



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

TITLE: CLIENT OVERPAYMENTS POLICY 6.10

Authority: WAC 388-825-145 (4)
WAC 388-458-0040 (6)
WAC 388-418-0020 (10) (b)

Reference: DDD Policy 16.01, *State Supplementary Payment Program (SSP) - Overpayments*

BACKGROUND

WAC 388-825-145 was revised to include the accrual of a client overpayment for any services provided during an appeal for which the client was not eligible (see Attachment A). The Planned Action Notice (PAN) of a reduction or termination of a service, termination of eligibility, or termination of a provider informs the client and his/her representative of:

- The decision and its effective date;
- The right to have services continued; and
- The accrual of an overpayment for those services if the Division of Developmental Disabilities (DDD) is upheld in the final decision.

A client accrues an overpayment if the client:

- Files a timely appeal; and
- Does not request the suspension of the service during appeal; and
- Does not prevail in the final appeal decision; or
- Withdraws an appeal that has been filed with the Office of Administrative Hearings (OAH).

PURPOSE

This policy provides guidelines for determining and processing a client overpayment accrued as a result of continuing services during an appeal of the reduction or termination of the service(s) because the client did not call DDD and request that the services be terminated or reduced.

SCOPE

The requirement to file client overpayments for the cost of the service(s) continued during an appeal applies to both DDD Field Services and Residential Habilitation Centers (RHCs). This policy is specific to the cost of services received during an appeal of the reduction or termination of that service.

DEFINITIONS

Client representative is the parent of a child under age eighteen (18) or the legally appointed guardian of a person of any age. If the client is age eighteen (18) or older and has no legally appointed guardian, the representative can be anyone the client chooses. The representative agrees to receive copies of all client notices and assist the client with understanding the notice and his/her appeal rights.

Overpayment means the cost of services the client was not eligible to receive from the effective date of the PAN until: 1) the final appeal decision upholding DDD **or** 2) the date of client withdrawal of the appeal. The funding overpayment amount is limited to a maximum of sixty (60) days of the ineligible service.

POLICY

- A. If the final appeal decision upholds DDD's decision of reduction or termination of a service or termination of DDD eligibility, then DDD will establish a client overpayment for those services provided during the appeal for which the client was not eligible.
- B. Sixty (60) days of the ineligible service is the maximum overpayment period.
- C. The overpayment begins the day after the PAN termination effective date or the same day as the PAN reduction effective date.
- D. The amount of the overpayment is limited to the service being appealed:
 - 1. The overpayment is the difference between the cost of the continuing service and the final award amount. The overpayment is limited to a maximum of sixty (60) days of service.
 - 2. If the appeal is to the termination of DDD eligibility, the overpayment is the cost of all DDD services provided after the effective date in the final decision. If there is no date in the final appeal decision, use the PAN effective date of termination.
 - 3. If the client files an appeal with the OAH, then later withdraws the appeal, there is an overpayment from the PAN effective date to the withdrawal date or a maximum of sixty (60) days, whichever is less.

PROCEDURES

- A. When the regional Administrative Hearing Coordinator (AHC) determines the appeal is final or when the client withdraws the appeal, the AHC notifies the client's Case Resource Manager/Social Worker (CRM/SW) and his/her supervisor. The AHC sends a copy of the final decision or withdrawal to the client's CRM/SW.
- B. The final appeal decision and the approved amount and effective date of the decision are included in the appeal decision. If the decision upholds DDD's reduction or termination, the CRM/SW will:
1. Terminate or reduce the SSPS authorization(s).
 2. If there is a client overpayment, contact the client's representative to inform them of the overpayment.
 3. Complete DSHS 18-398, *Client Overpayment Notice* and DSHS 18-399, *Social Service Incorrect Payment Computation*.
 - a. Copy and distribute the completed forms as follows:
 - 1) Original to the client by [Certified Mail Return Receipt](#) with the confirmation to be returned to you;
 - 2) Copy to the client's representative; and
 - 3) Copy to the client file.
 - b. When delivery confirmation is received or the certified letter is returned to DDD, send evidence with a copy of each form to the Office of Financial Recovery (OFR).
 4. Enter each of the activities related to the appeal and the overpayment in the client's Service Episode Record (SER).
 5. Include a copy of the appeal and overpayment in the client file.

EXCEPTIONS

None

SUPERSESSION

None

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CLIENT OVERPAYMENTS

POLICY 6.10

Approved: /s/ Linda Rolfe
Director, Division of Developmental Disabilities

Date: August 17, 2006

Attachment A – WAC 388-825-145

ATTACHMENT A

WAC 388-825-145

Will my benefits continue if I request an administrative hearing?

(1) If you request an administrative hearing within the ten-day notice period, as described in chapter [388-458](#) WAC, unless one or more of the conditions in WAC [388-825-150](#) applies, the department will take no action until there is a final decision on your appeal of the department's decision to:

- (a) Terminate your eligibility;
- (b) Reduce or terminate your services; or
- (c) Reduce or terminate the payment of SSP set forth in chapter [388-827](#) WAC.

(2) The department will take no action until there is a final decision on your appeal of the department's decision to remove or transfer you to another residential service unless one or more of the conditions in WAC [388-825-150](#) applies.

(3) The department will take no action to terminate your provider of choice unless one or more of the circumstances described in WAC [388-825-150](#) applies.

(4) After the administrative hearing, you may have to pay back continued benefits you get, as described in chapter [388-410](#) WAC, if the administrative hearing decision is in favor of the department.