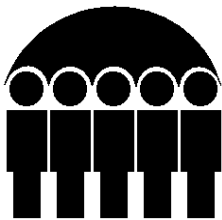


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Employees' Manual
Title 6
Chapter G

RECOVERY OF OVERPAYMENTS



Iowa
Department
of
Human Services

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OVERVIEW

The Division of Investigations, in the Department of Inspections and Appeals (DIA), is responsible for investigating and collecting debts owed to the Department of Human Services due to overpayment of public assistance.

“Public assistance” means the following programs:

- ◆ Child Care Assistance (CCA)
- ◆ Family Investment Program (FIP)
- ◆ Food Assistance
- ◆ Healthy and Well Kids in Iowa (*hawk-i*)
- ◆ Medicaid
- ◆ PROMISE JOBS
- ◆ Refugee Cash Assistance (RCA)
- ◆ State Supplementary Assistance
- ◆ Transitional Child Care

“Overpayment” means the dollar amount of public assistance by program received by or on behalf of a person or household that is in excess of what is allowed by law for any given month. Human Services staff and PROMISE JOBS staff are responsible for determining when an overpayment has occurred. Policies for specific programs are found as follows:

- ◆ CCA. See 13-G, **OVERPAYMENT RECOVERY**.
- ◆ FIP and RCA. See 4-H, **OVERPAYMENTS**.
- ◆ Food Assistance. See 7-H, **CLAIMS** and **COLLECTION ACTION**.
- ◆ Medicaid. See 8-A, **Recovery**.
- ◆ PROMISE JOBS. See 4-H, **PROMISE JOBS Expense Allowances**.

“Recovery” means the repayment of an overpayment, whether:

- ◆ Directly by the debtor,
- ◆ By allotment or payment reduction,
- ◆ By offset against a debtor’s income tax refund or other state or federal payment, or
- ◆ By applying a credit against the amount due on a claim in place of a corrective payment or restoration of lost benefits.

This chapter starts with a list of responsibilities for the referring units (income maintenance, PROMISE JOBS, and *hawk-i*) relating to overpayments. The next section explains DIA activities to initiate repayment. Discussion of client repayment options and further collection activities that DIA may initiate follow this.

The remainder of the chapter explains how to use the Overpayment Recovery System to find information about specific recovery activities.

Instructions for forms described in this chapter that are related to IM programs are located in 6-Appendix.

Legal Basis

Iowa Code Section 249A.5 addresses the recovery of overpayments in the Medicaid program, and Section 249A.7 addresses the investigation of fraud in overpayments.

Iowa Code Sections 239B.14 and 249.11 address investigations of fraud in overpayments under the Family Investment Program and the State Supplementary Assistance program, respectively. Iowa Code Section 234.6 addresses the authority of the administrator to formulate and adopt rules for overpayments under the Child Care Assistance program.

Department rule citations on overpayments in specific programs include:

- ◆ 441 IAC Chapter 46 for FIP
- ◆ 441 IAC 65.21(234) for Food Assistance
- ◆ 441 IAC 76.12(249A) for Medicaid
- ◆ 441 IAC 93.151(239B) for PROMISE JOBS
- ◆ 441 IAC 60.16(217) for Refugee Cash Assistance
- ◆ 441 IAC 51.9(249) for State Supplementary Assistance
- ◆ 441 IAC 170.9(234) for Child Care Assistance
- ◆ 441 IAC 11.1(217) for *hawk-i*

Iowa Code Sections 217.34 and 421.17, Subsection 21, authorize the offsetting of debts to the Department against a debtor's state tax refund. Department rules at 441 Iowa Administrative Code Chapter 11 implement these sections.

Iowa Code Section 10A.402 establishes the duties of the Division of Investigations of the Department of Inspections and Appeals. Rules established to administer this section are found at 481 Iowa Administrative Code Chapter 71, "Overpayment Recovery Unit."

REFERRING UNIT RESPONSIBILITIES

Legal reference: 481 IAC 71.1(10A) and 71.2(10A); 441 IAC 170.9(234)

Income maintenance workers, PROMISE JOBS workers, and *hawk-i* program policy specialists are responsible for certain activities as part of recovering overpayments for their respective programs.

Special procedures are required for recovering overpayments in:

- ◆ Child Care Assistance. Follow the instructions in 13-G, **OVERPAYMENT RECOVERY**.
- ◆ PROMISE JOBS. Follow the instructions in 4-Appendix, **PROMISE JOBS PROVIDER MANUAL, Recovery of PROMISE JOBS Expense Allowance Overpayments**.

Referring worker responsibilities for all other programs are listed in the following sections:

- ◆ Making referrals to DIA
- ◆ Processing appeal requests
- ◆ Notifying DIA of changes
- ◆ Applying credit to a claim
- ◆ Accepting cash payments

Making Referrals to DIA

Legal reference: 481 IAC 71.2(10A) and 71.4(10A); 441 IAC 11.2(217,421) and 170.9(234)

Income maintenance workers are responsible for making referrals to the Department of Inspections and Appeals for overpayments of FIP, Medicaid, Food Assistance, State Supplementary Assistance, Refugee Cash Assistance, and Child Care Assistance.

The *hawk-i* program policy specialist makes referrals to the Department of Inspections and Appeals for overpayments of the *hawk-i* program.

The PROMISE JOBS worker makes referrals for PROMISE JOBS overpayments. (See 4-Appendix, *PROMISE JOBS Provider Manual: Notification of PROMISE JOBS Overpayment*)

Note: Do not make a referral if the client or provider has returned the state warrant. For recovery purposes, the person has not “received” the benefit if the warrant is not cashed, so there is no overpayment.

Do not make a Child Care Assistance or *hawk-i* referral to DIA if the overpayment is caused by an agency error. Ensure that there is documentation in the case record of the overpayment, and make any corrections to the case record, as needed.

In all other cases, make referrals within 90 days of discovery of the overpayment. Use form 470-0464, *Overpayment Recovery Information Input*, to make the referral. This form specifies:

- ◆ The last program
- ◆ The amount
- ◆ The dates
- ◆ The reason for the overpayment
- ◆ The last information on the debtor for identification purposes

Always list all responsible adults in the comments with their social security and state identification numbers. Select the adult household member from whom collection is most likely. The recoupment system can collect from only one debtor at a time.

Federal food stamp regulations require tracking a Food Assistance claim from the date of discovery. To accomplish this, first complete items 1 through 18a of form 470-0464, as applicable. This part of the form specifies the program and identifies the debtor.

After you complete the calculation of the claim, submit the amount, the dates, the reason for the overpayment, and complete the grid in field 34 identifying how the claim was calculated either by:

- ◆ Completing a new form 470-0464 by marking it as an update, reentering information in 3-9, and 17 and 18b, and adding information for all items; or
- ◆ Photocopying the original form 470-0464 and using a red pen to complete the remaining items.

Also complete form 470-0465, *Overpayment Recovery Supplemental Information*, when:

- ◆ The overpayment or overissuance in any one program area is over \$1,000.
- ◆ The combined overpayment or overissuance in all programs is over \$1,000.
- ◆ The DIA Division of Investigations asks for information to pursue recovery actions.
- ◆ You want legal action pursued.
- ◆ Recovery will be attempted from the resources of an alien sponsor.

Medicaid and Iowa Plan Managed Care Capitation Recovery

Capitation payments are Medicaid payments made by the Department on a monthly basis to Medicaid HMOs or to the Iowa Plan for each Medicaid beneficiary enrolled with the plan. The HMOs and the Iowa Plan are responsible for services to enrolled Medicaid beneficiaries. The capitation payment is like an insurance premium that is paid monthly to purchase coverage, regardless of whether services are used that month.

