund?

Answer: You do need to issue a refund to the patient, but how you do that is up to the patient. As soon as you discover that a patient has overpaid you, your practice should notify the patient.

You cannot hold onto the money indefinitely.

You can credit the patient's account, but only if the patient agrees to that. If the patient will be returning your office you can suggest that you apply the overpayment as a credit toward the next visit. If the patient doesn't want to apply it toward a future visit, however, you must return the overpayment.

You should offer two options:

- A credit on the patient's account that you will apply to future services
- A refund of the overpayment.

Tip: You may find it easier to just send the overpayment amount back to the patient with a letter explaining the situation, rather than notifying the patient and discussing options. Follow whichever process works best for your practice.

Bottom line: You cannot keep an overpayment -- from a patient or a payer. That practice is illegal.