

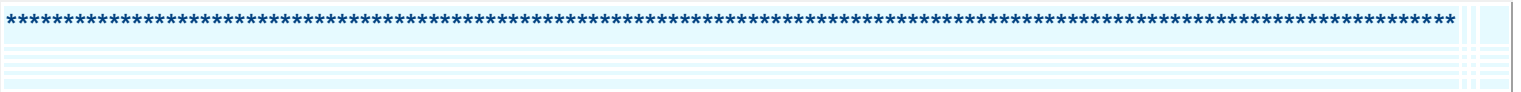
Department of Social and Health Services
Olympia, Washington
EAZ Manual

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Category Basic Food Overpayments
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Summary

Updated clarifying information and removed worker responsibilities. Worker responsibilities have been moved to the CSD Procedure Handbook. Also made formatting changes to correct numbering and spacing.

Updated February 27, 2023
See below for edited text:



Basic Food Overpayments

Revised ~~March 1, 2017~~ February 27, 2023

WAC 388-410-0020 What happens if I receive more Basic Food or WASHCAP benefits than I am supposed to receive?

- Clarifying Information ~~and Worker Responsibilities~~

WAC 388-410-0025 Am I responsible for an overpayment in my assistance unit?

- Clarifying Information ~~and Worker Responsibilities~~

WAC 388-410-0030 How does the department calculate and set up my Basic Food or WASHCAP overpayment?

- Clarifying Information

WAC 388-410-0033 How and when does the department collect a Basic Food or WASHCAP overpayment?

- Clarifying Information ~~and Worker Responsibilities~~
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Clarifying Information - WAC 388-410-0020

1. Examples of an Administrative Error (AE) overpayment include when we:

- a. Didn't ~~not~~ act timely on a reported or known change in circumstances;
- b. Made a mistake in determining the AU's eligibility or benefits;
- c. Incorrectly issued duplicate benefits;
- d. Issued allotments after the end of the AU's certification period without redetermining the AU's eligibility;
- e. Didn't ~~not~~ disqualify a client for an IPV on time as required under chapter [388-446 WAC](#);
- f. Made an incorrect change to the case or failed to make a needed change that caused the department to make an incorrect decision on the AU's eligibility or benefit amount.

2. Examples of an Inadvertent Household Error (IHE) include when the AU:

- a. Understood ~~ooan~~ what they were required to report; or
- b. ~~Failed to r~~Report a change or provided ~~d in~~accurate and ~~in~~complete information, but ~~they did not do this without the intent~~ to get more food assistance ~~benefits~~ than they were eligible ~~for~~ to receive.

1. Examples of an Intentional Program Violation (IPV) include when a client does any of the following on purpose:

- a. Makes an oral or written false or misleading statement that affects their benefits;

- b. Misrepresents, conceals, or withholds facts; or
- c. Violates the Food Stamp Act, Basic Food regulations, or any state laws that cover:
 - i. How someone can get, have, and use Basic Food benefits or EBT cards; or
 - ii. The transfer of Basic Food benefits or EBT cards; or-
 - iii. Trafficking.

NOTE: See chapter [388-446 WAC](#) for information and rules on IPV disqualification hearings and penalties. [WAC 388-446-0015](#) explains that an administrative disqualification hearing (ADH) is a formal hearing to determine if a person committed an IPV. ~~FSS workers~~Eligibility staff can't ~~not~~ code-write an overpayment as IPV until an ADH or court hearing is held and the outcome determines an IPV was committed and caused the overpayment. See [Fraud: Clarifying Information #6](#) under [WAC 388-446-0001](#).

4. Date of discovery:

The *Date of Discovery* is the date we have adequate information to validate that the AU has an overpayment, and determine the amount overpaid. It ~~isn't~~ not the date of a system-generated [Benefit Error Group \(BEG\)](#), because these only give enough information to identify a potential overpayment.

The date we "open" the BEG in ACES is the official date of discovery. -The exception to this rule is Basic Food errors discovered through the federal Quality [Assurance-Control](#) review process. The official date of discovery for a [QA-QC](#) error is the date the [Basic Food Process Preview Panel \(PRP\)](#) ~~is held where the error would be reported out as final to Food and Nutrition Services (FNS)~~QC error report in a client's electronic case record (ECR).

5.—Date of establishment:

~~6.5. The Date of Establishment is t~~he date staff establishes an overpayment, send the household notification of the claim, and refer the case to the Office of Financial Recovery (OFR) for collections. The date of the overpayment letter is the official date of establishment.