A capitation payment is considered payment for Medicaid medical services and may be subject to overpayment recovery for months when the client was determined eligible and enrolled with the HMO or the Iowa Plan in error. This policy does not apply to MediPASS services, as MediPASS is not a managed care organization.

To determine whether the Department may have made capitation payments for a client, use the MHC CD field on the SSNI screen to determine if the client is enrolled with an HMO or the Iowa Plan. See 14-C, **SSNI=MEDICAID ELIGIBILITY FILE**, for help in reading the MHC CD field codes on the SSNI screen.

The amount of the capitation payment may be identified by the provider name listed on the Medicaid claims history (Medicaid Management Information System-Recipient History Request).

- ◆ For a list of HMO provider names, see 8-M, **List of Providers and Counties Served**.
- ◆ For the Iowa Plan, see 8-M, **Iowa Plan for Behavioral Health**.

To determine whether recovery of capitation payments is necessary, determine whether the overpayment is the result to a client error or an agency error.

- ◆ When the overpayment is the caused by **client** error:
 - Establish an overpayment for the amount of the overpayment for all Medicaid services including capitation payments as directed in 6-Appendix.
 - Complete 470-0464, *Overpayment Recovery Information Input*, in accordance with directions in 6-Appendix.
- ◆ When the overpayment is caused by **agency** error:
 - Do not establish an overpayment for amounts paid for the capitation payments.
 - Establish an overpayment for all other Medicaid services. Omit the capitation amounts.
 - Complete 470-0464, *Overpayment Recovery Information Input*, in accordance with directions in 6-Appendix.

Processing Appeal Requests

Legal reference: 441 IAC 7.8(17A)

Clients can appeal an overpayment claim or an offset against state payments. (See **Debtor Appeal Rights**.) Process appeal requests according to procedures in 1-E, **RESPONSIBILITIES OF DEPARTMENT'S REPRESENTATIVE**.

| Prepare the appeal summary and send it to the liaison for appeals in the Appeals Section. The liaison decides whether to certify a request to the Department of Inspections and Appeals for a hearing.

Notifying DIA of Changes

Legal reference: 441 IAC 11.2(217, 421)

IM workers, *hawk-i* policy specialists, and PROMISE JOBS workers are responsible for notifying DIA when circumstances change or an additional claim needs to be added for a particular debtor. IM, *hawk-i*, and PROMISE JOBS staff, as well as the courts and other administrative directives, may initiate changes in the total overpayment owed, the balance owed, or both.

Submit changes to the DIA Overpayment Recovery Unit on a new form 470-0464, *Overpayment Recovery Information Input*, or write in red ink on a photocopy of the previous form. Update the record for changes of client address, appeals, changes in “to” or “from” dates, and changes in the amount of a claim.

Applying a Credit to a Claim

Legal reference: 7 CFR 273.18(d); 481 IAC 71.5(1)“c,” “d,” and “e”; 441 IAC 11.2(217, 421), 45.24(2)“b,” 93.151(249C); 441 IAC 170.9(5)

IM workers can apply a credit against the amount due on a claim instead of:

- ◆ Making a corrective cash payment for FIP or RCA or
- ◆ Restoring lost benefits for Food Assistance.

This is referred to as “offsetting.” **Note:** Offsetting does not occur on Child Care Assistance or *hawk-i* program payments.

Send all crediting information on recoveries made through offsetting to the Department cashier on form 470-0010, *Adjustment to Overpayment Balance*.

Accepting Cash Payments

Legal reference: 441 IAC 11.3(217, 421)

Debtors should send payments directly to the DHS Cashier's Office, First Floor, 1305 E Walnut Street, Des Moines, Iowa 50319-0114.

However, if a debtor makes a cash payment to another Department office or to a PROMISE JOBS office, issue form 470-0009, *Official Receipt*, to the debtor. Complete form 470-0010, *Adjustment to Overpayment Balance*, and send it to the Department cashier with the receipt and the payment attached.

When the debtor makes a payment by check or money order, instruct the debtor to make the remittance payable to the "Iowa Department of Human Services." For more information, see 23-B, **ISSUANCE OF RECEIPTS** and **TRANSMITTAL OF FUNDS**.

DIA ACTIVITIES TO INITIATE RECOVERY

Legal reference: 481 IAC 71

When the Department of Inspections and Appeals (DIA) receives form 470-0464, *Overpayment Recovery Information Input*, from DHS or PROMISE JOBS, it begins the recovery process by:

- ◆ Creating an overpayment record.
- ◆ Making a fraud referral, when indicated.
- ◆ Issuing a demand letter for repayment of the overpayment, if appropriate.

Note: For Food Assistance claims, this is a two-step process. The initial form 470-0464 creates the overpayment record and starts tracking the claim establishment. After the updated 470-0464 is submitted, the recovery process continues with fraud referrals and demand letters, as indicated.

Records of the Overpayment Recovery Unit are confidential in accordance with 1-C, **AVAILABILITY OF RECORDS**.

Creating Debtor and Claim Records

Legal reference: 481 IAC 71.3(10A); 441 IAC 11.2(217, 421)

When the DIA Overpayment Recovery Unit receives form 470-0464, staff search the Overpayment Recovery System to see if the debtor already has a record on the system. If no record is found, Unit staff use the information from form 470-0464 to create a new “debtor record.”

The debtor record is filed under the debtor’s name and includes the following information:

- ◆ Debtor name and account number
- ◆ Social security number
- ◆ Address
- ◆ Case number
- ◆ Case status
- ◆ County case worker number
- ◆ Fraud worker number
- ◆ Billing code

An identifier is used as a key to access the debtor record.

- ◆ For clients, the identifier is based on the state identification number whenever possible. When the client has no assigned state identification number, the identifier is the social security number. (A child’s state identification number or social security number is never used, because a child cannot be a debtor.)
- ◆ For providers, the identifier is based on the provider number, federal identification number, or social security number.

After the “debtor” record is created, a “claim record” is created. This claim record contains information about a specific overpayment. It includes:

- ◆ A program code related to the category of assistance that was overpaid
- ◆ The primary cause of the overpayment
- ◆ The time frame of the overpayment
- ◆ The amount of the overpayment

- ◆ The referral source
- ◆ The appeal status
- ◆ The fraud status
- ◆ The demand letter record
- ◆ The claim status
- ◆ Any transaction applied to this overpayment

A debtor can have multiple claim records, since overpayments can occur for various programs or at different times.

Making Fraud Referrals

Legal reference: 481 IAC 71.4(10A)

The Overpayment Recovery Unit reviews the record to determine whether a referral for suspected fraud should be made to the DIA Economic Assistance Fraud Bureau. All client error overpayments over \$1,000 are referred. Multiple client overpayments and DHS requests for investigation may also be referred.

An IM worker or *hawk-i* policy specialist can also refer a case for fraud investigation using form 470-0465, *Overpayment Recovery Supplemental Information*, and form 470-0464, *Overpayment Recovery Information Input*.

No further recovery action is taken until the DIA Economic Assistance Fraud Bureau completes the investigation.

Issuing Demand for Repayment

Legal reference: 441 IAC 71.5(10A)

The repayment process begins with a notice to the debtor that an overpayment has occurred. “Demand letters” are sent whether the case is active or closed. Demand letters are not sent for claims referred for a fraud investigation until after the investigation is completed and the final disposition is received from the investigator or the court system.

The Overpayment Recovery System sends the first demand letters for FIP, RCA, Medicaid, *hawk-i*, State Supplementary Assistance, and Child Care Assistance on the last working day of the month after the claim is entered into the system. The system sends the first demand letter for Food Assistance eight to nine days before the end of the month.

