

## 42 C.F.R. § 489.41

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### Timing and methods of handling.

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- (a) *Refund.* Prompt refund to the beneficiary or other person is the preferred method of handling incorrect collections.
- (b) *Setting aside.* If the provider cannot refund within 60 days from the date on the notice of incorrect collection, it must set aside an amount, equal to the amount incorrectly collected, in a separate account identified as to the individual to whom the payment is due. This amount incorrectly collected must be carried on the provider's records in this manner until final disposition is made in accordance with the applicable State law.

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