PROCEDURE STATEMENT:
Potential Overpayments may be identified and reported as a result of various proactive and reactive compliance activities conducted by Health Quest Systems, Inc. and its affiliates (“HQ”) management, HQ employees, the billing and revenue cycle staff (“RC”) staff and/or the Office of Corporate Compliance, Internal Audit and Privacy (“OCIAP”), such as the reports under the disclosure program; internal auditing and department monitoring activities; processing or correcting documentation, code/coding, charges, claim submission and payment transactions or exceptions; review of physician arrangements or payments; review of current or past cost reports; and/or review of external agency correspondence or audit findings.

PROCEDURE:
1. The following process will be initiated when a Potential Overpayment is identified by or reported to the RC or OCIAP:
   a. Isolated clerical errors, unintended patient specific coding, charging, or billing errors, or any non-repetitive errors resulting in a Potential Overpayment should be dealt with in the normal course of business and refunded within sixty (60) days of the Identification Date.
   b. Repetitive errors that result in a Potential Overpayment must be reported to a supervisor or member of management upon discovery of the potential repetitive error, who shall then report the matter to OCIAP. Such reports may also be made directly to the OCIAP or to the Compliance Hotline.
      i. Anonymous and Confidential Compliance Hotline – 1-844-YES-WeComply (844) 937-9326
      ii. Direct telephone to OCIAP – (845) 475-9755
      iii. Direct email to OCIAP – compliance@health.quest.org
2. Potential Substantial Overpayments, whether due to a single claim or to a pattern of errors affecting many claims, must in all cases be reported to the OCIAP.
3. If the OCIAP or RC receives a report of a Potential Overpayment, they will notify the other, and create a new folder in a centralized audit repository designated by the OCIAP.
4. Appropriate actions will be taken immediately by the RC to make an initial assessment of whether or not the Potential Overpayment is an Identified Overpayment.
a. If the RC determines that there is not an Identified Overpayment, the RC, Billing Director, or designee, will communicate in writing to the OCIAP why no Overpayment has been identified. Once agreed to by the OCIAP, the OCIAP will document the conclusion and close the related investigation.

b. If the RC determines that there is an Identified Overpayment, the RC will coordinate actions among appropriate HQ managers to determine: the cause for the Identified Overpayment; the scope of the problem causing the Identified Overpayment: the appropriate corrective action steps to stop the Identified Overpayment from reoccurring; and the expected deadline for implementing the corrective actions. The RC, in consultation with the OCIAP, shall decide whether or not to suspend submission of claims involving the underlying problem until the corrective actions can be implemented.

c. If the RC cannot determine that there is an Identified Overpayment from an initial assessment due to the complexity of the issue, the need for appropriate fact finding, or to conduct appropriate legal and regulatory research, the RC, in consultation with the OCIAP, shall decide whether or not to suspend submission of appropriate claims until an investigation has been completed.

A. Overpayment Reporting and Returning

1. Once a Potential Overpayment has been confirmed to be an Identified Overpayment, the RC, Billing Director, or designee, and OCIAP, with inclusion of General Counsel when necessary, are responsible for determining the scope of the audit, including the Lookback Period, identifying the impacted accounts, conducting the audit with Reasonable Diligence, determining the Overpayment amount and reporting and returning the Overpayment, the later of either 60 days from the Identification Date or the date any corresponding cost report is due.

2. Preparation for the audit should include:
   a. Consideration of potential violation of criminal, civil or administrative law applicable to any federal healthcare program for which penalties or exclusions may apply.
   b. Research of applicable laws, regulations and manual instructions.
   c. Determination of the Lookback Period needed to quantify the Overpayment amount, including: what caused the Overpayment; when did the Overpayment begin; which accounts were impacted; what data is available and in what format does it exist (ex: paper, electronic).
   d. Audit methods to be used such as 100% review or statistical sampling techniques.
   e. Whether or not extrapolation will be necessary to quantify the Overpayment amount.
3. The RC and OCIAP will be responsible for determining the amount of the refund and to document the methodology used to determine the amount prior to the completion of the voluntary refund form. These accounts will be identified and maintained by the RC in a spreadsheet in the centralized audit repository and shall include at minimum: claim number; account number; HIC number; patient last name; patient first name; date of service, rate or procedure code billed; correct rate or procedure code; amount paid by payor, and amount that should have been paid by the payor.

