

TITLE: Global Compliance Issues Refund Process

POLICY/PURPOSE:

Refunds stemming from global compliance issues are to be handled differently than routine compliance refunds as they may be large in scope and involve statistical sampling. Global compliance issue refund checks must be sent to the payer along with a cover memo signed by the Director of Compliance (the “Director”) that explains the nature and time frame of the review as well as the sampling methodology used to determine the refund amount (when applicable). Because the refund cover memo must be signed, must reference the refund check number and amount, and requires various attachments, the following procedure has been established to ensure the refund check is sent with the appropriate information in a timely manner.

DEFINITIONS:

Back-up Documentation – A spreadsheet of audit findings. If a Sampling Review, Back-up Documentation will also include the Overcharge Estimation Worksheet for each payer.

Census Review – A review where all charges in a defined universe or population of charges are reviewed.

Overcharge Estimation Worksheet – A template used for Sampling Reviews to extend the audit findings across the universe of paid charges to arrive at an overpayment estimation with an acceptable margin of error. There is a Worksheet for Florida Medicaid and another for other non-Florida Medicaid payers.

Sampling Review – A review where a random sample of charges in the charge universe are selected randomly using an approved statistical sampling methodology. Sampling reviews are performed when there are greater than fifty (50) charges in the universe. Results from a sampling review may be extended across the universe of charges to arrive at an overpayment estimation with an acceptable margin of error.

PROCEDURE:

A. General.

1. The Compliance Department Focused Review Analyst (the "FRA") will send Back-up Documentation to the Clinical Data Quality Department Billing Refund Analyst (the "BRA") to verify the refund amount. The BRA will add payer identification numbers for each patient and complete a refund request form based on the Focused Review Analyst's (the "FRA") findings. The BRA will contact the FRA via e-mail with the verified refund amount and indicate which global issue is being refunded. The FRA, with the assistance of the Director will draft a payer specific refund cover letter and will include the dollar amount to be refunded.
2. Refund amounts of \$5,000 or greater (per issue) must be approved by the Dean of the College of Medicine – Jacksonville before the individual payer refund(s) may be requested and processed.
3. Overpayments must be refunded within sixty (60) days of verification.

B. Census Reviews.

1. The FRA, in consultation with the Director, will compose a draft refund cover letter for census reviews when:
 - the total amount to be refunded is \$2,500.00 or more; or
 - the total amount to be refunded is less than \$2,500.00 but the issue has not been previously disclosed; or
 - the refund is being made to Florida Medicaid, regardless of the total amount to be refunded or the status of the issue.
2. The draft refund cover letter will include audit scope, methodology, timeframe, results and methods to minimize recurrence of the error(s) at issue.
3. The BRA will compose a brief refund cover letter when the total amount to be refunded is less than \$2,500.00 AND the issue has been previously disclosed to the specific payer AND the payer is NOT Florida Medicaid.

4. If the BRA composed the refund cover letter and mailed the check, the BRA will send the FRA copies of the refund check, Back-up Documentation, refund cover letter and certified U.S. mail receipt. The FRA will electronically save the documentation in the specific review's folder on the private Compliance drive.
5. The FRA will send a summary memo to the respective Compliance Leader, Chair and Business Group Manager of finalized issue, refund amount and payers involved. The UF College of Medicine – Jacksonville Dean, the Associate Dean for Clinical Affairs, the interim Chief Compliance Officer, and the UFJPI Vice President of Operations will also be copied. The Clinical Data Quality Department's Surgical Coding Manager will be copied on any reviews that include surgical procedures performed in an operating room setting.

C. Sampling Reviews.

1. The FRA, in consultation with the Director, will compose all draft refund cover letters for sampling reviews, which will include audit scope, methodology, timeframe, results and methods to minimize recurrence of the error(s) at issue.
2. The FRA will forward the approved draft refund cover letter to the BRA via e-mail.
3. The BRA will attach the Back-up Documentation to the refund request form. The refund request form must contain a "red dot" to indicate it is a compliance refund that requires immediate attention.
4. The BRA will forward the Back-up Documentation, and refund request form to the designated Accounts/Payable Representative ("A/P Representative").
5. The A/P Representative will return the check and Back-up Documentation to the BRA.
6. The BRA will contact the FRA so the refund cover letter can be finalized to include the check number, revised date of letter, and signature of the Director.

7. The FRA will attach the refund check and Back-up Documentation to the final refund cover letter and mail to each applicable payer via Federal Express or certified U.S. mail.
8. The FRA will send copies of refund checks, Back-up Documentation and final refund cover letters to the BRA.
9. The FRA will send a summary memo to the respective Compliance Leader, Chair and Business Group Manager of finalized issue, refund amount and payers involved. The UF College of Medicine – Jacksonville Dean, the Associate Dean for Clinical Affairs, the interim Chief Compliance Officer, and the UFJPI Vice President of Operations will also be copied. The Clinical Data Quality Department’s Surgical Coding Manager will be copied on any reviews that include surgical procedures performed in an operating room setting.
10. The FRA will save electronic copies of the refund check, Back-up Documentation, refund cover letter and certified U.S. mail receipt in the specific folder on the private Compliance drive.

D. Billing System Transactions.

Billing system transactions (paycodes, adjustments, messages, etc.) may be completed after the refund check has been mailed and will be performed by the BRA.

E. Reporting.

At the end of each quarter, the BRA will provide the Director a list of refunds issued during that quarter for Focused, Expansion and Risk Reviews.

REFERENCES:

42 CFR 401.305 (b) (i)
42 CFR 422.326 (d)
42 CFR 423.360 (d)
42 USC 1320 (d)

APPROVED BY:

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