PURPOSE AND SCOPE
This policy sets forth a framework for UW Medicine entities to identify, report and return overpayments.

This policy applies to all healthcare services for which UW Medicine submitted a claim and received any payment from a government source, such as a federal healthcare program, or if the government funded any portion of the payment received.

This policy does not apply to routine processing errors. Routine processing errors should be corrected by the individual who detects the error by following applicable entity procedures for reconciling such errors.

POLICY PRINCIPLES/STATEMENT
The Fraud Enforcement and Recovery Act of 2009 (PL 111-21 amending 31 U.S.C 3729(b)(3)) subjects healthcare providers, as well as their vendors and subcontractors, to penalties under the False Claims Act for failure to identify and return overpayments. The Patient Protection and Affordable Care Act of 2010 (PL111-148 Section 6402(a)) requires that overpayments be reported and returned within 60 days of the date that they are “identified.”

DEFINITIONS
1. Claim: Any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee or other recipient.

2. Overpayment: Medicare and other federally reimbursed payments that a facility, supplier, practice plan or healthcare professional has received in excess of amounts payable under the Medicare or other applicable federal statute and regulations.
3. **Identification of overpayment**: The date upon which a potential billing error has been determined to constitute an overpayment.

4. **Routine processing error**: A clerical error or inadvertent patient-specific coding, charging or billing error that does not demonstrate a pattern of recurrence, is isolated to a single or a very limited number of claims and is not of substantial value.

5. **Reportable error**: Anything other than a routine processing error.

**POLICY**

UW Medicine makes all reasonable efforts to promptly recognize and correct billing errors, including those that cause overpayments. In accordance with the Patient Protection and Affordable Care Act of 2010, overpayments will be reported and returned within 60 days after being identified. For purposes of this policy, that is the date upon which a billing error has been determined to constitute an overpayment governed by this policy.

**REGULATORY/LEGISLATION/REFERENCES**

- Whistleblower actions and protection laws that accompany FCA, FERA and the Administrative Remedies

**PROCEDURE ADDENDUM(s) REFERENCES/LINKS**

- Children’s University Medical Group Fraud and Abuse Policy Statement
- Harborview Medical Center Administrative Policy or Procedure (APOP) 135.3: Compliance Program Investigations, Enforcement and Prevention ([https://hmc.uwmedicine.org/sites/policiesprocedures/Pages/Compliance_Program_Investigations_Enforcement_and_Prevention_135-3.aspx](https://hmc.uwmedicine.org/sites/policiesprocedures/Pages/Compliance_Program_Investigations_Enforcement_and_Prevention_135-3.aspx))
• University of Washington Medical Center APOP 15-9: Organizational Response (https://uwmc.uwmedicine.org/sites/PoliciesProcedures/apop/Pages/15-9.aspx)
• UW Neighborhood Clinics Policy Compl011: Organizational Response to Compliance Violations (https://uwnc.uwmedicine.org/sites/policiesprocedures/Pages/Compl011-ComplViolations.aspx)
• UW Physicians (UWP) Policy C-006: Policy on Addressing Inquiries and Reported Concerns (https://uwp.uwmedicine.org/sites/policiesprocedures/Pages/Addressing-Inquiries-and-Reported-Concerns.aspx)
• UWP Policy C-019: Fraud and Abuse Prevention (https://uwp.uwmedicine.org/sites/policiesprocedures/Pages/UWP-Compliance-Program-False-Claims-Act.aspx)

ROLES AND RESPONSIBILITIES
I. UW Medicine utilizes the most current federal guidance for compliance programs to prevent and detect problems. When a potential billing error is discovered by an individual outside the compliance program, the individual is responsible for notifying the entity’s compliance office. Potential errors that may have led to an overpayment are given top priority for review by the compliance office, which initiates an investigation to determine if an error has actually occurred. If an error is confirmed, the compliance office conducts further analysis to determine if the error led to an overpayment.

II. As noted in entity-specific policies, UW Medicine entities will correct defective claims submission processes as quickly as possible. If a delay in making such corrections would result in improper payments for continued billing, the entity will immediately stop related billing until the process is corrected.

III. Overpayments:
A. Within 60 days of identification of an overpayment, the compliance office will:
   1. Calculate the overpayment;
   2. Consult with management and/or legal counsel as necessary to determine the method by which the error will be reported to the applicable agency or payment contractor;
   3. In accordance with government agency directions,
      a. Notify the appropriate agency or payment contractor in writing;
      b. Return the overpayment;
   4. Assure that the appropriate leadership is notified of the overpayment per entity guidelines; and
   5. Notify the appropriate government agency when circumstances will not allow the return of an overpayment to be completed within 60 days.
B. Where overpayments are reconciled via the cost report, each entity cost reporting office will report and return overpayments by the date of the corresponding final cost report.
## AUTHORITIES

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<tr>
<th>Custodian</th>
<th>Responsible Officer</th>
<th>Implementation Officer</th>
<th>Administrative Officer</th>
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<td>UW Medicine Compliance</td>
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<tr>
<td><strong>Author</strong></td>
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<td><strong>Auditor</strong></td>
<td><strong>Endorser</strong></td>
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## APPROVALS

UW Medicine Executive Compliance Committee  
Endorsed By  
Date  

7/03/2012