DEVELOPMENTAL DISABILITIES ADMINISTRATION
Olympia, Washington

TITLE:	CLIENT AND PROVIDER OVERPAYMENTS	POLICY 11.06

Authority:

42 C.F.R. § 433.312	Basic requirements for refunds
RCW 41.05A.170	Overpayment to Vendor
RCW 43.20B.630	Overpayments of assistance—Procedures—Adjudicative proceeding
RCW 43.20B.675	Vendor overpayments—Goods or services provided on or after July 1, 1998—Notice—Adjudicative proceeding—Enforcement—Collection—Rules
RCW 74.09.220	Liability for receipt of excess payments
WAC 182-520-0015	Long-term services and supports client overpayments
WAC 182-527-2742	Estate recovery—Service-related limitations
WAC 388-825-145	Will my benefits continue if I request an administrative hearing?
WAC 388-827-0400	What is an SSP overpayment?

PURPOSE

This policy provides direction to Developmental Disabilities Administration (DDA) staff for creation and submission of overpayments to the DSHS Office of Financial Recovery (OFR).

SCOPE

This policy applies to all DDA staff (except staff at residential habilitation centers) who process overpayments for the cost of DDA-authorized services.

DEFINITIONS

Client means a person who received services offered by the Administration based on their individual or family need.

Initiating an overpayment means completing the required forms and sending them to OFR or changing the service authorization and submitting a work request to the Health Care Authority to adjust the authorization.

Liability means the responsibility to repay to the Department of Social and Health Services (DSHS) the amount of an overpayment.

Office of Financial Recovery (OFR) means the office within the DSHS Economic Services Administration that issues and recovers debts due to DSHS.

Overpayment means any payment to a client or provider for goods or services in excess of that to which they were entitled by law, rule, or contract, including amounts in dispute.

Provider means a person or entity that provides goods or services to or for department clients.

State Supplementary Payment (SSP) is a state-paid cash assistance program for certain clients of DDA.

POLICY

A.   DDA may discover overpayments through internal reviews or external audits. A client or provider may also self-report an overpayment.

B.   An overpayment has occurred if a client or provider has received a payment for goods or services in excess of what the client or provider was eligible for by law, rule, or contract, including any disputed amounts.

C.   If the Department commits an error that causes an overpayment, the client or provider is liable for the debt.

D.   Any DDA employee aware an overpayment occurred must initiate an overpayment investigation as soon as possible. The currently assigned primary case manager is principally responsible for initiating overpayments involving cases assigned to them. Other DDA staff may also initiate overpayments. The overpayment must be tracked in the DDA Overpayment Tracker. The DDA employee who initiates the overpayment must add the overpayment to the tracker.

E.   After submitting an overpayment to OFR, the case manager must:

1.   Upload a copy of the overpayment documentation into RMT;

2.   Contact the necessary supplemental accommodation and representative payee; and

3.   Enter an SER note in CARE.

F.   When a client overpayment is initiated and the client has limited income and continues to receive DSHS services, the person completing the overpayment will also report the client's income and continuing services to OFR using DSHS 06-163, *DDA/OFR Client Information*. This link is available on the DSHS DDA intranet website only.

G.   DDA will submit a client overpayment when the client has:

1.   Received a service they were not eligible for at the time the service was provided;

2.   Received more of a service than they were eligible for;

3.   Received a State Supplementary Payment (SSP) during a time of ineligibility for SSP;

4.   Failed to report changes to DSHS resulting in an error in determining eligibility, or the amount of client responsibility owed toward the cost of care;

5.   Appealed DDA action to reduce or terminate services and a Final Order upholds DDA's action; or

6.   Appealed DDA action to terminate the client's DDA eligibility and a Final Order upholds DDA's action.

H.   For services when a client is eligible, DDA will submit a provider overpayment if a provider claims and receives payment:

1.   For services not provided;

2.   Without records that support their billing;

3.   For services provided by non-qualified employees;

4.   For a service that was not provided in accordance with law, rule, or contract; or

5.   For a service at a rate higher than that which the provider is allowed under Washington Administrative Code, state or federal law, or contract.

PROCEDURES

A.   The DDA employee who becomes aware of possible overpayment must:

       1.   Initiate an overpayment investigation as soon as possible;
       2.   Determine the cause of the overpayment; and
       3.   Discuss the overpayment with the regional payment specialist.

B.   If the overpayment is due to department error, before completing overpayment documents, the employee must discuss the overpayment with the regional administrator or designee to determine if other remedies exist.