7.6. Timeframes to set up overpayments :

We must process at least 90% of all overpayments by the end of the calendar quarter after the quarter we discover an overpayment. A claim is **not timely** if we sent the AU an overpayment letter later than the last day of the quarter after the quarter in which we "opened" the overpayment BEG. Even though we can set up a valid overpayment after the timely processing period, federal rules require the department to meet this timeframe. ~~For~~ information on processing a BEG, see the ACES User Manual.

NOTE: Potential overpayments discovered by the Basic Food quality assurance (QA) process ~~must be considered~~ are "priority", and every Every attempt must be made to establish ~~these~~ overpayments within federal time limits, ~~but only~~ after ~~the payment~~ errors associated with these overpayments have been ~~reviewed and~~ finalized by the [Basic Food Process Review Panel \(PRP Division of Program Integrity \(DPI\)\)](#).

To ensure that staff review potential overpayments and promptly act on this information, the department monitors **Benefit Error Group (BEG)** lists.

<u>Claims Establishment Timeline</u>				
	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
<u>If your date of discovery is in:</u>	<u>January;</u> <u>February;</u> <u>or</u> <u>March</u>	<u>April;</u> <u>May; or</u> <u>June</u>	<u>July;</u> <u>August;</u> <u>September</u>	<u>October;</u> <u>November;</u> <u>or</u> <u>December</u>
<u>You must establish the claim by:</u>	<u>June 30th</u>	<u>September 30th</u>	<u>December 31st</u>	<u>March 31st</u>

To measure if we are meeting federal timeliness standards for establishing overpayments, staff compares the dates an overpayment BEG was "opened" to the date we sent the overpayment letter.

EXAMPLE

1. If we discover an overpayment on February 6th (1st quarter) we must set up the overpayment by June 30th (end of the 2nd quarter).
2. If we discover an overpayment on June 28th (2nd quarter) we must set up the overpayment by September 30th (end of the 3rd quarter).

7. Other program reporting requirements and Basic Food overpayments:

If someone doesn't report a change in circumstances required under [WAC 388-418-0005](#), we determine if a client has there is an overpayment for each program based on that program's reporting requirements.

- For Basic Food, the household must report changes as required under [WAC 388-418-0005\(2\)](#).
- If a Basic Food assistance unit would not have to report the change based on the AU's circumstances, we don't set up an overpayment even if the household had to report a change for another department program.

EXAMPLE: Julie, Spencer, and their two children receive TANF and Basic Food. They fail to report that Spencer got a job **Earning** \$900 monthly. Spencer received his first paycheck on August 25th. We discover this information in November.

TANF: The family was required to report getting a job *for TANF*. We determine amount of TANF benefits the family was eligible for if they reported the change timely on September 10th and set up an overpayment for October and November.

Basic Food: The new job didn't cause the family to go over the income limit for a family of four. Since they didn't have to report this change for Basic Food, we don't set up an overpayment.

EXAMPLE: Diane receives TANF and Basic Food for herself and her daughter. Diane doesn't report she has switched to full-time status at work and now earns \$2,500 monthly. Her paycheck on April 30th puts her over the income limit for Basic Food. We discover this information in July.

TANF: Diane was required to report the change in employment status and going over the earned income limit *for TANF*. We treat this change as if Diane had reported it timely on May 10th. We would set up an overpayment for the TANF benefits the AU received in June and July.

Basic Food: Diane's \$2,500 monthly income is over the income limit for a two-person AU. Since she was required to report this change for Basic Food, we set up a Basic Food overpayment for benefits the AU received in June and July.

Worker Responsibilities—WAC 388-410-0020

1.—Timely processing of overpayments:

When you learn of a potential overpayment through an interface, alert, client contact, or other source, take all needed actions as appropriate to validate that an overpayment occurred and determine the amount of the overpayment. This may include requesting additional information or proof of someone's circumstances.

- 1.—When you have adequate information to determine that the AU was overpaid **and** determine the amount they were overpaid, this is the *date of discovery* for the overpayment. The date of discovery is recorded as the date you "open" the overpayment BEG in ACES.
- 2.—After you have established the date of discovery, finish processing the overpayment by sending the client an overpayment letter including the calculation and refer the case to the Office of Financial Recovery for collections. This is the *date of establishment* for the overpayment. The date of *establishment* is recorded as the date you generate the overpayment letter to refer the case to OFR.

Claims Establishment Timeline				
=	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
If your date of discovery is in:	January; February; or March	April; May; or June	July; August; September	October; November; or December
You must establish the claim by:	June 30th	September 30th	December 31st	March 31st

NOTE: There is a federal requirement to establish a **minimum** of 90% of valid overpayments by the end of the calendar quarter after the quarter we discovered the overpayment. This is especially important for overpayments validated by the federal SNAP (Basic Food) QC process.

By working the potential overpayment immediately to validate and process the overpayment, we ensure that we meet the federal requirement.