The debtor voluntarily completes the repayment agreement section. Failure to return the form may result in further collection action.

- ◆ For Food Assistance overpayments, the debtor has 20 days to respond to:
 - Form 470-3487, *Demand Letter for Food Stamp Inadvertent Household Error Overissuance*, for inadvertent household error overpayments; or
 - Form 470-3486, *Demand Letter for Food Stamp Intentional Program Violation Overissuance*, for intentional program violation overpayments.
- ◆ For FIP or RCA overpayments, the debtor has 20 days to respond to:
 - Form 470-2616, *Demand Letter for FIP/RCA Agency Error Overissuance*, for agency error overissuances; or
 - Form 470-3490, *Demand Letter for FIP/RCA Client Error Overissuance*, for client error overpayments.
- ◆ For *hawk-i* member overpayments, the debtor has 30 days to respond to form 470-3984, *Notice of Healthy and Well Kids in Iowa (hawk-i) Premium Overpayment*.
- ◆ For Medicaid or State Supplementary Assistance overpayments, the client has 30 days to respond to form 470-2891, *Demand Letter for Medicaid or State Supplementary Assistance Overpayment*.
- ◆ For Child Care Assistance overpayments, the debtor has 30 days to respond to:
 - Form 470-3627, *Demand Letter for Child Care Assistance Provider Error Overissuance*, for provider error overissuances; or
 - Form 470-3628, *Demand Letter for Child Care Assistance Client Error Overissuance*, for client error overissuances.

These forms inform the debtor that an overpayment has occurred. They identify:

- ◆ The amount overpaid.
- ◆ The dates of the overpayment.
- ◆ The causes of the overpayment.
- ◆ The different options the debtor has to repay the overpayment.
- ◆ Due dates.

Demand letters are sent monthly for four months or until a repayment agreement is entered. Exception: Only one letter per claim is sent if collection is suspended (for example, due to an appeal). If the appeal decision upholds the Department, another *Overpayment Recovery Information Input*, form 470-0464, is sent to DIA with a change to field 24, appeal status.

The investigator may also send form 470-0495, *Repayment Contract*, when there has been no response to any of the demand letters. This form tells the amount and programs overpaid and gives the debtor a choice of repayment methods.

See also 4-Appendix, *PROMISE JOBS Provider Manual*, for the PROMISE JOBS repayment process.

DEBTOR RIGHTS AND REPAYMENT OPTIONS

Debtor rights and repayment options are explained in the following sections:

- ◆ Appeal rights
- ◆ Cash payments
- ◆ Allotment reduction
- ◆ How payments are applied

Debtor Appeal Rights

Legal reference: 441 IAC 7.5(6), 7.5(7), 7.6(1), 11.4(5), 11.5(5)

If the debtor wants to contest an overpayment claim, the debtor must submit an appeal request to the Department. The repayment process is then suspended until the appeal process is complete.

All of the forms used to notify the debtor of a public assistance overpayment have appeal rights on the back and constitute notices of adverse action. The Department grants a hearing according to policies and procedures in 1-E, **APPEALS PROCEDURES**. Time limits for filing appeals vary with the program.

- ◆ FIP, RCA, and CCA participants have 30 days from the date the first demand letter is issued, as noted at **Issuing Demand for Repayment**, to file an appeal on the existence, computation, and amount of an overpayment issued. A hearing is not held on these issues if an appeal is filed in response to the second or subsequent demand letters.

Time limits for appeals on recovery of the overpayment through benefit reduction begin with the notice of decision informing the person that benefits will be reduced to cover a FIP or RCA overpayment.

- ◆ Food Assistance participants have 90 days from the date of the first demand letter to appeal the amount, dates, or reason for a Food Assistance overissuance. Time limits on recovery through allotment reduction begin when the first demand letter is issued, as described under **Issuing Demand for Repayment**.
- ◆ For Medicaid or State Supplementary Assistance, the 30-day time limit for granting a hearing on the existence and amount of an overpayment also begins with the date of the first *Demand Letter for Medicaid or State Supplementary Assistance Overpayment*, form 470-2891.
- ◆ For the *hawk-i* program, the 30-day limit for granting a hearing on the existence and amount of an overpayment also begins with the date of the first *Notice of Healthy and Well Kids in Iowa (hawk-i) Premium Overpayment*, form 470-3984.

A debtor who wants to contest an offset must submit a written request to the Department within 15 days after one of the following notices is mailed:

- ◆ Form 470-1668, *Notice of Setoff of an Iowa Income Tax Refund for Debts Owed the Department of Human Services*.
- ◆ Form 470-4139, *Notice of Income Offset Against State Warrants*.
- ◆ Form 470-4140, *Notice of Income (Payroll) Offset*.

If the Department is upheld in the final decision, the offset process continues. The refund, rebate, or other state payment is applied to the appropriate delinquent overpayments.

If the Department is reversed in the final decision, the Department of Administrative Services releases the debtor's refund or other state payment to the debtor.

Debtors who want to contest the delinquency status of their claims may submit a written request to the Department of Inspections and Appeals (DIA) within 60 days of the date of the *Treasury Offset Program (TOP) Pre-Offset Notice*, form 470-3797.

Appeal rights for claims submitted to federal offset have been exhausted. DIA will determine if the claim is past due and legally enforceable and notify the debtor in writing of the decision using form 427-0573, *Review Letter*, or form 427-0574, *Review With Evidence Letter*.

Cash Payments

Legal reference: 481 IAC 71.5(10A)

Cash payments are accepted for any overpayment. Cash repayment is the only repayment method available for Medicaid, State Supplementary Assistance, Child Care Assistance, and *hawk-i* cases and for closed cases. For active cases on other programs, the debtor has the option to repay in cash or by allotment reduction.

For FIP and RCA repayments, the debtor may choose cash repayment only when the repayment amount exceeds what would be collected by grant reduction. Payment in Food Assistance benefits is accepted only for a Food Assistance overpayment. For Food Assistance repayments, the payment amount must equal or exceed the benefit reduction amount.

When a debtor returns a demand letter indicating a choice of cash payments, the DIA investigator reviews it to see that the debtor has set a reasonable amount and rate of payment (if applicable).

Debtors who have made cash agreements to repay their claim receive form 470-0130, *Overpayment Statement*, each month. The Overpayment Recovery System issues these statements on the last working day of the month. Payments are due by the 25th of the following month.

The *Overpayment Statement*:

- ◆ Tells the debtor the amount of the payment due for the month.
- ◆ Lists all payments received during the current month. (This billing cycle also determines delinquent accounts.)
- ◆ Serves as a receipt.

When the debtor makes a payment by check or money order, instruct the debtor to make the remittance payable to the Iowa Department of Human Services. Debtors should send payments directly to the DHS Cashier's Office, First Floor, 1305 E Walnut Street, Des Moines, Iowa 50319-0114.

The Department cashier is responsible for entering the payments into the Overpayment Recovery System. Criminal judgment payments are made to the clerk of court where the order is filed. See **How Payments Are Applied**.

These payments should be accompanied with the first page of the *Overpayment Statement*. The statement contains identifying numbers so that a payment can be applied to the correct debtor's account. If there is no accompanying document or identifying numbers, the cashier must search the system to find the debtor record.

Allotment Reduction

Legal reference: 481 IAC 71.5(1), 441 IAC 46.25(239B); 7 CFR 273.18(5)(3)“a” and “b”

“Allotment reduction” is an amount withheld from a public assistance benefit. This means grant reduction for FIP and benefit reduction for Food Assistance. Allotment reduction is automatic for active Food Assistance cases without a cash agreement.

