



DEVELOPMENTAL DISABILITIES ADMINISTRATION
Olympia, Washington

TITLE: CLIENT OVERPAYMENTS POLICY 6.10

Authority: [RCW 43.20B.620 through 630](#) *Overpayments of assistance*
[WAC 388-825-145](#) *Will my benefits continue if I request an administrative hearing?*
[WAC 388-458-0040](#) *What happens if I ask for a fair hearing before the change happens?*
[WAC 388-418-0020](#) *How does the department determine the date a change affects my benefits?*
[WAC 388-827-400 through 420](#) *SSP Overpayments*

Reference: DSHS Administrative Policy 10.02, *Vendor/Provider Overpayment and Debt*

PURPOSE

This policy provides guidelines for determining and processing client overpayments for Developmental Disabilities Administration (DDA) authorized services. Overpayments must be submitted to the DSHS Office of Financial Recovery (OFR) whenever a client overpayment is identified.

SCOPE

The requirement to file client overpayments for the cost of the DDA authorized service(s) applies to both DDA Field Services and the Residential Habilitation Centers (RHCs). This policy is specific to the cost of DDA authorized services.

DEFINITIONS

Client means a person who has a developmental disability as defined in [RCW 71A.10.020\(5\)](#) who also has been determined eligible to receive services from DDA under [Chapter 71A.16 RCW](#). If the client is a minor child, this includes the client’s parents or the court approved legally responsible adult/agency.

Client Overpayment means the cost of services the client was not eligible to receive.

Provider/Vendor Overpayment means any department payment or benefit to a service provider or vendor in excess of the amount the provider or vendor was entitled to receive by law, rule, or contract.

Provider or Vendor means an individual, business, or other entity that obtained, delivered, or otherwise managed a DDA service.

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

State Supplemental Payment (SSP) is a state paid cash assistance program for certain clients of the Developmental Disabilities Administration.

POLICY

- A. DDA will establish client overpayments for all DDA funded services an individual received for which they were not eligible.
- B. When services were authorized by DDA and performed in good faith by the provider, the provider is not liable for an overpayment. The liability falls to the client.
- C. A client may be liable for an overpayment when receiving services under the following circumstances:
 1. When a client has received a service they were not eligible for at the time the service was received;
 2. When a client has received more of a service than they were eligible for;
 3. When a client has received State Supplementary Payments (SSP) during a time of SSP ineligibility;
 4. When an assessed service amount has been reduced or terminated and the client appeals the reduction of the service and the Final Order of the appeal upholds DDA's action;
 5. When a client no longer meets an eligibility requirement for a service and the client appeals the termination of the service and the Final Order of the appeal upholds DDA's action; and
 6. When a client is determined not to meet eligibility for DDA and the client appeals the termination of the DDA eligibility/authorized services and the Final Order of the appeal upholds DDA action.

PROCEDURES

- A. Determine if an overpayment has occurred.
1. If the individual was not Medicaid eligible (Supplemental Security Income (SSI) / Categorically Needy (CN)) in the month in which the service was received, determine if the client may have been eligible under another state-only funding source.
 2. If the individual may have been eligible under another state-only funding source, initiate an Exception to Rule (ETR) to change the funding source to state-only funding. The ETR must be written to include funding for every month the client received the service.

Example: A client has been receiving SSP in lieu of residential services. The client loses SSI eligibility in March. The CRM/SW terminates SSP payments in June when CRM/SW learns the client is no longer eligible for SSP. The CRM/SW writes an ETR to replace SSP funding with other state-only residential funding. The ETR should be written from March forward when the client was terminated from SSI to replace the SSP funding.
 3. If the ETR for the alternate funding source is approved, no overpayment has occurred.
 4. If the alternate funding source is not available, an overpayment has occurred.
 5. If another funding source is approved the Case Manager will notify the regional payment coordinator that a journal voucher must be initiated for payments made through SSPs. For adjustments to payments made through ProviderOne refer to the Social Service Authorization Manual.
- B. If an overpayment occurred, review the payment records to determine the amount of overpayment.
1. If no appeal is filed, the amount of overpayment is for services authorized during the period the individual was not eligible for the service.
 2. When a client requests an administrative hearing through the Office of Administrative Hearings (OAH), by the appeal by date of the termination or reduction listed on the Planned Action Notice, case managers will authorize continued benefits.
 3. When an initial order is received from OAH to reduce or terminate benefits, continued benefits must be reduced or must end. Continued benefits stop even if the client requests an appeal through the Board of Appeals.

4. When an initial order from OAH is received to reduce or terminate benefits, the Administrative Hearing Coordinator (AHC) will forward the order to the Case Manager to initiate the overpayment process, when an overpayment is needed.
5. The overpayment is limited to sixty (60) days.
6. The amount of the overpayment is based on the additional benefits the client received over and above the amount required by the initial order.
7. The decision from OAH should state the effective date of the reduction or termination and the amount for which the client is eligible.

Note: If the client requests an appeal of the initial decision with the Board of Appeals, there will not be any collection action from OFR until the BOA decision is reached. If the Case Manager sent the forms to OFR already, the Case Manager will contact OFR to stop collection action until further notice. This may require the notice to be rescinded while the appeal process continues.

8. When an appeal is filed for the reduction or termination of SSP and DDA prevails, the client or representative payee is liable for the SSP they were not eligible to receive.
- C. When the amount of the overpayment is determined:
1. For services paid through SSPS, complete and submit the following forms:
 - a. [DSHS 18-399, Social Service Incorrect Payment Computation](#), for all client overpayments;
 - b. [DSHS 18-398, Client Overpayment Notice](#), for non-SSP. Note: DSHS 18-398 is available only on the DSHS and DDA Intranet websites;
 - c. [DSHS 18-627, SSP Supplementary / Direct Payment Client Overpayment](#), for all SSP;
 - d. If the client continues to receive DSHS services and has limited income, complete the [DSHS 06-163, DDA/OFR Client Information](#), form and submit with the Overpayment Notice to OFR. Consult ACES for information on DSHS services and income. Note: DSHS 06-163 is available only on the DSHS and DDA Intranet websites;
 - e. Submit overpayment forms and any supporting documentation to OFR via clientop@dshs.wa.gov; and

- f. Place originals in the SSPS payment section of the client file.
 - g. Do not contact the client or send them a copy of the forms. OFR is responsible for notifying the client.
2. If the service was paid through ProviderOne, follow the steps outlined in the Social Service Authorization Manual.
- D. To modify an existing Client Overpayment complete new overpayment forms as indicated above.
1. For services paid through SSPS, complete and submit the forms:
 - a. [DSHS 18-399, Social Service Incorrect Payment Computation](#), for all client overpayments;
 - b. [DSHS 18-398, Client Overpayment Notice](#), for non-SSP. Note: DSHS 18-398 is available only on the DSHS and DDA Intranet websites;
 - c. [DSHS 18-627, SSP Supplementary / Direct Payment Client Overpayment](#), for all SSP;
 - d. Under the reason section of forms 18-398 or 18-627, state this is a modification of a previous overpayment dated MM-DD-YY, in the amount of \$XXX.XX. The reason for the change or cancellations must be specific; and
 - e. Submit overpayment forms and any supporting documentation to OFR via clientop@dshs.wa.gov.

EXCEPTIONS

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

SUPERSESSION

DDD Policy 6.10
Issued February 1, 2013

TITLE:

CLIENT OVERPAYMENTS

POLICY 6.10

Approved: /s/ Donald Clintsman
Deputy Assistant Secretary
Developmental Disabilities Administration

Date: March 1, 2015