

March 28, 2003

Re: Your correspondence regarding "Capitated Primary Care Overpayments"

Dear XYZ:

We are in receipt of a refund request in the amount of \$1234567.89. According to our records, the books are closed on these claims, and because of laches you are not entitled to any payment. We have applied all appropriate contractual adjustments, if they apply, and the patients have been balance billed for their responsibility, if any. You have waited too long to raise this issue.

According to general legal rules, as an innocent creditor, we cannot be held liable for mistakes on the payor's part. We had obtained the patients' insurance cards provided at the time of service and based on that, believed that we were entitled to third party payments from you. We received the payments and explanations of benefits in good faith. We provided services in good faith and the funds received have been exhausted.

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 overpayments 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 123-456-7890.

Sincerely,

Your Best Friend