
**Early Learning & Human Services
Committee**

SSB 6508

Brief Description: Authorizing waivers from certain DSHS overpayment recovery efforts.

Sponsors: Senate Committee on Human Services & Corrections (originally sponsored by Senator Pridemore).

Brief Summary of Substitute Bill

- Permits the Department of Social and Health Services to waive collection of overpayments to recipients of public assistance benefits if it determines that the overpayment was not the fault of the recipient and that it was less than \$2,000.

Hearing Date: 2/20/12

Staff: Linda Merelle (786-7092).

Background:

The Department of Social and Health Services (DSHS) must collect from any person who is overpaid public assistance, food stamp, or medical benefits the amount that the person has been overpaid. Overpayment is defined as any payment or benefit to a recipient or vendor in excess of that to which the recipient or vendor is entitled by law, rule, or contract. The DSHS has a variety of methods by which it can collect overpayments: reduction in the amount of the continuing grants of benefits, assignment of earnings, or a lien on personal or real property of the recipient.

The DSHS cannot collect overpayments after six years have passed from the date the notice of overpayment unless the DSHS has already started the recovery action in court or an administrative remedy is in place. Even if the DSHS started recovery efforts before the six-year period had expired, any debt due the DSHS expires at the end of 10 years from the date the notice is sent unless a court-ordered remedy would be in effect for a longer period of time. No

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debt due the DSHS can be collected after the expiration of 20 years from the date a lien is recorded.

The DSHS may accept offers of a compromise on disputed claims or may grant partial or total write-off of any debt if it is no longer cost effective to pursue collection of the debt.

Summary of Bill:

The DSHS may waive all efforts to collect overpayments from a client when it determines that the overpayment was not the fault of the client, and the overpayment was less than \$2,000. Any part of the act that is found to be in conflict with federal requirements regarding allocation of funds to the state is inoperable. Any rules adopted under this act must meet federal requirements which are a condition of the receipt of federal funds.

By January 1, 2013, the DSHS, in collaboration with the Department of Early Learning and the State Auditor's Office, must identify, review, and provide the Legislature with recommendations for integrated monitoring and detection systems to prevent overpayments of public assistance from occurring.

Appropriation: None.

Fiscal Note: Available on original bill.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.