Review client-caused errors for potential IPVs:

Consider what appears to be the AU's intent or lack of intent to decide if an overpayment is an IHE or a suspected IPV.

Set up a suspected IPV overpayment as an IHE overpayment until an administrative disqualification hearing or a court determines the client's intent.

Modifying an overpayment:

If the department determines that an assistance unit's overpayment amount needs to be modified because of an error, the worker should refer to the ACES manual, Benefit Error Group (BEG) — Modify a BEG — Overpayment or Underpayment.

ACES Procedures

See Benefit Error Group (BEG) — Modify a BEG — Overpayment or Underpayment

Clarifying Information - WAC 388-410-0025

Even though all adult members of an AU with an overpayment are liable for the full overpayment, the Office of Financial Recovery (OFR) tracks payments to ensure that we ~~do not~~ collect more than the amount of the overpayment.

Worker Responsibilities — WAC 388-410-0025

Overpayment Liability

1. ~~Set up the overpayment in the name of every adult who was a member of the AU at the time the AU was overpaid.~~
2. ~~Create a Basic Food overpayment letter naming each responsible member for the entire amount of the overpayment.~~
3. ~~Send separate letters only if certain responsible adults now live at a different address.~~
4. ~~Make sure each overpayment letter states the name of the primary payee and the total overpayment amount.~~

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See Benefit Error Group (BEG) – Confirm a BEG – Overpayment

Clarifying Information - WAC 388-410-0030

1. ~~NOTE: When the overpayment involves food assistance, current policy states that only a court of law or an Administrative Disqualification Hearing can determine an Intentional Program Violation (IPV). The FSS establishes an unintentional overpayment, called Inadvertent Household Error, and refers the food and any related cash overpayment to OFA for investigation and potential prosecution.~~

2.1. Calculating the Overpayment

- a. The overpayment amount is the difference between what the client received and what they were eligible to receive.
 - i. ~~For Administrative Errors where the household has earned income, apply the earned income deduction to all earned income, reported or unreported.~~
 - ii. ~~For Inadvertent Household Errors with unreported earnings, don't not apply the earned income disregard to the portion of earnings that wasn't not reported timely.~~

Example: ~~Tori has been working at Target part time with income budgeted for Basic Food. Her income increased above 130% of the FPL but the increase wasn't not reported timely. To calculate the overpayment continue to allow the 20% deduction on the reported income, but not on the unreported portion of the earnings.~~
 - iii. ~~For trafficking, the overpayment amount will be provided by the court or in a signed agreement.~~
- b. When determining an overpayment amount, ~~you may~~ subtract any outstanding under payment, ~~if not already issued~~, from an overpayment to get the net overpayment amount.

3.2. **Overpayments discovered by QC Reviews:** If the department discovered an overpayment or ineligibility for benefits through the federal QC process ~~or the QC process reports the case as~~

~~ineligible for benefits~~, we must set up an overpayment regardless of the amount.

4.3. Overpayments discovered outside the QC Review process: If we didn't discover the overpayment through the federal QC process, we set up an overpayment if:

- a. The responsible household members **still receive** Basic Food or WASHCAP benefits and the overpayment is **over \$85**; or
- b.** The overpayments total more than \$125 and the responsible household members don't receive Basic Food or WASHCAP.
- b.c.** The thresholds remain the same when the overpayment will be referred as an IPV.

NOTE: Overpayments discovered through internal audits, Management Evaluation reviews, or any payment accuracy initiatives **aren't not** considered as discovered through the federal QC process.

5.—

6.4. OFR collects on established debts regardless of the amount. The \$85 and \$125 **rules thresholds related to QC findings** apply to whether or not we *establish* an overpayment for Basic Food or WASHCAP. OFR **will collect**s on established overpayments regardless of the amount. This includes when we:

- a. Set up an overpayment for an AU who no longer receives Basic Food; or
- b. Modify an existing overpayment **to \$125 or less.**

OFR is the point of contact for “**compromising**” (reducing) overpayment balances or making decisions on waiving overpayment collections. Clients must be referred to OFR for these requests.

7.5. Trafficking claims are for the entire amount trafficked.

NOTE: During the Public Health Emergency, Basic Food households were issued monthly emergency allotments in addition to the regular benefit allotment. Overpayments of the emergency allotments are established when the AU was totally ineligible for regular food assistance. In that situation, both the regular allotment and the emergency supplement are included in the overpayment, subject to the threshold amounts listed above.

When overpaid but still eligible, the emergency supplement isn't not increased to make up the overpaid amount.