4. The OCIAP will create refund cover letters for mailing the appropriate forms and checks to the payors. The OCIAP will seek legal advice as necessary. Overpayments must be refunded to the appropriate payor within sixty (60) days of the Identification Date.

5. To report and return the Overpayment, HQ shall use an applicable claims adjustment, credit balance, self-reporting refund or other reporting or disclosure process established by the appropriate Government or Non-government Payor. When a Government Payor Overpayment has been calculated using statistical sampling methodology, HQ will describe the sampling extrapolation methodology in the report.

6. Claim Corrections in Billing System: The billing department will determine the amount of overpayment after the payor has recouped the dollars and adjusted the claim. The billing department will communicate these types of Overpayments to the OCIAP on a quarterly basis.

7. Substantial Overpayment: The Chief Compliance Officer, after receiving approval from General Counsel, must report the Substantial Overpayment to the Audit and Compliance Committee of the Board of Directors.

**B. Rebilling Process**

1. For claims identified as requiring correction via the billing system, upon receipt of an email communication summarizing the information, the Billing Director, or designee, will initiate and oversee the rebilling process to correct the erroneous claims. The rebilling process will be tracked in the centralized audit repository. The Billing Director, or designee, will notify the OCIAP once the rebilling process is complete.

The Billing Director or designee will promptly initiate and oversee a claim adjustment process. All claim adjustments will be reviewed by the billing department on a weekly basis. The Billing Director or designee will inform OCIAP in writing if research reveals that an Overpayment is likely to take more than thirty (30) days to refund. Any such cases will be reviewed with the
DEFINITIONS:

**Government Payor**: Any plan or program that provides health benefits, whether directly, through insurance, or otherwise, that is funded directly, in whole or in part, by the United States Government, New York State or Connecticut, including but not limited to: Medicare, Medicaid, Managed Medicare, Managed Medicaid, Tricare/VA/CHAMPUS, SCHIP, Federal Employees Health Benefit Program, National Association of Letter Carriers HBP, Indian Health Service, health services for Peace Corps volunteers, Railroad Retirement Benefits, Federal Black Lung Program, services provided to federal prisoners, Pre-Existing Condition Insurance Plans ("PCIPs"), Section 1011 requests, New York State Department of Corrections, NY Crime Victims, and AIDS Drug Assistance Program ("ADAP").

**Identification Date**: The date on which HQ has determined, after a reasonable opportunity to conduct an appropriate review or investigation of the Potential Overpayment, determined an Overpayment exists and has quantified the amount of the Overpayment.

**Identified Overpayment**: HQ has determined that it has received or retained funds from a Government or Non-government Payor that it is not entitled to, but Reasonable Diligence has not been completed and an Identification Date has not been determined.

**Lookback Period**: The period six (6) years from the date the Overpayment was received for Government Payors, or contractual or appropriate period from the date the Overpayment was received for Non-Governmental Payors.

**Non-Government Payor**: Any entity that is not a Government Payor and has paid or reimbursed HQ for healthcare services provided to HQ patients.

**Overpayment**: Funds HQ received or retained from a Government or Non-government Payor during the Lookback Period that HQ has determined, through Reasonable Diligence, that it is not entitled to, and for which it has established an Identification Date of the Overpayment.

**Potential Overpayment**: A suspected Overpayment that requires further research and confirmation.

**Potential Substantial Overpayment**: A Potential Overpayment that occurred due to either an isolated error or a pattern of errors that totals $200,000 or more for one provider number.
Reasonable Diligence: A timely, good faith investigation that determines if HQ has received or retained an Overpayment and has quantified the excess amount. The investigation and quantification will be concluded at most six months from the receipt date of information that supports a reasonable belief that an Overpayment may have been received.

Substantial Overpayment: An Overpayment that occurred due to either an isolated error or a pattern of errors which total $200,000 or more for one provider number.

REFERENCES:
81 Federal Register, February 12, 2016, p7654.
42CFR 401.301, 303, 305 Reporting and Returning of Overpayments.
HQ 5.1.25 Compliance Disclosure Program Policy

POLICY HISTORY:
Supersedes: 9/21/2018
Original Implementation Date: 10/25/2017
Date Reviewed: 9/25/2019

APPROVAL:

[Signature]
Policy Owner

[Signature]
Date
9/30/19