Allotment reduction must be used for all FIP and RCA overpayments on active cases unless there is a cash agreement that exceeds the amount that may be collected by grant reduction, and the cash payments are actually being made. The FIP grant is not reduced to recover an overpayment for PROMISE JOBS or Transitional Child Care without the client's written permission.

A computer interface between the Overpayment Recovery System and the ABC System compares records monthly on the working day before timely notice day (the recoupment run). When the conditions for allotment reduction are met, the interface automatically reduces the debtor's regular monthly FIP or RCA grant or Food Assistance benefit to pay the debtor's claim.

The interface initiates Food Assistance benefit reduction if no cash agreement or other acceptable payment arrangement is entered on the Overpayment Recovery System by the recoupment run day of the first month following issuance of the first demand letter.

The interface initiates FIP or RCA grant reduction if no cash agreement or other acceptable payment arrangement is entered on the Overpayment Recovery System by the recoupment run day of the second month following issuance of the first demand letter.

The amount of allotment reduction is different for agency and client error. For an explanation of FIP grant reduction amounts, see 4-H, **How Much to Recover**. See 7-H, **Methods of Collecting Payments**, for an explanation of Food Assistance benefit reduction.

When the reduced allotment is first issued, the ABC system generates a notice of decision telling the client that benefits are being reduced to recover an overpayment. The Overpayment Recovery System produces form 470-0130, *Overpayment Statement*, quarterly to report repayment progress.

How Payments Are Applied

Legal reference: 441 IAC 11.3(217,421)

The Department applies any payment received to the debtor's overpayments as follows:

- ◆ When all the overpayments are in a single program area (other than Food Assistance):
 - If there is more than one overpayment in the program, the payment is applied to the overpayment with an agreement.
 - If more than one overpayment has an agreement, the payment is applied to the overpayment that was established first.
 - If there are no agreements or if all overpayments with agreements are paid, the payment is applied to the next overpayment, in order of establishment, until all overpayments are paid in full (or the payment is used up).

- ◆ When all the overpayments are in Food Assistance:
 - If there is an agreement, the payment is applied to that overpayment first.
 - If more than one overpayment has an agreement, the payment is applied to the overpayment that was established first.
 - If there is no agreement in effect, the payment is applied to the state-only overpayment (cause 33) that was established first. Any remaining amount is applied to the next state-only overpayment, in order of discovery, until all state-only overpayments are paid in full (or the payment is used up).
 - If there are no remaining state-only overpayments, the payment is applied to the intentional program violation (IPV) overpayment that was established first. Any remaining amount is applied to the next IPV overpayment, in order of establishment, until all IPV overpayments are paid in full (or the payment used up).
 - If there are no remaining IPV overpayments, the payment is applied to the inadvertent household error overpayment that was established first. Any remaining amount is applied to the next household error overpayment, in order of establishment, until all household error overpayments are paid in full (or the payment used up).
 - If there are no remaining household error overpayments, the payment is applied to the agency error overpayment that was established first. Any remaining amount is applied to the next agency error overpayment, in order of discovery, until all agency error overpayments are paid in full (or the payment is used up).
- ◆ When there are overpayments in more than one program, payments received are applied to those programs as indicated by the mode of repayment or by the client at the time of payment.

If a cash payment is received that does not indicate to which program it should be applied, the cashier applies the payment to each program proportionally. The amount allocated to each program is based on what percent each program has of the total debt.

There are two claims against Ms. B that total \$700 - a FIP claim for \$525 and a Medicaid claim for \$175. The FIP claim is 75% of the total debt and the Medicaid claim is 25% of the total debt.

Ms. B sends DHS a check for \$200 and does not indicate whether it is for the FIP claim or the Medicaid claim. After receiving Ms. B's check, the cashier applies 75% of the check (or \$150) to the FIP claim, and 25% (or \$50) to the Medicaid claim.

No payments are applied to an overpayment that is under investigation for fraud or is in appeal status.

Payments are first applied to claims with court orders, either by a criminal conviction or civil judgment. In some situations, the criminal court order may be for restitution that is lower than the amount actually owed. Once the court-ordered amount is paid, DIA will collect on the balance and on other claims.

OTHER COLLECTION ACTIONS

Legal reference: 481 IAC 71.6(10)

If complete repayment has not been received through cash payments and allotment reduction, the DIA Overpayment Recovery Unit may take one or more of the following collection actions:

- ◆ Claims may be offset against the debtor's state income tax refund.
- ◆ Claims may be offset against other income that a debtor receives from the state, through garnishment or attachment of a state warrant.
- ◆ Claims for Food Assistance may be offset against a debtor's federal income tax refund or other federal payments.
- ◆ Claims may be made against a debtor's estate or in a debtor's bankruptcy proceedings.
- ◆ Claims below \$5,000 may be referred for small claims court action.
- ◆ Claims of \$5,000 or more may be referred to the attorney general for district court action.
- ◆ Claims may be made against sponsors in certain alien cases.
- ◆ Claims may be collected by issuing a distress warrant.

Checking Other Information Systems

Legal reference: 481 IAC 71.8(10A)

The Overpayment Recovery Unit compares information with other data processing systems to identify the location, resources, or income of a debtor. The Unit uses, but is not limited to, part or all of the systems of the following agencies:

- ◆ Social Security Administration
- ◆ Iowa Workforce Development
- ◆ Iowa Department of Revenue
- ◆ Iowa Department of Transportation (driver's license and motor vehicle registration)
- ◆ Department of Human Services

Offset Against State Income Tax Refunds and Other Payments

Legal reference: 441 IAC 11.4(217, 421)

DIA makes a claim against a debtor's state income tax refund or other state payments for public assistance overpayments when:

- ◆ A debtor has failed to negotiate a repayment agreement or the agreement is not current, and
- ◆ The cumulative balance of the applicable overpayments in all programs is more than \$50.

A claim will not be made against a debtor when the overpayment is under investigation for fraud, is in appeal status, or is being recovered through grant or benefit reduction.

Debtors may have their state income tax refund held (referred to as "debt setoff") when they have no current payment agreement or when they have agreements that are in arrears. Debtors who are not repaying claims or are not current with payments, who owe at least \$50, and who have a tax refund of not less than \$25 are "flagged" for offset.

Debtors may also have other state warrants held when they owe at least \$50 and have no current payment agreement or are in arrears. There are two types of warrant offsets:

- ◆ **Wage garnishment.** Debtors who are state employees are subject to wage garnishment. A match with state payroll is made periodically throughout the year.
- ◆ **State warrant offset.** Debtors who are eligible for a state warrant are subject to having the payment attached to repay their claim. Examples of payments that may be offset are lottery winnings, wages for temporary state employment, and payments to providers and contractors. This match is made each time the record for payment matches the debtor's social security number.

No match is made for tax refund offset, wage garnishment, or other state payment offset until at least one demand letter has been sent for FIP, RCA, Medicaid, State Supplementary Assistance, Food Assistance, Child Care Assistance, or *hawk-i* claims.

Offset Process

The Overpayment Recovery System generates a list of the debtors meeting the state offset criteria on the fifth and fifteenth working day of each month. This list is sent to the Department of Administrative Services for matching by social security number.

When the debtor is entitled to a state income tax refund, the Overpayment Recovery Unit mails form 470-1668, *Notice of Setoff of an Iowa Income Tax Refund for Debts Owed the Department of Human Services*, to the debtor to inform the debtor of the amount the Department intends to claim.

The Overpayment Recovery Unit requests a payroll match from the Department of Administrative Services quarterly. When a match is made, the Overpayment Recovery Unit mails the debtor form 470-4140, *Notice of Income (Payroll) Offset*. This notice informs the debtor of the amount the Department intends to claim and offers the debtor the opportunity to make an agreement to repay.

