

40.2 - Refunds and Recoupment

(Rev. 77, Issued: 10-28-05, Effective Date: 10-28-05)

(42 CFR 417.456(b)) A *Medicare cost plan must* agree to refund all amounts **incorrectly collected** from its Medicare enrollees, or from others on behalf of the enrollees, and any **other amounts due** the enrollees or others on their behalf.

(42 CFR 417.456(a)) **Amounts incorrectly collected** means amounts collected that are in excess of those due to:

- Deductibles;
- Coinsurances;
- Non-covered Medicare services (which are not supplemental benefits);
- Services for which Medicare is not the primary payer; or
- Supplemental benefit premiums and copays.

Amounts incorrectly collected include amounts collected when the enrollee was believed not entitled to Medicare benefits, *and the services were furnished while the person was enrolled in the cost plan*, if the enrollee is later determined, upon appeal, to have been entitled to Medicare benefits and CMS is liable for these payments.

Other amounts due means amounts due a Medicare enrollee for services obtained outside the Medicare cost plan if they were:

- Emergency services;
- Urgently needed services for which the *Medicare cost plan* has assumed financial responsibility; or
- On appeal, found to be services the enrollee was entitled to have furnished by the *Medicare cost plan*.

In general a *Medicare cost plan* may make payments to enrollees either in the form of lump sum payments, premium adjustment, or both.