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| **DEPARTMENT:** Regulatory Compliance Support | **POLICY DESCRIPTION:** Correction of Errors Related to Federal and State Healthcare Program FFS Reimbursement |
| **PAGE:** 1 of 4 | **REPLACES POLICY DATED:** 1/1/2017 |
| **EFFECTIVE DATE:** January 1, 2025 | **REFERENCE NUMBER:** REGS.GEN.015 |
| **APPROVED BY:** Ethics and Compliance Policy Committee | |

**SCOPE:** All Company-affiliated facilities, including, but not limited to, hospitals, ambulatory surgery centers, home health agencies, hospice agencies, physician practices, urgent care centers, clinical laboratories, outpatient imaging centers, freestanding radiation oncology centers, service centers, patient logistic centers, HealthTrust Workforce Solutions, joint ventures and all Corporate Departments, Groups, Divisions and Markets.

**PURPOSE:** To establish a process to (1) report and return identified overpayments from Federal healthcare programs, and (2) collect underpayments due to the Company from Federal healthcare programs.

**POLICY:** The Company will review potential payment errors and will address them in a timely manner. Overpayments that have been identified will be reported and refunded to the appropriate Federal healthcare programs within 30 days, when practicable, but in no event later than 60 days from the date on which the overpayment was identified. Cost report overpayments will be handled as outlined in Company policy RB.009 – Reporting of Cost Report Overpayments. The Company will report errors that require collection of underpayments to the appropriate Federal healthcare program in a timely manner.

**PROCEDURE:**

1. Anyone who has reliable information about a pattern of potential overpayments from a Federal healthcare program must report the information to (i) a supervisor or member of management, (ii) the Facility/ Shared Service Center Ethics and Compliance Officer (ECO), Home Health/Hospice Agency or Regional ECO, and/or (iii) the Ethics Line. This notification should include a narrative description of the matter, with as much specificity as possible, to assist in further review. For example, a detailed description of the issue, the type of service (inpatient, outpatient, hospital, physician, etc.), and the affected service line(s) (e.g., radiology, oncology, lab, etc.).

   Generally, isolated clerical errors, unintended patient specific coding/charging/billing errors, or any other non-repetitive errors (*i.e.*, errors that only affect a single claim or handful of claims) resulting in an identified overpayment should be addressed in the ordinary course of business and reported and refunded to the appropriate Federal healthcare programs within 30 days, when practicable, but in no event later than 60 days from the date on which the overpayment was identified.

2. The person to whom the report is made will be responsible for submitting the issue to the Regs Helpline at https://regshelpline.app.medcity.net (with a copy to the applicable Facility/ Shared Service Center ECO), within three (3) business days of when the matter was first raised.

3. Regulatory Compliance Support (Regs) personnel, in discussion with the appropriate personnel with operational responsibility for the areas involved, will facilitate a review of the matter.

Based upon the findings of the review, Regs will consult, as necessary and appropriate, with responsible operators, Legal, Ethics & Compliance, Parallon, and other relevant parties to determine (i) if an initial overpayment has been identified, and (ii) if a good-faith review should be undertaken to identify the existence of related overpayments that may arise from the same or similar cause or reason as the initially identified overpayment. Generally, such good-faith reviews will be completed in a timely manner, e.g., within 180 days of the initially identified overpayment. This would include a determination as to the initial matter and overpayments that may arise from the same or similar cause or reason as the initially identified overpayment.

5. If an overpayment has been identified:
    a. Regs will take prompt action to (i) notify the appropriate personnel with operational responsibility for the impacted claims of the identified overpayment amount, and (ii) coordinate with such personnel regarding the method for reporting and returning the overpayment.
    b. Management for the areas with operational responsibility will correct the cause of the overpayment on a going forward basis and take other remedial measures as may be necessary to minimize the likelihood of recurrence. In addition, other appropriate corrective actions should be undertaken, which may include education and training of staff, revisions to policies, processes or systems, information system changes, ongoing monitoring and auditing, disciplinary actions for personnel consistent with Company policies and procedures.

6. The appropriate personnel with operational responsibility will work within their respective organization to ensure that the identified overpayment will be timely reported and returned within 30 days, when practicable, but in no event later than 60 days after the date on which the overpayment was identified (subject to any timely, good-faith reviews to identify the existence of any related overpayments as set forth in Section 4 above). Depending on the situation, the refund may be made by check, claims adjustment, charge correction, credit balance or other government-approved process for reporting and returning of overpayments.

7. All other Company reviews or audits (e.g., Revenue Integrity, Coding Reviews, and Internal Audit OPPS) must have processes to ensure that (i) identified overpayments are reported and returned within 30 days, when practicable, but in no event later than 60 days after the date on which the overpayment was identified (subject to any timely, good-faith review to identify the existence of any related overpayments as set forth in

Section 4 above), and (ii) any patterns of potential billing errors are referred to the Regs Helpline.

8. If an underpayment error is identified, the Company may request additional payment, as permissible.

**DEFINITIONS:**

**Federal healthcare programs**: Any (i) plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government (other than the health insurance program under chapter 89 of title 5 of the United States Code — the Federal Employees Health Benefit Program), or (ii) State health care program, as defined in 42 U.S.C. § 1320a-7(h).

Federal healthcare programs include, at a minimum, the following:

- Medicare Program, Parts A & B (Title XVIII of the Social Security Act); (but not Medicare managed care plans);
- Medicaid (Title XIX of the Social Security Act); (but not Medicaid managed care plans);
- Federal Prison Hospitals (prisoners);
- Indian Health Service;
- OWCP (workers' compensation for federal employees);
- Public Health Service;
- Railroad Retirement Board;
- The Black Lung Program;
- TRICARE/CHAMPUS/Department of Defense healthcare programs (Chapter 55 of Title 10, United States Code); and
- Veterans Administration (VA).

**Identified:** The date on which the Company knowingly receives or retains an overpayment from a Federal healthcare program as defined herein.

**Knowingly:** Has the same meaning as set forth in the Federal False Claims Act 31 U.S.C. § 3729(b)(1)(A) and means that a person, with respect to information (1) has actual knowledge of the information, (2) acts in deliberate ignorance of the truth or falsity of the information, or (3) acts in reckless disregard of the truth or falsity of the information.

**Overpayment:** Any funds that the Company has received or retained under a Federal healthcare program to which the Company, after applicable reconciliation, is not entitled.

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**REFERENCES:**


1. Medicare Program: Reporting and Returning Overpayment Final Rule, February 12, 2016
2. Calendar Year 2025 Payment Policies under the Physician Fee Schedule and Other Changes to Part B Payment and Coverage Policies; Medicare Shared Savings Program Requirements; Medicare Prescription Drug Inflation Rebate Program; Medicare Overpayments, 81 Fed. Reg. 7654 (December 9, 2024)
3. 42 C.F.R. § 401.305
4. Reporting Compliance Issues and Occurrences to the Corporate Office – EC.025
5. 42 U.S.C. § 1320a-7k(d)
6. 31 U.S.C. §§ 3729(a)(1)(G), 3729(b)(1)(a)(i) – (iii)