Title: Overpayment Self-Disclosure Policy	
Review date(s): 7.14.2025; 11.14.2025	**Approved by:** Jenifer Cathy, President and CEO
Revised date(s): 7.14.2025; 11.14.2025	**Policy Owner:** Mary LaDuca, Chief Operating Officer
Approved Date: November 15, 2025	**Original Effective Date:** March 30, 2025

Purpose

This policy establishes the organization's requirements for identifying, reporting, returning, and disclosing overpayments received from any payer source. This includes Medicaid, Medicaid Managed Care, commercial insurance plans, third party payers, grant funders, and self-pay. The purpose is to ensure compliance with federal and state law, contractual obligations, and the New York State Office of the Medicaid Inspector General requirements. Delphi Rise is committed to integrity, transparency, and accountability in all financial transactions and billing practices.

Scope

This policy applies to all affected individuals of Delphi Rise. Affected individuals include employees, the chief executive, senior administrators, managers, contractors, agents, subcontractors, independent contractors, members of the governing body, and corporate officers whose functions relate to, or could impact, Delphi Rise's identified compliance risk areas.

Within that group, this policy specifically applies to all individuals involved directly or indirectly in billing, claims processing, service documentation, auditing, accounting, contract oversight, or compliance activities. This includes, but is not limited to:

- Billing Department
- Finance Department
- Program Managers
- Senior Leadership
- Clinical and administrative staff responsible for documentation
- Compliance Officer

Policy Statement

Delphi Rise must report, return, and explain all overpayments in accordance with federal law, state law, payer agreements, and OMIG regulations.

Definition of an Overpayment

An overpayment is any amount of money received to which Delphi Rise is not legally entitled. Overpayments include, but are not limited to:

- Billing or coding errors
- Eligibility errors
- Duplicate payments
- Payments above the contracted or published rate
- Payments for services not rendered
- Payments for undocumented services
- Credentials or license lapses affecting payment
- Payer recoupment requests
- Disallowances from grant funders
- Self pay errors
- Retrospective rate adjustments

When an Overpayment is Identified

Under 18 NYCRR Part 521, an overpayment is considered identified when Delphi Rise:

1. Has determined, or reasonably should have determined, that an overpayment exists, and
2. Can quantify the overpayment or has enough information to begin quantification.

This standard applies even if the organization has not yet completed an audit or finalized internal documentation.

Legal Requirements

• All overpayments must be reported and returned within sixty calendar days of identification or by the due date of any applicable cost report, whichever is later

• All Medicaid related overpayments must be fully repaid within six months unless OMIG approves an extension

• Repayment through a Medicaid Managed Care Organization does not eliminate the requirement to assess whether an OMIG self disclosure is required

• Systemic errors, significant findings, or potential fraud, waste, or abuse must be escalated to the Compliance Officer and CEO immediately

Failure to meet these requirements may expose Delphi Rise to civil monetary penalties, administrative sanctions, or liability under the False Claims Act.

OMIG Self Disclosure Requirements

Types of Disclosures

OMIG requires two types of self disclosures:

1. Abbreviated Self Disclosure

Used for simple, claim level errors that can be clearly explained and corrected. Examples include:

• Duplicate billing

• Retro eligibility issues

• Typographical or coding errors affecting one or two claims

• Incorrect rate applied to a single claim

2. Full Self Disclosure

Required when issues are complex, systemic, or pose program integrity concerns. Examples include:

• Documentation does not support services billed

• Missing or invalid credentials

• System errors affecting a period of time

• Incorrect coding methodology

• Unsupported units of service

• Issues involving more than one or two claims

• Potential fraud, waste, or abuse

• Payments not tied to a claim

Delphi Rise must determine the correct pathway for each overpayment.

Required Elements of Internal Investigation

Every overpayment review must include:

• A clear description of how the issue was discovered

• A root cause analysis

• The affected date range

• Review of similar claims to determine if the issue is widespread

• A valid methodology for calculating the full amount owed

• Use of a statistically valid sampling method when applicable
• Corrective action steps taken
• A determination of whether the issue indicates fraud, waste, or abuse

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Roles and Responsibilities

All Staff

All staff must immediately report suspected or known overpayments to the Billing Department. Failure to report may result in disciplinary action.

Billing Department

Billing is responsible for:

• Performing a preliminary review
• Identifying the payer involved
• Categorizing the issue
• Determining whether an OMIG disclosure may be required
• Compiling documentation including claims data, calculations, and corrective actions
• Forwarding the review to the Finance Director within ten business days

Finance Director

The Finance Director is responsible for:

• Reviewing all supporting documentation
• Coordinating repayment to the payer
• Completing OMIG Full or Abbreviated Self Disclosure submissions when applicable
• Ensuring repayment is completed within required timeframes
• Tracking cases until OMIG issues closure
• Maintaining records for ten years
• Notifying the CEO and Compliance Officer of significant findings

Compliance Officer

The Compliance Officer is responsible for:

• Monitoring adherence to overpayment rules under state and federal law
• Determining when legal counsel must be consulted
• Identifying systemic errors
• Ensuring corrective action and staff training
• Reporting significant overpayment activity to Senior Leadership and the governing body as required by Part 521

Overpayment Resolution Procedures

Step 1. Identification and Reporting

• Staff report the concern
• Billing performs an initial review
• Documentation is gathered

Step 2. Determination of Reporting Requirements

• Billing and Finance determine whether reporting to OMIG, Medicaid Managed Care, commercial insurance, or grant funders is required

Step 3. Repayment

• Repayment must occur within legal and contractual timeframes
• Medicaid related overpayments must be repaid within six months
• All actions must be fully documented

Step 4. Confirmation and Case Closure
- Finance tracks outstanding repayments
- OMIG closure notices are retained
- Compliance ensures corrective actions have been implemented

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Enforcement and Accountability
Failure to return overpayments or improper delay of disclosures may result in disciplinary action, up to and including termination of employment or termination of contracts. Serious violations may require consultation with legal counsel. The CEO and governing body will receive periodic updates on self disclosure activity.

Record Retention
All overpayment documentation must be kept for ten years.

Training Requirement
Overpayment identification, reporting, and disclosure requirements shall be included in annual compliance training.

Related Policies
- Corporate Compliance Plan
- Fraud, Waste, and Abuse Prevention Policy
- Billing and Coding Policy
- Corrective Action Policy
- Whistleblower and Non-Retaliation Policy

References
- NYS Office of the Medicaid Inspector General: https://omig.ny.gov
- Social Services Law § 363-d
- 18 NYCRR Part 521-3
- 42 U.S.C. § 1320a-7k(d)
- 42 CFR § 433.316
- False Claims Act (31 U.S.C. §§ 3729–3733)