The Department of Administrative Services notifies the Overpayment Recovery Unit when a listed debtor is entitled to any other nonexempt state warrant. The Overpayment Recovery Unit then mails the debtor form 470-4139, *Notice of Income Offset Against State Warrants*.

When Jointly Owned Payments Are Divided

Legal reference: 441 IAC 11.4(4)

When either spouse wants to request a division of a jointly or commonly owned right to a payment, that spouse must submit a written request to the Department within 15 days after the offset notice is mailed. The offset notices are sent on:

- ◆ Form 470-1668, *Notice of Setoff of an Iowa Tax Refund for Debts Owed the Department of Human Services,*
- ◆ Form 470-4139, *Notice of Income Offset Against State Warrants,* or
- ◆ Form 470-4140, *Notice of Income (Payroll) Offset.*

When the request is received within the 15-day limit, the Department of Administrative Services releases the spouse's proportionate share, as determined by the Department of Revenue, unless:

- ◆ Other claims are made on that portion of the jointly or commonly owned right to payment, or
- ◆ That spouse was also a member of the same household, and the spouse's income and resources were or should have been considered in the calculation of public assistance.

This policy applies to anyone who is the co-owner of the payment. If two people are mutually entitled to a payment, but only one of them is responsible for the debt, either one can ask to have the payment divided.

Then the Department will claim only the part of the payment belonging to the person who is responsible for the debt. The rest will be released to the other owner. However, the payment will not be divided if both people were in the household and responsible for the public assistance debt.

Applying the Offset

Legal reference: 441 IAC 11.4(6) and 11.4(7)

If the Department has not received a request for an appeal hearing or a request for a division of a jointly or commonly owned payment within 15 days after the date that the offset notice is mailed, the Overpayment Recovery Unit notifies the Department of Administrative Services to carry out the offset.

The Department of Administrative Services keeps \$5 of the offset to cover the cost of processing, except for Food Assistance-only cases.

For tax refunds and other state warrants, the Overpayment Recovery System notifies the debtor of the final decision regarding the claim by mailing form 470-1667, *Debt Setoff Credit*, to the debtor.

Garnishment begins automatically if form 470-4140, *Notice of Income (Payroll) Offset*, is not appealed. When the maximum amount of garnishment for the year has been collected, the Department of Administrative Services notifies the Overpayment Recovery Unit. The unit then sends the debtor form 470-1667, *Debt Setoff Credit Letter*, to report the total amount collected and credited.

The Department applies any offset received from the Department of Administrative Services to the debtor's overpayments as indicated on form 470-1668, *Notice of Setoff of an Iowa Income Tax Refund for Debts Owed the Department of Human Services*, or form 470-1667, *Debt Setoff Credit Letter*. See **How Payments Are Applied**.

Federal Offset for Food Assistance

Legal reference: 441 IAC 65.21(6)

DHS makes a claim offset against federal income tax refunds or other federal payments (TOP) for Food Assistance overissuances when:

- ◆ A debtor is not participating in the Food Assistance program.
- ◆ A repayment agreement has not been signed and 180 days has elapsed since the date of the second demand letter (minus any days the claim was not subject to collection because of an appeal).
- ◆ A repayment agreement has been signed but is in arrears, and the total unpaid balance on claims for this debtor exceeds \$25.00. (A payment agreement is considered to be in arrears when 180 days have elapsed since the first of the month following the month when the person failed to make the agreed payment, and the person has not subsequently made up the missed payment.)
- ◆ No claim is less than three months old nor more than ten years old as of January 31 of the offset year. (Exception: Claims where civil or criminal judgments entered are not subject to the ten-year limit.)

A claim against an individual will not be referred for federal offset when:

- ◆ The overpayment is under investigation for fraud, or
- ◆ The overpayment is under appeal, or
- ◆ The claim is being recovered by benefit reduction

The Department will submit a certified notification of liability for delinquent claims for the Food Assistance program monthly. All debtors will receive a notice, form 470-3797, *Treasury Offset Program (TOP) Pre-Offset Notice*, identifying the amount the Department intends to refer to TOP for offset. A request for a split of jointly owned tax refund must be sent directly to the Internal Revenue Service.

The Treasury Department will charge an offset fee to the debtor when a match takes place. The amount collected through treasury offset is automatically applied to Food Assistance claims. Any amount remaining after offset is released back to the debtor.

Compromising or Terminating a Claim

Legal reference: 441 IAC 170.9(5) (234)

In some cases, the Department may decide to compromise or write off the amount of a claim. The Overpayment Recovery Unit must approve compromises caused by court orders, bankruptcy, or death.

Compromises caused by client circumstances can be made only through exceptions to policy. The director of the Department may grant exceptions to the Department's rules in individual cases upon the director's own initiative or upon request. See criteria at 1-B, **EXCEPTIONS TO POLICY**. Although this action does not represent actual recovery, it requires system entry, since the balance of the claim is changed.

The Overpayment Recovery Unit can also change the balance, as well as the total owed, if it is discovered that the original claim was entered in error. The Overpayment Recovery Unit initiates any correction to the claim.

The IM worker or *hawk-i* policy specialist can correct a balance by submitting an updated *Overpayment Recovery Information Input*, form 470-0464, to the Overpayment Recovery Unit.

Food Assistance claims that have been reduced to an amount of \$25 or less will be terminated if:

- ◆ The claim is delinquent more than 90 days, and
- ◆ There are no other claims to which the claim can be added to bring the amount owed to an amount greater than \$25.

Child Care Assistance nonfraud overpayments will be terminated when the claims are less than \$35 and have been in suspension for three years.

OVERPAYMENT RECOVERY SYSTEM

The Overpayment Recovery System is a computer system that assists the Department of Inspections and Appeals (DIA) in recovering overpayments made to Department of Human Services clients or providers. Overpayments that are recorded on the system and pursued for collection are defined by policy for each program area. The functions of the system are to:

- ◆ Provide a means to store data about clients and providers who owe repayment to the Department. These clients and providers are called “debtors.”
- ◆ Allow multiple claims for each debtor from different program areas. Each instance of overpayment for a consecutive period in one program area for one reason is called a “claim.” Each claim is identified by the program code and the date established.
- ◆ Produce monthly statements to bill debtors with cash agreements and produces quarterly statements to debtors with allotment reduction.
- ◆ Produce demand letters for Food Assistance, FIP/RCA, Medicaid, State Supplementary, Assistance, *hawk-i*, or Child Care Assistance claims.
- ◆ Match with the Department of Administrative Services for intercept of state tax refunds or other state warrants.
- ◆ Match with Department of Treasury for intercept of federal tax refunds or other federal payments for Food Assistance claims.
- ◆ Record payments and adjustments to show repayment of the claim. Repayment can be accomplished by various methods.
- ◆ Retain a history of claims and payments for audit purposes.
- ◆ Record and retain a history of all lost or stolen public assistance warrants for replacement and audit purposes.

To perform these functions, the system requires data entry by DIA. DHS staff in the Bureau of Purchasing, Payments, and Receipts and the Unit of Quality Assurance make adjustment entries. As data is entered, the system is updated to show the changes. Statements and reports are generated.

Revised May 6, 2005

Department staff can access the Overpayment Recovery System display screens through CICS with an authorized ID and password. Workers can access the Overpayment Recovery System through the LINK screen by selecting OVPY, which returns the system menu.

