

Claim Refund And Collection Procedures

1.0 GENERAL

This section outlines **requirements** for claim refunds and installment repayments from providers and beneficiaries. Examples include ineligible beneficiaries, third party insurance, overpayments, duplicate payments, payments to wrong providers or beneficiaries, **and any unallowable costs under the terms of the contract.**

2.0 COLLECTION AND DEPOSIT PROCEDURES

Recoupment procedures shall follow the requirements listed in [Chapter 10](#).

2.1 Non-Underwritten Refunds, Collections, Etc.

The contractor shall make deposits to the applicable non-underwritten bank account as soon as possible but No Later Than (NLT) the close of the next business day from the time the contractor collects the funds from a beneficiary/provider. **Upon collection of monies from providers, beneficiaries, or other parties; the contractor shall immediately submit a credit TRICARE Encounter Data (TED) record citing the appropriate current fiscal year non-underwritten Contract Line Item Number (CLIN)/Automated Standard Application for Payment (ASAP) Account Number assigned to them by the TRICARE Management Activity (TMA), Contract Resource Management (CRM) (see the TRICARE Systems Manual (TSM), [Chapter 2, Section 1.1](#)).**

2.2 Underwritten Refunds, Collections, Etc.

2.2.1 Collections Occurring Before Administrative Closeout of the Underwritten CLIN

When a contractor has been reimbursed by the TRICARE Management Activity (TMA), a credit TED record is required immediately when an overpayment or otherwise unallowable cost is identified. Credit TED records for voluntary refunds and other unexpected collections will be submitted immediately upon receipt of funds. Credit TED records for overpayments that have not been collected and are related to a good faith payment may be done upon collection of funds rather than identification of overpayment (see [Chapter 10, Section 3, paragraph 7.0](#)). For "active" underwritten CLINs, all overpayments or unallowable costs shall be credited back to the CLIN the contractor originally billed. The contractor shall cite the current fiscal year underwritten CLIN/ASAP Account Number assigned by TMA, CRM that is associated with the CLIN billed originally (see the TSM, [Chapter 2, Section 1.1](#)). After the Government has been made whole by the contractor via the credit TED record for the contractor's reimbursement of the unallowable costs by the Government, any refunds, collections, or recoveries by the contractor is retained by the contractor. Any collection activity by the contractor shall be in accordance with [Chapter 10, Section 3](#).

2.2.2 Collections Occurring After Administrative Closeout of the Underwritten CLIN

After an underwritten CLIN has been administratively closed-out, the Government is unable to recover overpayments or unallowable costs (such as unallowable costs determined by audit) via TED records; as such, the contractor shall follow the instructions of the contracting officer or designee. After the administrative close-out of an underwritten CLIN, the contractor retains any collection of overpayments. Any collection activity by the contractor shall be in accordance with the [Chapter 10, Section 3](#). In order to maintain accurate records, the contractor shall submit a credit TED record upon identification of any overpayment amounts. For "in-active" CLINs, all credit TED records shall be submitted to TMA citing the Batch type CLIN/ASAP Account Number (see the TSM, [Chapter 2, Section 1.1](#)) TED records for voluntary refunds, unexpected collections, and collections relating to good faith payments will be submitted upon receipt of funds.

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