

# SENATE BILL REPORT

## ESHB 2346

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As Reported By Senate Committee On:  
Human Services & Corrections, February 26, 1998

**Title:** An act relating to recovery of vendor overpayments.

**Brief Description:** Allowing the department of social and health services to recover revenue from vendors that have been overpaid.

**Sponsors:** House Committee on Select Vendor Committee (originally sponsored by Representatives Clements, Scott, Dickerson, Gardner, Hatfield, Anderson, Dyer, Thompson, O'Brien, Boldt, Skinner, D. Schmidt, Mulliken and Backlund; by request of Department of Social and Health Services).

**Brief History:**

**Committee Activity:** Human Services & Corrections: 2/25/98, 2/26/98 [DP].

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Majority Report:** Do pass.

Signed by Senators Long, Chair; Zarelli, Vice Chair; Franklin, Hargrove, Kohl, Schow and Stevens.

**Staff:** Richard Rodger (786-7461)

**Background:** The Department of Social and Health Services is authorized to use administrative procedures to establish and collect overpayments in the areas of public assistance and child support orders. However, when the department overpays one of its vendors, it must file a lawsuit in order to recover any money that is not voluntarily returned. The use of formal litigation is a more time-consuming and expensive process.

The department is requesting the use of administrative procedures for the establishment and collection of overpayments to its vendors.

**Summary of Bill:** When the department determines that it has overpaid a vendor, it is required to serve the vendor with a notice of the overpayment. The vendor has the right to dispute the overpayment by filing an application for an administrative hearing within 28 days of receiving the notice.

If the reviewing officer finds in favor of the department, the department may enforce the officer's order through any authorized debt collection action, including the attachment of real and personal property.

The administrative process applies to all vendors who provide goods or services to the department after July 1, 1998.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** No one.