



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

*"Touching Lives Every Day"*

## ***COMPLIANCE ALERT 10-31***

### ***Credit Balance Update: Time Period for Reasonable Review and Repayment***

We have received advice to clarify the rules for repayment of payables entered as credit balances. The standard that will be applied to determine if a payable is a credit balance is whether HHSC knows that the credit balance listed as a payable is an overpayment. If, after reasonable review and internal investigation, HHSC cannot determine that the amounts entered as credit balance payables are indeed overpayments, then such amounts will not be treated as known overpayments. Such amounts, however, may be treated as unclaimed property unless the facts indicate otherwise.

**What to do with unclaimed properties?** Without contrary information, if after reasonable review, a payable that was classified as a credit balance can not be determined to be an overpayment but yet there is no evidence to suggest anything other than a payable, the amounts owed should follow the standard process for Hawaii's unclaimed property law. This is because a reasonable person could infer that at some point HHSC felt that the amount was indeed owed to a third party since it was entered into HHSC's system as a payable. Such situations should be carefully reviewed with Finance to assure that the amounts are truly "unclaimed property."

**What is a "reasonable review"?** A reasonable review is a review of all documentation that is obtainable from HHSC's records, be it paper or electronic, that is able to be retrieved related to the dates in question. If the documentation does not exist, and someone has attempted to look for such documentation unsuccessfully, then the efforts to find the documentation should be documented.

**What is a "reasonable time for review"?** The reasonable time would be 60 days. During this period, HHSC should conduct the reasonable review and make a determination that either the facts identified and reviewed have shown that the amount 1) is an overpayment and should be repaid as a credit balance, 2) is inconclusive and should be treated as unclaimed property, or 3) is neither a credit balance nor unclaimed property and was listed as a payable in error.

**What is the time period for repayment?** Once a review has been completed and a credit balance identified, facilities have 60 days to repay the amount owed to Federal payers.