

Policy 1.24 - Refunds to Patients

It is the policy of Family MedCenters, P.A. to return all monies that are not due to Family MedCenters, P.A.. These may include overpayments from patients or third-party payers. Family MedCenters, P.A. is committed to comply with state and federal laws, as well as to minimize the impact that refunds have on receivables (i.e., refunds negate receivables).

PROCEDURES

1. When overpayments are posted to an account by the payment coordinator or designated staff, the overpayment is reviewed within one business day.
 - a. If the credit balance is recognized to be caused by a posting error such as a duplicate payment/contractual entry, misapplied charge/credit, or incorrect patient account adjustment, Family MedCenters, P.A. staff member corrects the balance.
 - b. If there is no error determined or a credit balance remains following correction of the posting errors, the staff member ascertains the party (e.g., patient, third-party payer) entitled to the refund.
 - c. In the event that the overpayment is due to a patient, a refund is issued to the guarantor of the account (see related policy 1.23 on Refunds to Third-Party Payers).
2. The account with the credit balance is given to a designated staff member who researches the credits within two business days.
 - a. A thorough review of the account and associated explanation of benefits is conducted to determine the cause of the credit balance.
 - b. A review of all payments and adjustments is performed to ensure that they were posted correctly.
 - c. If it is determined that a posting error caused the credit balance, a correction to the account is posted immediately by the payment coordinator or designated staff.
3. The designated staff member assures a proper review of the account by confirming the following criteria:
 - a. Patient name;
 - b. Date of service;
 - c. Social Security number, if available;
 - d. Date of birth;

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- e. Amount billed; and
 - f. Whether it is the payer or patient that receives the refund.
4. Documentation of the findings of the account review is placed in the notes section of the patient's account.
5. If a third-party payer is determined to receive a refund, refer to policy 1.23 on Refunds to Third-Party Payers for the correct refund process.
6. A credit balance report for payers is generated monthly to determine any unresolved credit balances.
 - a. These balances are researched and resolved within 30 days.
7. If it is determined that the patient is due a refund, a staff member completes a Refund Request Form (see related policy 1.23 on Refunds to Third-Party Payers) and presents it to accounting to initiate the refund.
8. On a monthly basis, refund checks are processed to patients.
 - a. Accounting prepares the refund check, and gives it to the designated staff member to review and enter into each patient's ledger.
 - b. At minimum, three employees, including one supervisor, are involved in an account in which a refund check is sent. At no time will the person printing the check be the same person that is posting the check to the patient account.
 - c. After the approval of the business office manager or designee, the check is sent to the guarantor of the designated patient account.
9. Credit balances of less than \$10 are not refunded.
10. If a patient due credit balance occurs for a guarantor with multiple patients on the account and a debit balance remains on the total account, the credit is posted as an open balance payment on the account.
11. If a patient due credit balance occurs for a guarantor who has a service scheduled, the credit is posted as a payment on the account to be used for the next encounter.
12. The reason for the refund shall be entered as the adjustment transaction code for future reporting and monitoring so that corrections to processes can be initiated where necessary. The reason codes shall be the same as those designated by the Centers for Medicare and Medicaid Services (CMS) and listed on the Refund Request Form (see related policy 1.23 on Refunds to Third-Party Payers).
13. In accordance with the time frame and protocols established by state law, Family MedCenters, P.A. reports and tenders to the appropriate representative of the state all unclaimed funds subject to escheat (see related policy 1.25 on Unclaimed Property Escheat).