The following screens display information about specific debtors and claims:

OVCI	Display Claim Information
OVPT	Payment/Transaction Display
OVLB	Display Amount Due, Last Bill
OVNN	Case Narrative
OVDI	Display Debtor Information
OVCO	Calculation of Food Assistance Overpayment

Access these screens by entering the debtor's identifying code and number. The codes are:

I	Debtors identified by their state ID number (the majority)
S	Debtors identified by their social security number or Federal Tax ID (providers)
P	Providers identified by their provider number

Example: Access general claim information for client 12345467N by clearing the screen, typing OVCI.11234567N, and pressing ENTER. Some screens can be selected by typing another screen code over the last one and pressing ENTER. If that doesn't work, select another screen by clearing the screen, typing another screen code and debtor identifier in the upper left corner, and pressing ENTER. (Always make a note of the debtor identifier.)

You can also search debtor files by debtor name (OVNA screen) or debtor social security number (OVNS screen), if necessary.

Access lists of the codes used on the system through the OVCD screens, as follows:

OVCD.0001	Status of individual or case on ABC
OVCD.0002	Program codes
OVCD.0003	Cause codes
OVCD.0004	Referral source
OVCD.0005	Classification of provider debtors
OVCD.0006	Appeal status
OVCD.0007	Fraud status
OVCD.0008	Agreement code
OVCD.0009	Frequency of payment

- OVCD.0010 Demand letters
- OVCD.0011 Last action
- OVCD.0012 Federal report status
- OVCD.0013 Claim status
- OVCD.0014 Reason codes
- OVCD.0015 Transaction type codes
- OVCD.0016 Error codes

Display Claim Information (OVCI)

The OVCI screen displays all claim information for a particular debtor. The program and the date established are used to identify claims. The codes and dates are from the *Overpayment Recovery Information Input*, form 470-0464, submitted by the IM, *hawk-i*, or PROMISE JOBS worker.

OVCI. / /	DISPLAY CLAIM INFORMATION		INITIAL UPDATE
DEBTOR NAME	ADDRESS		
PROGRAM	DATE DISCOVERED	DATE ESTABLISHED	
TOTAL OWED	DATE COMPLETED	FROM	TO
CAUSE	REFERRAL SOURCE	BALANCE	CLASSIFICATION OF DEBTOR
APPEAL STATUS	FRAUD STATUS	COURT COUNTY	NUMBER DISQUALIFIED
<i>hawk-i</i> CASE #			
AGREEMENT:	METHOD OF REPAYMENT	FREQUENCY	
	BEGINNING DATE	AMOUNT	PAYMENT
	RECEIVED DATE		
STATE ONLY:	TRANSFERRED DATE:		
TOP: STATUS	DATE	NOTICE DATE	AMT:
INACTIVE REASON:	DATE:	REMAIN BAL:	
DEMAND	REASON 1 2	SEND LETTERS	NUMBER SENT
LETTER:	MONTH MESSAGE		LAST SENT
PURGE			FIRST SENT
LAST ACTION	FEDERAL REPORT STATUS		REPORT DATE
CLAIM STATUS	CLAIM STATUS DATE		REASON CLOSED

Claims can be retrieved three ways, depending on how much information is entered with the identifier:

- ◆ To scan all claims for a debtor, clear the screen, type in OVCI. and the debtor identifier (see above), and press ENTER. Example: OVCI.11234567A

To scan other claims, continue pressing the ENTER key. When all claims for the debtor have been viewed, the screen will display an error message.

- ◆ To scan all the debtor's claims in a specific program, clear the screen, type in OVCI. and the debtor identifier as above, type a slash, type the program code, and press ENTER. (If the identifier is a state ID number, enter a space after the number and before the slash. The system reads nine characters in the number to allow for social security number identifiers.) Example: OVCI.11234567A /01

To scan other claims in the program, continue pressing ENTER. When all claims for that debtor and program have been viewed, the screen will display an error message.

- ◆ To scan a specific claim, enter the screen code, debtor identifier, and program identifier as above, and enter the month, day, and year that the claim was established (in six digits). Example: OVCI.11234567A /01/040890

If the system cannot find a matching claim, the screen will show an error message. Check that the entry was correct. If so, scan all claims for the debtor to check for a similar claim.

Payment/Transaction Display (OVPT)

The OVPT screen displays the debtor's name and address, lists transactions, and lists the payments applied for each transaction.

OVPT.		DISPLAY DEBTOR PAYMENTS/TRANSACTIONS				
DEBTOR NAME						
ADDRESS						
DATE	DATE	TRANSACTION		DATE	PAYMENT	
ENTERED	RECEIVED	TYPE	AMOUNT	PGM	ESTABLISHED	APPLIED

Access this screen by clearing the screen, typing OVPT and pressing ENTER. Then type the debtor's identifying code and number, and press ENTER.

The screen has 13 lines for transactions. If the screen is full, press ENTER to see more transactions. The first page reappears when all transactions have been viewed. The latest payments and adjustments are displayed first. The last payment on a page is carried to the top of the next. This is a duplication.

Claims are identified by program code and date established. The transaction codes identify the type of credit or debit applied. Transaction codes are:

- 01 Cash payment
- 02 Cash payment with percentage split
- 03 Credit to date/Bank recovery
- 04 FIP grant reduction
- 05 Returned warrant
- 06 Returned Food Assistance/Food Assistance EBT benefits
- 07 Offset
- 08 Reduction of Food Assistance benefit
- 09 Provider rate adjustment
- 10 Reduction in provider payment
- 11 Cash receipt, current month
- 12 Cash receipt, previous month
- 13 Medical collections deposited with the Medicaid fiscal agent
- 14 Income tax debt offset
- 15 Out-of-state collection
- 16 Claim balance less than one dollar
- 17 Voluntary payment against terminated or compromised claim
- 18 Offset adjustment against terminated or compromised claim
- 19 Returned Food Assistance applied to a terminated or compromised claim
- 20 Returned check due to insufficient funds (debits on entry made under 01, etc.)
- 21 Claim settled by compromise
- 22 Claim settled by write-off
- 23 Claim settled by court decision
- 24 Income offset
- 25 Claims closed in error

OVERPAYMENT RECOVERY SYSTEM

Payment/Transaction Display (OVPT)

May 6, 2005

Iowa Department of Human Services

Title 6 Other Income Maintenance Programs

Chapter G Recovery of Overpayments

- 26 Federal payment offset
- 29 Terminated claim; suspended three years
- 31 Adjustment to total owed; correcting entry
- 32 Referred out of state
- 41 Ten-year-old claim with no agreement closed
- 42 Claim submitted in error
- 43 Debtor deceased
- 44 Amount changed per an appeal
- 45 Court-ordered compromise
- 46 Compromised through bankruptcy
- 47 Commissioner's exception to policy

Display Amount Due, Last Bill (OVLB)

The OVLB screen displays debtor overpayment information, and information that was sent to debtors on their last bill.

OVLB					DISPLAY DEBTOR AMOUNT OUTSTANDING/LAST BILL				
DEBTOR NAME									
ADDRESS									
BILLING INDICATOR					STATUS				
TOTAL OVERPAID		DUE BALANCE		PAST DUE THIS MONTH		PREPAID AMOUNT		AMOUNT	
MONTHS SINCE AGREED PAYMENT					MONTHS DELINQUENT				
BILLING DATE									
PAYMENT DUE		AGREEMENT AMOUNT		PAST DUE AMOUNT		PREPAID AMOUNT		ENDING BALANCE	

Access the OVLB screen by clearing the screen, typing in OVLB. and the debtor code and identifier, and pressing ENTER.

Error code E1010 appears if no debtor identifier is entered.

Error code E1050 appears if no record is found. (Check to make sure the identifier is correct.)

Error code E1140 indicates that no bills have been sent.

Case Narrative (OVNN)

The OVNN screen displays other information about DIA actions on a case.

