



DIVISION OF DEVELOPMENTAL DISABILITIES
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 the Division of Developmental Disabilities (DDD) 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 DDD authorized service(s) applies to both DDD Field Services and the Residential Habilitation Centers (RHCs). This policy is specific to the cost of DDD authorized services.

DEFINITIONS

Client means a person who has a developmental disability as defined in [RCW 71A.10.020\(4\)](#) who also has been determined eligible to receive services from DDD 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 DDD service.

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

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

POLICY

- A. DDD will establish client overpayments for all DDD funded services an individual received for which they were not eligible.
- B. When services were authorized by DDD 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 period of SSP ineligibility;
 - 4. When an assessed service amount has been reduced and the client appeals the reduction of the service and the Final Order of the appeal upholds DDD'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 DDD's action; and
 - 6. When a client is determined not to meet eligibility for DDD and the client appeals the termination of the DDD eligibility/authorized services and the Final Order of the appeal upholds DDD's 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 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 is approved, no overpayment has occurred.
 4. If state only funding is not available, an overpayment has occurred.
- 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 of time the individual was not eligible for the service.
 2. When an appeal is filed for the reduction/termination of services and DDD prevails, the amount of overpayment will be for services authorized during the period of time the individual was not eligible for services **and** up to sixty (60) days of continuing benefits during the administrative hearing process.
 3. When an appeal is filed for the reduction or termination of SSP and DDD prevails, the client is liable for the **entire amount of SSP they were not eligible to receive**.
 4. If the final decision modified DDD's original determination, the overpayment amount is the difference between the cost of the continued services and the final award amount.

- C. When the amount of overpayment is determined:
1. Complete the appropriate overpayment documents:
 - 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 DDD Intranet websites;
 - c. [DSHS 18-627, SSP Client Overpayment](#), for all SSP;
 - d. If the client continues to receive DSHS services and has limited income, complete the [DSHS 06-163, DDD/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 DDD Intranet websites.
 - e. For a vendor/provider overpayment, refer to DSHS Administrative Policy 10.02, *Vendor/Provider Overpayment and Debt*.
 2. Copy and distribute the completed forms as follows:
 - a. Email a PDF version of the completed Overpayment Notice and the [DSHS 06-163, DDD/OFR Client Information](#), form.
 - b. Place originals in the SSPS payment section of the client file.
 3. Do not contact the client or send them a copy of the notice. OFR is responsible to notify the client.

EXCEPTIONS

Any exceptions to this policy must have the prior written approval of the Division Director.

SUPERSESSSION

DDD Policy 6.10

Issued September 15, 2010

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

Date: February 1, 2013