

Administrative Policy No. 04.13

Subject: Delegation of Authority, Office of Financial Recovery

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Authorizing Source: [Chapter 43.20B](#) RCW
[RCW 43.20A.110](#)
[RCW 74.09.290](#)
[RCW 13.40.220](#)
[RCW 74.20A.060](#)
[42 CFR Ch. IV, 433.300](#)
[OFM State Administrative and Accounting Manual 85.54](#)

Effective Date: November 1, 1987

Revised: May 19, 2020

Approved By: Original signed by Lori Melchiori
Senior Director, Office of Policy and Rules

Purpose

This policy establishes authority for managing and collecting specific Department of Social and Health Services (the department) governmental and non-governmental receivables.

Scope

This policy applies to all department organizational units.

Reference

See also: [Administrative Policy 16.10](#) Reporting Known or Suspected Loss of Public Funds or Assets to the State Auditor's Office.

Definition

Receivables include overpayments or cost of care, and other debts due from private persons, state employees, businesses, agencies, funds, or governmental units that are expected to be collected in any one or more of the following: money, goods, or services. It also includes the amounts billed for licenses, medical premiums, and court ordered restitution.

Policy

- A. Under RCW [43.20A.110](#), the department's secretary delegates to the facilities finance and analytics administration's chief of the office of financial recovery (OFR) the exclusive authority to manage the department's governmental receivables or other assigned government or contracted receivables as follows:
1. Cost of care associated with stays at a state hospital, nursing home, residential habilitation center or any other facility, under a government program such as, but not limited to:
 - a. Title 18 Medicare;
 - b. Title 19 Medicaid;
 - c. Private Pay;
 - d. Third Party Insurance;
 - e. United States Department of Veterans Affairs; or
 - f. State funded programs.
 2. Industrial insurance compensation from L&I assigned to the department by a recipient or former recipient of public assistance. See RCW [43.20B.720 through 43.20B.745](#).
 3. Initial or reinstated supplemental security income (SSI) payments assigned to the department by a recipient or former recipient of ABD (aged, blind, and disabled) and PWA (pregnant women's assistance). See [WAC 388-474-0001](#) and [WAC 388-474-0020](#).
- B. The chief of OFR is delegated the exclusive authority to manage department receivables. All receivables must be referred to OFR for centralized accounting and collection, except for:
1. Division of child support's child support obligations.
 2. Managed care organizations reimbursements related to the billing and receipt of inpatient claims and hospital reimbursement.
 3. Medicare part D reimbursements, which will be collected by the state hospitals.
 4. Receivables between other state agencies and department administrations or between department administrations themselves.
 5. Language access providers, pursuant to the collective bargaining agreement between the state of Washington and Washington Federation of State Employees, AFSCME council 28, for language access providers.
- C. As it relates to the collection of receivables, the chief of OFR has delegated authority to:
1. Subpoena witnesses, administer oaths, take testimony, and order the production of

- papers, books, records, and documents.
2. Issue notice of debt to any person, vendor, or provider owing a debt to the department.
 3. Accept offers of compromise of disputed claims and grant partial or total write-off of debts due to the department or other state agencies as assigned and as authorized by statute.
 4. Cancel, waive collection of, or write off debts to the department as authorized by statute.
 5. Reclaim federal financial participation (FFP) previously repaid to the federal government or federal grant.
 6. File and seek adjustment of liens, issue orders to withhold and deliver, enter into payment arrangements, establish recoupment offsets, and use all other collection methods as permitted by law.
 7. Conduct investigations when necessary:
 - a. To determine the debtor's ability to pay a debt to the department.
 - b. To collect information regarding the essential facts necessary for the prosecution of civil actions to recover debt.
 8. File a creditor's claim in a bankruptcy proceeding initiated by a debtor who has an overpayment with the department.
 9. Negotiate and sign single case agreements from third party insurance for patient hospitalization costs at the state psychiatric hospitals.
- D. The chief of OFR may delegate in writing the authority described in sections A, B, and C (above) to appropriate positions within OFR.
- E. OFR must:
1. Meet the minimum required controls outlined in the relevant sections of the Office of Financial Management's State Administrative and Accounting Manual (SAAM) including but not limited to [Section 85.54 Receivables](#).
 2. Meet the federal and state requirements for the collection of FFP-derived overpayments and cost of care.
 3. Provide centralized accounts receivable management and debt collection services.
 4. Maximize recoveries through debt collection procedures.