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PRESS RELEASE

For Immediate Release

Doctors Are Urged to Follow Due Diligence Process for Fiscal Clean Bill Of Health

States' Unclaimed Property Laws May be Unhealthy for the Healthcare Industry.

Tampa, Florida (August 28, 2012) ---- In order to raise revenue, state governments are cracking down on compliance with their unclaimed property laws. Josiah Osibodu, Managing Partner of Moyer & Osibodu wants the healthcare industry to know that non-compliance of unclaimed property laws could be costly for their private as well as group practices.

Because state governments have been feeling the pinch of a sluggish economy, they have become more diligent in going after healthcare providers that haven't filed an "Annual Report of Unclaimed Funds" or sent those unclaimed funds, such as outstanding patient credit balances and uncashed checks, to the states.

"Each state in the union has its own set of laws governing unclaimed property," explains Mr. Osibodu, "and in order to increase their revenue base, state governments are targeting non-compliant businesses. If a healthcare provider doesn't report their unclaimed property, they're setting themselves up for an audit, as well as face huge penalties and fines."

Although Florida has a limited exemption for healthcare providers, other states that a provider operates in and has employees, patients or vendors may not have exemptions from reporting certain unclaimed property. Common examples of unclaimed property are patient credit balances, payroll checks, vendor checks, customer deposits, insurance proceeds and refunds. It is this intangible property that state governments most often target healthcare providers.

In order to stay compliant, Moyer & Osibodu noted that there are four basic things that healthcare providers need to understand when it comes to Unclaimed Property laws:

- **The definition of unclaimed property.** Unclaimed property can be such things as an overpayment, either by health insurance plans or by the patient. Most state statutes specifically list "patient credit balances" and "insurance refunds" as types of property they would consider as unclaimed property. Uncashed refund checks that have been sent to a patient, as well as other forms of credit balances also fall under the umbrella of unclaimed property.

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- **Your state laws.** All businesses that are located and/or operate in a particular state or that hold funds belonging to the residents of that state are required to file an "Annual Report of Unclaimed Funds" and send the funds to the state agency on a yearly basis. Businesses, including healthcare providers, are required to review their records annually, to determine if they hold any funds that have remained outstanding or unclaimed for the required dormancy period. Once property has remained unclaimed by the rightful owner for the dormancy period, it becomes reportable. Each state has its own reporting forms and systems, but the majority of states have adopted the "National Association of Unclaimed Property Administrators' System" for electronic reporting.
- **Notification of unclaimed property.** All healthcare providers are required to notify and pay patients, employees and vendors of the unclaimed property. If a healthcare provider is holding unclaimed funds, they're required to send notification to the owners (i.e. patients, employees and vendors) to inform them that their property will be reported to the state government as unclaimed property. To meet this statutory due diligence requirement, the healthcare provider is required to send a notice to the owner's last known address on record, between 60 days and 120 days, before the reporting due date.
- **Monitoring the unclaimed property allows healthcare providers to concentrate on their patients' health:** Compliance with unclaimed property laws requires procedures and systems that are properly designed, used and, of course, documented. It's critical that controllers, office managers, bookkeepers and anyone handling the financials should familiarize themselves with the laws of their state. Protocols should be set up to "check on the credits or checks" and if it hasn't been cashed to contact the patient, employee or vendor.

Mr. Osibodu sums it all up by saying, "In the case of unclaimed property and healthcare providers, it's true that an ounce of prevention is worth a pound of cure. By simply putting procedures in place to report unclaimed property, healthcare providers can avoid potential audits and fines, and ensure a fiscal clean bill of health."

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About Moyer & Osibodu

Moyer & Osibodu offer unclaimed property consulting and annual compliance reporting in various industries such as healthcare, insurance, pharmaceutical, manufacturing, retail, insurance, healthcare, financial services, technology, media & telecommunications to ensure that clients are in compliance with the various states' unclaimed property laws and regulations. With over 50 years of collective experience gained from industry, public accounting and state, the team is well equipped to solve any unclaimed property compliance issues. Visit their website at www.MoyerOsibodu.com

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