C.   Determine whether a client overpayment or provider overpayment occurred as described in Policy Section (G) or (H).

D.   **Client Overpayments – General**

       1.   A client overpayment has occurred if the client receives a service or payment for which the client was not eligible under Washington Administrative Code, state or federal law, DDA policy, or DSHS administrative policy. Examples of common overpayments include, but are not limited to:

              Example 1: A client received a DSHS service but was not financially or functionally eligible for Medicaid under Title 182 WAC. An overpayment has occurred.

              Example 2: A client received a home and community-based waiver service but was not eligible under Chapter 388-845 WAC. An overpayment has occurred.

              Example 3: A client received a State Supplementary Payment but was not eligible under Chapter 388-827 WAC. An overpayment has occurred.

       2.   When an overpayment occurs, the case manager must review the payment records to determine the amount of the client overpayment and whether the overpayment is SSP or not.

       3.   When an overpayment occurs, the DDA employee who initiated or discovered the overpayment will create an item in the DDA Overpayment Tracker. All documentation related to the overpayment will be added to the tracker item.

       4.   The amount of the client overpayment is the gross amount paid to the provider.

5.   For services other than SSP paid through ProviderOne, the case manager must complete the following forms:

   a.   [DSHS 18-399a](#), *Non-SSPS Client/Provider Overpayment AFRS Coding Computation*. Account coding is required. Account coding can be found in the Claim Inquiry section of ProviderOne or DDA/HCS Reporting 32245 P1 Total Individual Cost Report.

   b.   [DSHS 18-398](#), *Client Overpayment Notice*; and

   c.   [DSHS 06-163](#), *DDA/OFR Client Information*, if the client continues to receive DSHS services and has limited income. This link is available on the DSHS DDA intranet website only.

E.   **Client Overpayments – SSP**

For SSP paid through ProviderOne, the case manager must adjust the authorization as needed and submit an [Adjustment Request Form (ARF)](#) to claimerror@hca.wa.gov. Claim information necessary for completing the ARF can be found in ProviderOne under the "Inquire Claims" tab.

F.   **Client Overpayments – Continued Benefits Pending Appeal**

1.   If a client requests an administrative hearing within the 10-day notice period, the client may keep getting the amount of benefits they were getting before the change. This is called continued benefits. A client overpayment for continued benefits is limited to no more than 60 days of the continued benefit.

2.   The amount of the overpayment is based on the additional goods or services the client received over and above the amount of service required by the initial order.

3.   If the final decision modified DDA's original determination, the overpayment amount is the difference between the cost of the continued services and the final award amount.

4.   Initiate the overpayment process for continued services when an initial decision from the Office of Administrative Hearings is received upholding DDA and the decision is not appealed to the Board of Appeals within the 21-day deadline. If the client appeals the initial decision within 21 days, an overpayment must not be initiated until after the Board of Appeals has issued a final order that upholds the reduction or termination of benefits.

Note: Any party may request an extension of the appeals deadline for good cause, which could extend the length of time before the Board of Appeals issues a final ruling.

G. **Provider Overpayments**

1. A provider overpayment has occurred if the provider receives a payment for goods or services for which the provider was not eligible. Examples of common overpayments include, but are not limited to:

   Example 1: A provider was paid at a rate higher than the rate in the provider's contract or collective bargaining agreement, or higher than the rate allowed under Washington Administrative Code, state or federal law, DDA policy, or DSHS administrative policy. An overpayment has occurred.

   Example 2: A provider was paid a rate higher than the provider's King, MSA, or non-MSA county designation. An overpayment has occurred.

2. If an overpayment occurs, the case manager must review the payment records to determine the amount of the provider overpayment.

3. When an overpayment occurs, the DDA employee who initiated or discovered the overpayment will create an item in the DDA Overpayment Tracker. All documentation related to the overpayment will be added to the tracker item.

4. The amount of overpayment is the gross amount paid to the provider.

5. Services paid through ProviderOne

   a. When it is discovered a provider has submitted a claim for a service that was not rendered or provided by a non-qualified individual, the case manager must adjust the authorization. The authorization must be adjusted so the dates of service, amount, or rate is reduced so that the incorrectly claimed service is no longer included in the authorization.

   b. When a provider overpayment is identified for a payment made through ProviderOne and the provider has failed to adjust their claim promptly, the case manager must submit an Adjustment Request Form (ARF) to the claimerror@hca.wa.gov. Claim information necessary for completing the ARF can be found in ProviderOne under the Inquire Claims tab.

6.   For Adult Family Home overpayments refer to H23-046, *Update to Adjustments to Adult Family Home Claims*, for instructions on how to submit an ARF and all documentation related to the overpayment.

EXCEPTIONS

Any exception to this policy must have the written prior approval of the Deputy Assistant Secretary.

SUPERSESSION

DDA Policy 6.10
Issued March 1, 2022

Approved: _____   Date: April 1, 2025
                Deputy Assistant Secretary
                Developmental Disabilities Administration