

Administrative Policy No: 19.85.54

Subject: Overpayments identified by DSHS

Information Contact: Office of Financial Recovery
Chief, (360) 664-5569

Authorizing Sources: [42 CFR 433](#), [20 CFR 416](#), [42 USC 1383\(b\)\(1\)\(A\)](#),
[Chapter 43.20B RCW](#) and [RCW 74.09.220](#).

Effective Date: January 17, 2012

Revised: January 22, 2020

Approved By: **Original signed by Judy Fitzgerald**
Assistant Secretary / Chief Financial Officer

Purpose

This policy describes:

1. The administrative and legal authorities, which require the Department of Social and Health Services (DSHS) to identify and collect all overpayments from clients or vendors, and;
2. The administrative requirement that DSHS provides timely overpayment notices to the office of financial recovery (OFR).

The office of financial recovery is responsible for collecting all overpayments pursuant to the administrative authority in DSHS Administrative Policies [4.13](#) and [10.02](#) and legal authority in 42 CFR 433, 20 CFR 416, 42 USC 1383(b)(1)(A), Chapter 43.20B RCW, and RCW 74.09.220.

Scope

This policy applies to all overpayments identified by DSHS with the exception of overpayments to employees. Refer to DSHS Administrative Policy [19.25.01](#).

Definitions

Client means a person who uses the services offered by the department or who receives a financial benefit based on that person's individual or family need.

Department means the Department of Social and Health Services (DSHS).

Overpayment means any department payment or benefit in excess of the amount the provider,

vendor, contractor, or client was entitled to receive pursuant to law, rule, or contract, including the amount in dispute.

Program means the affected DSHS programs, including the division, office, or staff designated by the assistant secretary or division director as being responsible for compliance with this policy.

Provider or vendor means any person, business, non-profit, or government entity that provides services to DSHS or its clients. A vendor may or may not have a contractual agreement.

Policy

- A. The department programs are responsible for identifying overpayments in accordance with laws and regulations and providing timely overpayment referrals to OFR for collection.
- B. OFR will set up the overpayments for the client, provider or vendor in the applicable receiving system and collect referred overpayments, associated interest, and other deductions paid by the department as required by laws and regulations.