Medicare Overpayments

Overpayments are Medicare funds that you or a beneficiary has received in excess of the amount allowed payable under the Medicare statute and regulations.

Once a determination of an overpayment has been made, the amount of the overpayment is a debt owed to the United States Government, via Novitas Solutions, as one of its Medicare contractors.

Note: If you have questions related to the overpayment process, please contact our Customer Service Center ([JH](http://www.novitas-solutions.com/webcenter/portal/MedicareJH/pagebyid?contentId=00024917)) ([JL](http://www.novitas-solutions.com/webcenter/portal/MedicareJL/pagebyid?contentId=00003673))

Reasons for Overpayment

A provider is liable for an overpayment received unless they are "without fault". "Without fault" means that you could not have known or been expected to know that this was an overpayment. On the other hand, "with fault" means that you should have known or been expected to know that this was an overpayment.

Examples of overpayments where you could be liable include, but are not limited to, the following:

* Payment exceeds the reasonable charge for the service
* Duplicate payments of the same service(s)
* Incorrect provider payee
* Incorrect claim assignment resulting in incorrect payee
* Payment for non-covered, non-medically necessary services
* Services not actually rendered
* Payment made by a primary insurance
* Change in year of service

Identifying an Overpayment

Voluntary Refund (Provider/Beneficiary Reported)

A voluntary/unsolicited refund made to Novitas when a provider has discovered an error, which resulted in an overpayment.

Overpayments can be identified in the following processes:

* Beneficiary or provider may find the payment error
* A contractor employee may discover the overpayment during a review process
* [Use of Statistical Sampling](Ddocname:00163515)
* [Voluntary Disclosures](Ddocname:00163514)
* If the amount of deductible or coinsurance liability collected from the beneficiary changes because of the identified overpayment, the provider must return the over collected funds to the beneficiary as appropriate.

The following document will help you to notify us of an overpayment.

* [Notifying Medicare of an Overpayment](Ddocname:00163511)

To facilitate prompt and accurate credit of unsolicited monies or voluntary refunds to Medicare, we developed a Return of Monies to Medicare form.

* [Return of Monies to Medicare Form](Ddocname:00163513)

Novitas follows the process below when a provider sends us money in error.

* [Overage checks](Ddocname:00163516)

The following process explains how to discontinue participation with the immediate offset recoupment process:

* [Discontinuing an Immediate Offset](Ddocname:00163518)

Solicited Refund (Novitas Initiated)

When an overpayment is identified a claim adjustment will occur. This will create a receivable account which will issue a demand letter requesting repayment.

Overpayments can be identified by the following processes:

* Through the cost report settlement process (Part A only)
* A medical director's decision may result in identification of an overpayment
* A claims processing department may identify an overpayment while processing subsequent claims

The following are different ways Novitas will address an overpayment:

* [Initial Notice of Overpayment/Methods of Repayment](Ddocname:00163517)
* [Withheld for Offset](Ddocname:00163521)
* [Aggregation of Overpayment Amounts](Ddocname:00163520)
* [Uncollectible Overpayments](Ddocname:00163522)
* [Tax Levies](Ddocname:00163523)

[Unsolicited Voluntary Refunds Notification 2023](ddocname:00272508)

Appeal

If you disagree with a refund request, you may choose to appeal the notice of overpayment. An appeal rights statement will be included in the initial refund letter.

* [Appeal of the Notice of Overpayment](Ddocname:00163524" \t "_top)

* [Limitation of Recoupment Process (Medicare Modernization Act 935)](Ddocname:00163525" \t "_top)

Extended Repayment Schedule

Extended Repayment Schedule is an option of returning overpaid money to Novitas when you need extra time to repay the full amount of the overpayment.

* [Instructions for Filing an Extended Repayment Schedule](Ddocname:00163526" \t "_top)

Bankruptcy

If you file for bankruptcy, Novitas Solutions must be notified immediately. Please submit a copy of the original Voluntary Petition Bankruptcy Filing.

* [Bankruptcy](Ddocname:00163527" \t "_top)

Accelerated Payment

Accelerated payments shall be approved by Novitas and the appropriate CMS regional office. The regional office will review each request for an accelerated payment to ensure that the provisions are being correctly and consistently applied.

* [Accelerated Payment - Part A Only](Ddocname:00163528" \t "_top)

* [Advance Payment - Part B Only](Ddocname:00163529" \t "_top)

[](https://cmsmacfedramp.gov1.qualtrics.com/jfe/form/SV_6KEyabc8nFaHnMO)