

SENATE BILL REPORT

SB 6508

As of February 1, 2012

Title: An act relating to department of social and health services waivers of overpayment recoveries.

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

Sponsors: Senator Pridemore.

Brief History:

Committee Activity: Human Services & Corrections: 2/02/12.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Staff: Jennifer Strus (786-7316)

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. 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, a lien on personal or real property of the recipient.

DSHS cannot collect overpayments after six years have passed from the date the notice of overpayment unless DSHS has already started the recovery action in court or an administrative remedy is in place. Even if DSHS started recovery efforts before the six year period had expired, any debt due DSHS expires at the end of ten years from the date the notice is sent unless a court-ordered remedy would be in effect for a longer period of time. No debt due DSHS can be collected after the expiration of 20 years from the date a lien is recorded.

DSHS can 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: DSHS must waive all efforts to collect overpayments from a client when it determines that the overpayment was not the fault of the client.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Requested on January 31, 2012.

Committee/Commission/Task Force Created: No.

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