

DEVELOPMENTAL DISABILITIES ADMINISTRATION  
Olympia, Washington

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TITLE: CLIENT AND PROVIDER OVERPAYMENTS POLICY 11.06

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Authority: [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 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**

The requirement to file an overpayment for the cost of a DDA-authorized service applies to both DDA Field Services and the Residential Habilitation Centers (RHCs).

## **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 or benefit to a client or provider 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 or benefit 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 staff aware an overpayment occurred must initiate an overpayment. The currently assigned Primary Case Manager is principally responsible for initiating overpayments involving cases assigned to them. Other DDA staff may also initiate overpayments.
- E. Copies of overpayments submitted to OFR must be retained in the DDA Client File and an SER note must be entered 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 the [DSHS 06-163](#), *DDA/OFR Client Information* form. This link is available on the DSHS DDA intranet website only.
- G. DDA will submit a client overpayment for any DDA-authorized service a client has received, but for which they were not eligible at the time of service. A client overpayment will be initiated if a 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. DDA will submit a provider overpayment for any DDA-funded service a client received when the client was eligible, but the provider did not render the service in good faith or according to law, rule, or contract. A provider overpayment will be initiated if a provider:
1. Claims and receives payment for services not provided;
  2. Claims without records that support their billing;
  3. Claims for services provided by non-qualified employees; or
  4. Claims for a service that was not provided in accordance with law, rule, or contract.
- I. If an individual provider delivers a service while he or she is out of compliance with training or credentialing requirements, or while his or her contract is expired, no overpayment has occurred. Follow steps outlined in MB H16-060.

## **PROCEDURES**

- A. Determine the reason for the overpayment.
- B. If the overpayment is due to department error, staff the overpayment with the Regional Administrator or designee before completion of any overpayment documents to determine if other remedies exist.
- C. If an overpayment occurred, determine whether the client or provider is liable.
- D. **Client Overpayments**
  1. Review the payment records to determine the amount of the client overpayment, the payment system that made the overpayment, and whether the overpayment is SSP or not.

- a. The amount of the client overpayment is the gross amount paid to the provider.
- b. Client overpayments for continued benefits are limited to no more than 60 days of the continued benefit.
  - 1) The amount of the overpayment is based on the additional benefits the client received over and above the amount of service required by the initial order.
  - 2) 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.
  - 3) Initiate the overpayment process for continued benefits 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.
- c. For services other than SSP paid through ProviderOne or IOne, complete the following forms:
  - 1) [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 for claims paid through both ProviderOne and IOne;
  - 2) [DSHS 18-398](#), *Client Overpayment Notice*; and
  - 3) [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.
- d. For services other than SSP paid through SSPS complete the following forms:
  - 1) [DSHS 18-399](#), *Social Service Incorrect Payment Computation* for all SSPS client overpayments;
  - 2) [DSHS 18-398](#), *Client Overpayment Notice* for non-SSP services; and

- 3) [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. For SSP paid through ProviderOne, adjust the authorization as needed and submit a work order request to the [DSHS Claims Processing](#) website (available to internal DSHS staff only).
- f. For SSP paid through SSPS complete the following forms:
  - 1) [DSHS 18-399](#), *Social Service Incorrect Payment Computation*;
  - 2) [DSHS 18-627](#), *SSP Client Overpayment Notice*; and
  - 3) [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. **Provider Overpayments**

1. Review the payment records to determine the amount of the provider overpayment.
  - a. The amount of overpayment is the gross amount paid to the provider.
  - b. For services paid through SSPS, submit provider overpayments for services using the [Automated Provider Overpayment Tool](#) (available to internal DSHS staff only).
  - c. Services paid through ProviderOne:
    - 1) 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.
    - 2) 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 a work order request to the [DSHS Claims Processing](#) website (available to internal DSHS staff only).

- d. Services paid through IOne:
- 1) When it is discovered a provider has submitted a claim for a service that was not rendered or provide by a non-qualified provider, 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.
  - 2) The case manager must initiate an overpayment using the IOne adjustment queue when it is available to field staff.

**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, 2015

Approved: \_\_\_\_\_  
Deputy Assistant Secretary  
Developmental Disabilities Administration

Date: June 1, 2017