
**Early Learning & Human Services
Committee**

HB 1708

Brief Description: Concerning the enforcement powers of the office of financial recovery.

Sponsors: Representative Wylie; by request of Department of Social and Health Services.

Brief Summary of Bill

- Extends authority to the Office of Financial Recovery (OFR) to collect debts owed to the Department of Social and Health Services (DSHS) by the Child Welfare Training and Advancement Program (CWTAP) participants, the DSHS employees, or child care providers.
- Establishes procedures for how the OFR is to collect debts owed to the DSHS by the CWTAP participants, the DSHS employees, or child care providers.

Hearing Date: 2/21/13

Staff: Lindsay Lanham (786-7120).

Background:

The Office of Financial Recovery (OFR) within the Department of Social and Health Services (DSHS) has the following responsibilities:

- bills and collects the cost of care for individuals living at the five state-operated Residential Habilitation Centers;
- recovers correctly paid long-term care services, Medicaid assistance, and related medical charges from the estates of decedents;
- recovers debts due to the DSHS from vendors who provide services to the DSHS or the DSHS clients;
- collects payments due to Juvenile Rehabilitation Administration from parents of juvenile offenders to cover some of the costs associated with juvenile's support, treatment and confinement in the DSHS Juvenile Rehabilitation Facilities;

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- manages the Supplemental Security Income interim assistance reimbursement programs;
- manages the recovery for patient care provided at state psychiatric hospitals;
- manages billing and accounting for three medical assistance programs administered by the DSHS; the Children's Health Insurance Program, Healthcare for Workers with Disabilities, and Medical Extension Benefits programs;
- manages recoupments made from the Labor and Industries Time Loss benefits that duplicate financial assistance paid to clients by the DSHS;
- recovers financial, medical, social services, and food assistance overpayments from the DSHS clients.

The Child Welfare Training and Advancement Program (CWTAP) is a partnership between the DSHS Children's Administration and the University of Washington and Eastern Washington University. Students pursuing a Master's degree in social work, with a concentration in Children, Youth and Families, are eligible to apply to the CWTAP. If selected for the CWTAP, students receive a tuition stipend and commit to work for the the DSHS Children's Administration after successful graduation. Current stipulations require the CWTAP participates to remain employed at the DSHS Children's Administration for the duration of time they received educational assistance, which is normally one or two years.

Summary of Bill:

The DSHS, through the OFR, may recover financial assistance payments made to a person under the CWTAP who did not comply with the terms of the CWTAP participant agreement. If the CWTAP participant is a current employee, the DSHS is granted authority to withhold monies from paychecks. If the CWTAP participant is not a current employee, the DSHS can recover payments through lien and foreclosure, distraint, seizure and sale, order to withhold and deliver, or other legal action to satisfy the debt owed.

Additionally, the DSHS through the OFR, may recover overpayments made to current or former employees. For current employees the DSHS is granted the authority to recover overpayments by withholding money form future pay checks. For former employees, the DSHS may recover overpayments lien and foreclosure, distraint, seizure and sale, order to withhold and deliver, or other legal action to satisfy the debt owed. The DSHS may, at the secretary's discretion, secure the repayment of any outstanding employee overpayment, plus interest, by filing a lien against the debtor's property or by requiring the posting of a bond, assignment of deposit or some other form of security. Liens bind the affected property for 10 years after the lien has been recorded or six years after all good faith disputes have been resolved, whichever comes later.

Finally, when the Department of Early Learning imposes a fine or civil penalty against a child care provider and a final debt has been established, the DSHS, through the OFR, may enforce the final debt. The OFR may enforce the debt through lien and foreclosure, distraint, seizure and sale, order to withhold and deliver, or other legal action to satisfy the debt owed. Any lien is effective from the date of filing for record with the county auditor of the county in which the property is located and the claim under the lien has preference over the claims of all unsecured creditors. Additionally, the DSHS has the authority to review and determine the acceptability of all other forms of security.

Appropriation: None.

Fiscal Note: Available.

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