Clarifying Information - WAC 388-410-0033

1. **Who has to repay**Repaying an overpayment:

- a. The Department collects from the client by reducing Basic Food benefits. Clients can also repay an overpayment by paying the [Office of Financial Recovery OFR](#) directly.
 - b. The adults in the overpayment assistance unit share the responsibility for repaying an overpayment even if they later belong to different assistance units.
 - c. We consider a person who receives Basic Food or WASHCAP benefits as having the ability to repay an overpayment.
2. When ~~we can~~ an overpayment be reduced ~~d-an overpayment for a client who receives benefits:~~
- a. The CSO can reduce an overpayment debt only if the overpayment was incorrectly calculated for an amount larger than is actually owed.
 - b. An Administrative Law Judge ([ALJ](#)) can order an overpayment debt waived or reduced to correct an overpayment that was calculated in error. An ALJ does not have the authority to reduce or waive an overpayment based on hardship.
 - c. ~~When the~~ The Office of Financial Recovery OFR can reduce an established overpayment:

A person responsible for an overpayment may be able to negotiate a reduction of the debt ~~with the Office of Financial Recovery~~. OFR is the secretary's designee for the department under [RCW 43.20A.110](#) and uses criteria under [RCW 43.20B.030](#) to determine if an overpayment should be reduced or dismissed as allowed under [Title 7 CFR §273.18\(c\)\(7\)](#)

- i. OFR determines if a reduction of the debt would be cost effective for the department instead of continuing collections through other means.
- ii. Normally, reducing the debt is cost effective only if the person is willing to pay the remaining debt off in full.
- iii. People can contact OFR to negotiate a reduction in the overpayment by calling [OFR](#) at 800-562-6114.

~~3.—How overpayments are collected~~The first month's allotment of a newly approved application:

~~4.1. We do not recover an existing overpayment from the first month's benefits of a newly approved application for WASHCAP or Basic Food. We do recover an overpayment from the first month of an AU's certification period if we recertified the AU with no break in eligibility.~~

~~5.3.5. Collecting overpayments:~~

OFR takes the necessary steps to collect the overpayment. This includes allotment reduction, installment payments, and lump sums, as well as other means of collection.

We don't recover an existing overpayment from the first month's benefits of a newly approved application for WASHCAP or Basic Food. We do recover an overpayment from the first month of an AU's certification period if we recertified the AU with no break in eligibility.

NOTE: If we ~~have~~ removed Basic Food benefits from a client's EBT account through the expungement process, OFR will reduce the client's overpayment by the amount we expunged from the client's EBT account.

~~Worker Responsibilities – WAC 388-410-0033~~

~~ACES is programmed to calculate the overpayment and generate the correct letter and computation sheet. However, you must review the letters and make sure they are complete and correct.~~

~~1. Work potential overpayments when you are alerted to a discrepancy.~~

~~a. Set up all overpayments as soon as possible. Make sure that you set up the overpayment by the end of the calendar quarter after the quarter you discover the overpayment.~~

~~b. Send a separate overpayment letter for every responsible person for the full amount of the overpayment **only** if they live at separate addresses or are now in separate AUs. Otherwise, address the letter to the AU head of household and list all responsible adult AU members on the letter. Use either:~~

~~i. 0045-05, Food Assistance Overpayment – Inadvertent Error; or~~

~~ii. 0045-06, Food Assistance Overpayment – Administrative Error.~~

~~c. ACES sends the overpayment letter and claim determination report from state office by certified mail, return receipt requested.~~

~~d. The overpayment letter will contain information about the conditions for compromising or waiving overpayment claims and contact information for OFR to make these requests.~~

~~2. When an overpayment appears to be an Intentional Program Violation:~~

~~• Set up suspected IPV overpayments as an inadvertent household error (IHE) overpayment and follow the Administrative Disqualification Hearing (ADH) process described under WAC 388-446-0015.~~

~~a. If the client is found by a court or ADH to have an IPV, change the IHE overpayment to an IPV.~~

~~• Do not create a new BEG.~~

~~i. Modify the existing overpayment by creating 0045-09, Overpayment Modification letter in acs.online.~~

~~ii. In the letter, select the box for "The type of overpayment has changed."~~

~~iii. Add text notifying the client that the overpayment changed from an IHE to an IPV due to an ADH or court decision.~~

~~iv. Send the client a Disqualification Notice; 0056-01, 0056-02, or 0056-03.~~

3. ~~Let OFR know when the overpayment had been determined to be an IPV, even if the overpayment was paid in full. OFR will need IPV documentation and will change the overpayment coding for federal funding purposes. Send OFR:~~

~~• The Overpayment Modification letter;~~

~~a. The Disqualification Notice; and~~

~~b. Copy of the final hearing decision, court order, or diversion agreement and disqualification consent agreement.~~

4. ~~Potential Fraud: If you suspect a client has committed fraud, see FRAUD for instructions.~~