

SENATE BILL REPORT

SB 6216

As Reported By Senate Committee On:
Human Services & Corrections, January 27, 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: Senators Horn and Patterson; by request of Department of Social and Health Services.

Brief History:

Committee Activity: Human Services & Corrections: 1/21/98, 1/27/98 [DPS].

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: That Substitute Senate Bill No. 6216 be substituted therefor, and the substitute bill do pass.

Signed by Senators Long, Chair; Zarelli, Vice Chair; Franklin, Hargrove 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 Substitute 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 20 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's clients after July 1, 1998.

Substitute Bill Compared to Original Bill: The scope of the bill as applying to all vendors is clarified.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill will provide an efficient and cost effective process for collecting overpayments from vendors to the department.

Testimony Against: None.

Testified: Carole Washburn, DSHS (pro).