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## Voluntary Refund Checks from Providers, Suppliers

The Office of the Inspector General (OIG), working with the Department of Justice and the Centers for Medicare and Medicaid Services (CMS), created two initiatives to help combat health care fraud and abuse and to encourage providers to comply with Federal health care program regulations:

- Compliance Program Guidances
- Corporate Integrity Agreements

Both initiatives are designed to ensure that the providers/suppliers refund inappropriately received Medicare monies back to the trust funds.

Compliance Program Guidances (which are voluntary) are designed to provide guidance to health care providers/suppliers to develop effective internal controls that promote adherence to the program requirements of federal, state, and private health programs. Currently, Compliance Program Guidances have been published for hospitals; home health agencies; clinical laboratories; and third-party medical billing companies.

CIAs are entered into between a health care provider/supplier and OIG as part of a global settlement of a fraud investigation. Under the CIA (which can be for a period ranging from three to five years), the provider/supplier is required to undertake specific compliance obligations, such as designating a compliance officer, undergo training, and auditing. The provider/supplier must report regarding their compliance activities on an annual basis to OIG, which is responsible for monitoring the agreements.

## Voluntary Refunds

All Medicare contractors receive *voluntary refunds*, or money not related to an open accounts receivable. WPS will deposit any voluntary refund checks within 24 hours of receipt and will apply the appropriate amount against any established account(s) receivable. Adjustments will then be made to the claims and/or the claim history file for the identified claims. The exception to this standard accounting practice is for checks with conditional endorsements which are statements intended to imply that the deposit of the check will clear the sender's account. Statements such as "payment in full" or "paid in full" written on the check or accompanying correspondence may not, in fact, discharge the debt to Medicare. Checks with conditional endorsements are deposited, but WPS will then send the debtor the following notice by *certified mail*:

*"This is to acknowledge the receipt of the repayment in the amount of \$XX, check number XX. The matter is being investigated, however, the amount of the repayment may be insufficient to discharge the obligation and the debt may not be fully extinguished."*

Providers should complete the following *Overpayment Refund* form when returning voluntary refund checks to assure that the monies are credited timely and accurately. Providers who are subject to a CIA should report that information when sending in a voluntary refund for credit and reporting to OIG. Wisconsin, Illinois, Michigan, and Minnesota providers should send refunds with the refund form to the following respective addresses.