

Dear Sir, or Madam,

We are in receipt of a refund request in the amount of \$_____. According to our records, the claim has been paid accordingly and no credit balance is on the account. We have applied all appropriate contractual adjustments, if they apply, and the patient has been balanced billed for their responsibility, if any.

According to federal law, as a third party creditor, we cannot be held liable for mistakes on the insurer's part. We have obtained the patient insurance card provided at the time of service and there is no indication that, we as a provider would have known that we would not be entitled to 3rd party payment, based on the patient's representation. If you are claiming an overpayment, we received the payment and Explanation of Benefits in good faith, and did not bill the patient for the portion covered by the insurance based on your payment and Explanation of Benefits. We have provided services in good faith, and the funds received have been exhausted.

There are several court cases that come to mind on this circumstance. In 1992 California case found that, if a provider bills in good faith, and the insurance company accidentally pays them too much by the insurance company's calculation, that they cannot collect a refund from the provider, so long as there was no misrepresentation or fraud on the provider's part in billing (City of Hope Medical Center v. Superior Court of Los Angeles County (1992) 8 Cal.App.4th 633). (Also, Federated Mutual Insurance v. Good Samaritan Hospital, Wis. (1994))

We feel that we have been properly reimbursed for services rendered and no refund will be issued. If, in the future, you elect to deduct the alleged overpayment from future benefits to be paid, we will consult further legal counsel in order to insure that our rights, as indicated by case law, are preserved.

Please do not hesitate to call me if you have any questions or need additional information. You can contact me at (Phone# Inserted here)Monday – Friday, from 9am until 4pm, Eastern Standard Time.

Sincerely,

_____, Patient Billing Administrator

Refund Ref 12/4/97