OVNN.	CASE NARRATIVE	08/21/96	PAGE	OF
DEBTOR NAME	PAPER FILE		LAST UPDATE	
AGREEMENT:	PROGRAM	SENT	RECEIVED	
	PROGRAM	SENT	RECEIVED	
INVESTIGATION:				
COUNTY ATTORNEY	RETURNED		DISPOSITION:	
CIVIL REFERRAL				
TO ATTORNEY GEN	RETURNED		DISPOSITION:	
TO SMALL CLAIMS	RETURNED		DISPOSITION:	
	NARRATIVE			
ENTER=RETRIEVES/UPDATE,PF1=NEW PAGE, PF2=FORWARD, CLEAR=EXIT				

To access the OVNN screen, clear the screen and type OVNN. Then press ENTER, type the debtor code and identifier, and press ENTER again. This screen does not interface with any of the other screens. Press CLEAR to exit.

Display Debtor Information (OVDI)

The OVDI screen displays identifying information about a particular debtor. It can be used to check current and previous names and addresses, fraud worker, case status, and bill status.

OVDI.	DISPLAY DEBTOR INFORMATION			INITIAL UPDATE
PREFIX	STATE ID	SSN	PROVIDER	
DEBTOR NAME		PREVIOUS NAME		
CURRENT ADDRESS		PREVIOUS ADDRESS		
LINE 1				
LINE 2				
CITY				

Access the OVDI screen by clearing the screen, typing OVDI. and the debtor code and identifier, and pressing ENTER.

Error code E1010 appears if no debtor identifier is entered. Error code E1050 indicates that no record is found. Check the identifier for correct entry or use a search screen to find the debtor.

Debtor Name Search (OVNA)

Use the OVNA screen to search the file of existing debtor names (e.g., if the debtor's identification number is unknown).

<u>DEBTOR NAME SEARCH</u>							
OVNA.A/SMITH JOHN							
DEBTOR NAME	IDENTIFIER	CITY	STATE	COUNTY	CASE WKR	FRAUD WKR	C/P NAME

The OVNA screen can be accessed in two ways, depending on the type of search desired:

- ◆ To search alphabetically by last name, clear the screen, type OVNA.A/ and the name, and press ENTER. Type the name (or as much of the name as desired) in this format: last name, two blanks, first name, two blanks, middle initial. Example:
OVNA.A/Smith J
- ◆ To search phonetically by the sound of the last name, clear the screen, type OVNA.S/ and the name or part of the name in the same format as above, and press ENTER.

The screen can hold 17 name lines. If the screen is full, press ENTER to see more names. Continue to press ENTER until a screen with less than seventeen names appears. If you press ENTER again, the first screen of data will return.

If the search does not find a matching name, the warning code of W6030 appears, and the name is highlighted. Try another spelling of the name or another search type if you believe the debtor is on file.

If a name record is found but the debtor information cannot be found, error code E6020 will appear. This is a file error. Contact the Overpayment Recovery Unit.

Debtor Number Search (OVNS)

Use the OVNS screen to search for the name and identifier of a debtor when the social security number or provider number is known.

<u>DEBTOR NUMBER SEARCH</u>					
OVNS.	S444444444				
DEBTOR	NAME	XXITH	XXHN	IDENTIFIER	I1110000I
STATE ID	00110000I	SOCIAL SECURITY	444444444	PROVIDER	

To access the OVNS screen with a social security number, clear the screen, type OVNS.S and the number (with no hyphens or spaces), and press ENTER.

To access the screen with a provider number, clear the screen, type OVNS.P and the provider number, and press ENTER.

The system edits the number. If an error is found, the field is highlighted, and an error code appears on line 23. Correct the error in your entry and press ENTER.



April 15, 1997

GENERAL LETTER NO. 6-G-4

ISSUED BY: Bureau of Food Stamps, Bureau of Family Investment,
Division of Economic Assistance

SUBJECT: Employees' Manual, Title 6, Chapter G, *Recovery of Overpayments*, Title page,
revised; Contents (page 1), revised; and pages 1-27, revised.

Summary

This general letter transmits the revised Chapter 6-G, *Recovery of Overpayments*. The chapter was rewritten to incorporate the Department's updated manual format and writing style.

Included in this revised chapter are changes to the food stamp demand letter process. For food stamp claims, the first demand letter is mailed 8-9 days before the end of the month and has a printed due date. Households with food stamp agency error claims continue to have 30 days in which to respond. Households with food stamp inadvertent household error claims are allowed 10 days to respond. Households with food stamp intentional program violation claims must respond immediately.

If no repayment agreement is returned by the household with a food stamp inadvertent household error claim or a food stamp intentional program violation claim by cutoff of the first month following the issuance of the first demand letter, allotment reduction is initiated.

There are no other policy changes in this revised chapter.

Effective Date

Upon receipt.

Material Superseded

Remove the entire Employees' Manual, Title 6, Chapter G, and destroy it. This includes:

<u>Page</u>	<u>Date</u>
Title page	March 31, 1992
Contents (page 1)	March 31, 1992
1-3	July 6, 1993
4-6	March 31, 1992
7-16	July 6, 1993
17-19	March 31, 1992
20	July 6, 1993
21-30	March 31, 1992

Additional Information

Contact your regional benefit payment administrator if you need additional information.



September 8, 1998

GENERAL LETTER NO. 6-G-5

ISSUED BY: Division of Economic Assistance

SUBJECT: Employees' Manual, Title 6, Chapter G, *Recovery of Overpayments*, Title page revised; Contents (page 1 and 2), revised; and pages 1 through 27, revised; and page 28, new.

Summary

This chapter is revised to:

- ◆ Change current form 470-2616, *Demand Letter for FIP/RCA Overissuance*, to *Demand Letter for FIP/RCA Agency Error Overissuance*.
- ◆ Add forms 470-3489, *Demand Letter for FIP/RCA IPV Overissuance*, and 470-3490, *Demand Letter for FIP/RCA Client Error Overissuance*.
- ◆ Change current form FP-2322-0, *Demand Letter for Food Stamp Overissuance*, to form 470-0338, *Demand Letter for Food Stamp Agency Error Overissuance*.
- ◆ Add forms 470-3486, *Demand Letter for Food Stamp Intentional Program Violation Overissuance*, and 470-3487, *Demand Letter for Food Stamp Inadvertent Household Error Overissuance*.
- ◆ Include instructions for recovery of delinquent food stamp overpayments through the Treasury Offset Program (TOP).

Page 7 includes instructions regarding the debtor's right to request a review of the delinquent status of a claim when the debtor has received a 60-day notice advising that the claim is subject to referral to TOP.

Pages 9 and 10 are revised to more accurately reflect the way in which payments are applied to a debtor's overpayment claims for both FIP/RCA and food stamps.

Page 14 is revised to reflect the change in the response time for intentional program violation demand letters. A debtor with an IPV claim must now return the demand letter within 20 days, just as a debtor with an inadvertent household error or agency error claim.

This chapter is also revised to reflect the change in collection of agency error claims. Agency error claims are now subject to the same collection action as inadvertent household error claims. Agency error claims are also subject to recoupment at the rate of \$10 or 10% of the current month's benefit.

If the household fails to sign an agreement to repay or fails to make the agreed upon payments, the household is subject to benefit reduction the same as a household with an inadvertent household error claim.

If the household with an agency error claim is not participating in the food stamp program, the claim is subject to the same alternative methods of collection as the household with an inadvertent household error claim.

Effective Date

August 5, 1998

Material Superseded

Remove the following pages from Employees' Manual, Title 6, Chapter G, and destroy:

<u>Page</u>	<u>Date</u>
Title page	April 15, 1997
Contents (page 1 and 2)	April 15, 1997
1-27	April 15, 1997

Additional Information

Refer questions about this material to your regional benefit payment administrator.



THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
JESSIE K. RASMUSSEN, DIRECTOR

March 13, 2001

GENERAL LETTER NO. 6-G-6

ISSUED BY: Bureau of Family Investment, Division of Economic Assistance

SUBJECT: Employees' Manual, Title 6, Chapter G, **RECOVERY OF OVERPAYMENTS**, pages 3 through 9, 11, and 12, revised.

Summary

Revisions to this chapter:

- ◆ Eliminate reference to FIP intentional program violation policies, which are obsoleted by General Letter 4-M-3.
- ◆ Update form numbers, references, and addresses.

Effective Date

Upon receipt.

Material Superseded

Remove from Employees' Manual, Title 6, Chapter G, pages 3 through 9, 11, and 12, all dated September 8, 1998, and destroy them.

Additional Information

See General Letter 4-M-3 for information on eliminating FIP intentional program violation policies.

Refer questions about this general letter to your regional benefit payment administrator.



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
JESSIE K. RASMUSSEN, DIRECTOR

July 17, 2001

GENERAL LETTER NO. 6-G-7

ISSUED BY: Bureau of Food Stamps, Division of Economic Assistance

SUBJECT: Employees' Manual, Title 6, Chapter G, **RECOVERY OF OVERPAYMENTS**, Contents (pages 1 and 2), revised; pages 1 through 10, 11, 13, 14, and 17 through 22, revised; and page 10a, new.

Summary

This chapter is revised to add:

- ◆ Policy regarding the claims management requirements set forth in recent changes to federal regulations. These regulations require the timely establishment of all claims within 90 days of the date of discovery at least 90% of the time. "Date of discovery" is defined as the date on which the worker discovers that an overissuance has occurred.
- ◆ Policy on the termination of claims which have a remaining balance of \$25 or less, are more than 90 days delinquent, and have no other claims to which they could be added so the balance due exceeds the \$25.
- ◆ Instructions on page 3 for completing form 470-0464, *Overpayment Recovery Information Input*, for a food stamp claim. For food stamps, the referral of the claim to DIA is now a two-step process, to ensure that claims are tracked from the date of discovery.

References to Transitional Child Care manual and rules are eliminated and other cross-references are corrected.

Effective Date

These changes are effective for all claims discovered on or after August 1, 2001.

Material Superseded

Remove the following pages from Employees' Manual, Title 7, Chapter G, and destroy them:

<u>Page</u>	<u>Date</u>
Contents (pp. 1 and 2)	September 8, 1998
1, 2	September 8, 1998
3-9	March 13, 2001
10	September 8, 1998
11	March 13, 2001
13, 14, 17-22	September 8, 1998

Additional Information

Refer questions about this general letter to your regional benefit payment administrator.



July 23, 2002

GENERAL LETTER NO. 6-G-8

ISSUED BY: Division of Financial, Health, and Work Supports

SUBJECT: Employees' Manual, Title 6, Chapter G, **RECOVERY OF OVERPAYMENTS**, Contents (pages 1 and 2), revised; pages 1 through 22, revised; and pages 22a and 22b, new.

Summary

This chapter is revised to:

- ◆ Add the Child Care Assistance program to the chapter for recovery of overpayments.
- ◆ Correct and clarify language.
- ◆ Update rule references.

Effective Date

Upon receipt

Material Superseded

Remove the following pages from Employees' Manual, Title 6, Chapter G, and destroy them:

<u>Page</u>	<u>Date</u>
Contents (pages 1 and 2)	July 17, 2001
1-11	July 17, 2001
12	March 13, 2001
13, 14	July 17, 2001
15, 16	September 8, 1998
17-22	July 17, 2001

Additional Information

Refer questions about this general letter to your area income maintenance supervisor 2.



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
JESSIE K. RASMUSSEN, DIRECTOR

October 29, 2002

GENERAL LETTER NO. 6-G-9

ISSUED BY: Bureau of Managed Care and Clinical Services

SUBJECT: Employees' Manual, Title 6, Chapter G, *RECOVERY OF OVERPAYMENTS*,
Contents (page 1), revised; and pages 4a and 4b, new.

Summary

This chapter is revised to include overpayment recovery instructions for calculating overpayments for persons enrolled in an HMO or the Iowa Plan.

Effective Date

Upon receipt.

Material Superseded

Remove from Employees' Manual, Title 6, Chapter G, Contents (page 1), dated July 23, 2002, destroy it.

Additional Information

Contact your service area supervisor if you need additional information.



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
JESSIE K. RASMUSSEN, DIRECTOR

January 21, 2003

GENERAL LETTER NO. 6-G-10

ISSUED BY: Division of Financial, Health and Work Supports

SUBJECT: Employees' Manual, Title 6, Chapter G, **RECOVERY OF OVERPAYMENTS**, page 4, revised.

Summary

Revision is made to add information about a grid (field 33) which will now appear on form 470-0464, *Overpayment Recovery Information Input*. This grid is used for food stamps only and contains information regarding how the food stamp claim was calculated for each month. This change is being made to comply with federal requirements that this information be displayed on initial food stamp demand letters sent to households.

Effective Date

Upon receipt.

Material Superseded

Remove the following page from Employees' Manual, Title 6, Chapter G, and destroy it:

<u>Page</u>	<u>Date</u>
4	July 23, 2002

Additional Information

Refer questions about this general letter to your area income maintenance supervisor 2.



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
KEVIN W. CONCANNON, DIRECTOR

June 10, 2003

GENERAL LETTER NO. 6-G-11

ISSUED BY: Division of Financial, Health and Work Supports

SUBJECT: Employees' Manual, Title 6, Chapter G, *RECOVERY OF OVERPAYMENTS*, pages 11, and 20, revised.

Summary

Revision is made to change a form name and number.

Effective Date

Upon receipt.

Material Superseded

Remove the following page from Employees' Manual, Title 6, Chapter G, and destroy it:

<u>Page</u>	<u>Date</u>
11, 20	July 23, 2002

Additional Information

Refer questions about this general letter to your area income maintenance supervisor 2.



May 6, 2005

GENERAL LETTER NO. 6-G-12

ISSUED BY: Division of Financial, Health and Work Supports

SUBJECT: Employees' Manual, Title 6, Chapter G, **RECOVERY OF OVERPAYMENTS**, Title page, Contents (pages 1 and 2), revised; pages 1 through 28, revised; and pages 29 through 33, new.

Summary

This chapter is revised to:

- ◆ Add the references to the *hawk-i* (Healthy and Well Kids in Iowa) program in the overpayment recovery process.
- ◆ Change the program name from "food stamps" to "Food Assistance."
- ◆ Correct form names and cross-references.
- ◆ Change organizational names due to restructuring.
- ◆ Update instructions for Food Assistance on what items of form 470-0464, *Overpayment Recovery Information Input*, to complete.
- ◆ Remove the section, "Referral to Central Collection Unit." This unit no longer exists.

Effective Date

Upon receipt.

Material Superseded

Remove the entire Chapter G page from Employees' Manual, Title 6, and destroy it. This includes the following pages:

<u>Page</u>	<u>Date</u>
Title page	September 8, 1998
Contents (page 1)	October 29, 2002
Contents (page 2)	July 23, 2002
1-3	July 23, 2002
4	January 21, 2003
4a, 4b	October 29, 2002

5-10	July 23, 2002
11	June 10, 2003
12-19	July 23, 2002
20	June 10, 2003
21, 22, 22a, 22b	July 23, 2002
23-28	September 8, 1998

Additional Information

Refer questions about this general letter to your area income maintenance supervisor 2.