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Title 22@ Social Security

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Division 3@ Health Care Services

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Subdivision 1@ California Medical Assistance Program

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Chapter 3@ Health Care Services

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Article 1.5@ Provider Audit Appeals

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Section 51047@ Recovery of Overpayments

## **51047 Recovery of Overpayments**

### **(a)**

When it is established upon audit that an overpayment has been made to a provider, the Department shall begin liquidation of any overpayment to a provider 60 days after issuance of the first Statement of Accountability or demand for repayment. The demand for repayment or Statement of Accountability shall be issued no later than 60 days after the issuance of the audit or examination report establishing such overpayment. The overpayment shall be recovered by any of the following methods: (1) Lump sum payment by the provider. (2) Offset against current payments due to the provider. (3) A repayment agreement executed between the provider and the Department. (4) Any other method of recovery available to and deemed appropriate by the Director.

#### **(1)**

Lump sum payment by the provider.

#### **(2)**

Offset against current payments due to the provider.

#### **(3)**

A repayment agreement executed between the provider and the Department.

#### **(4)**

Any other method of recovery available to and deemed appropriate by the Director.

### **(b)**

An offset against current payments shall continue until one of the following occurs:

(1) The overpayment is recovered. (2) The Department enters into an agreement with the provider for repayment of overpayment. (3) The Department determines, as a result of proceedings under this article, that there is no overpayment.

**(1)**

The overpayment is recovered.

**(2)**

The Department enters into an agreement with the provider for repayment of overpayment.

**(3)**

The Department determines, as a result of proceedings under this article, that there is no overpayment.

**(c)**

The provider shall pay interest at the rate of seven percent per annum on any unrecovered overpayment in all cases where the statement of account status was issued before June 28, 1981. In all other cases, the provider shall pay interest as provided by Welfare and Institutions Code Section 14171(f).

**(d)**

Nothing in this section shall prohibit a provider from repaying all or a part of the disputed overpayment without prejudice to his right to a hearing under this article.

**(e)**

Any recovered overpayment that is subsequently determined to have been erroneously collected shall be promptly refunded to the provider, together with interest computed at the legal rate of seven percent per annum from the date of such liquidation or 60 days after issuance of the audit or examination findings,

whichever is later. The provisions of this paragraph shall apply only to those overpayments determined by audit reports issued after April 6, 1976 and before June 28, 1981. In all other cases, interest shall be paid in accordance with the provisions of Sections 14171(e) and 14172.5, Welfare and Institutions Code.

**(f)**

As used in this section, "Statement of Account Status" also includes statement of accountability or demand for repayment.