

Non-Fraud Overpayment Referrals

Number: 45-003

Date: 12/1/2007

PURPOSE

The purpose of this policy is to provide guidelines on making overpayment referrals for Foster Care, Adoption Assistance Program (AAP), and Kinship Guardian Assistance Payment (Kin-GAP) programs to SSA Program Integrity Non-Fraud Overpayment (NFOP) Unit.

APPROVED

This policy was approved by Mike Ryan, Director of CFS, on 1/29/2010. *Signature on file.*

POLICY

Overpayment referrals must be made timely according to program mandates.

FOSTER CARE

Foster Care overpayments are handled by the NFOP Unit. Payments made to Group Homes (GH) or Foster Family Agencies (FFA) is collectable overpayments by federal and state statute. Payments made to foster homes (FH), relatives, and non-relative extended family members (NREFM) by state statute are non-collectable. However, federal statute requires the federal portion of the overpayment to be paid back by the state even if no mandatory collection is allowed. Therefore, all overpayments for these providers shall have a voluntary repayment notice sent out at the time the overpayment occurred. The collection of any voluntary repayments will defray the cost of the federal portion of the overpayment to be paid by the state.

Referral packet consists of the following:

- NFOP Referral
- Placement Information Change (PIC) notice
- SOC 158A
- Copy of CalWIN Case Comments
- Copy of CalWIN Display Claim Recovery Detail window
- NFOP Checklist
- Voluntary Repayment Notice (for FH, Relatives, and NREFM)

All overpayments must be set up in CalWIN and have the proper documentation in the referral packet.

AAP

AAP overpayments in an active case must be recouped by grant adjustment giving a timely notice of action. Regulations require that overpaid AAP payments must be repaid even if the overpayment occurred due to agency error.

Active Cases

Once the overpayment is discovered the adoptive parent has two options for repayment.

1. The Eligibility Technician (ET) must contact the adoptive parent to negotiate a monthly repayment adjustment. Payments should be made to ensure the overpaid funds are paid back before the child turns 18 years old.

2. If the adoptive parent does not want to negotiate a repayment amount, the ET will grant adjust the entire AAP payment for up to six months. For any remaining balance after the six-month payment adjustment, a NFOP referral is needed for civil collection.

Closed Cases

If there is a balance remaining when the AAP case closes or a new overpayment occurs at the time of case closure, a NFOP referral needs to be made.

Referral Packet includes the following:

- NFOP Referral
- Notice of Action
- Copy of CalWIN Case Comments
- Copies of CalWIN Display Claim Recovery Detail windows, Claim Status and Claim Recovery
- NFOP checklist

All overpayments must be set up in CalWIN and have the proper documentation in the referral packet.

KIN-GAP

Active Cases

Kin-GAP overpayments in an active case must be recouped by grant adjustment giving a timely notice of action.

• Agency error: adjust grant amount for the payment minus 5% of the Maximum Aid Payment (MAP) amount for the assistance unit (AU) rounded to the next lower dollar.

• Other overpayments: adjust grant amount for the payment minus 10% of the MAP amount for the AU rounded to the next lower dollar.

• The overpayment shall be adjusted from the current aid payment. The adjustment shall be the lesser of the following:

- The overpayment balance
- The maximum adjustment amount
- The current aid payment

Closed Cases

If there is a balance remaining when the Kin-GAP case closes or a new overpayment occurs at the time of case closure, a NFOP referral needs to be made.

If the overpayment is an agency error and the total amount of the overpayment is less than \$35, no collection or NFOP referral is needed.

Referral Packet includes the following:

- NFOP Referral
- Notice of Action
- Copy of CalWIN Case Comments
- Copies of CalWIN Display Claim Recovery Detail windows, Claim Status and Claim Recovery
- NFOP checklist

All overpayments must be set up in CalWIN and have the proper documentation in the referral packet.

**REFERRAL
PROCESS**

All NFOP overpayment referrals must be reviewed by Foster Care Program Integrity prior to being sent to NFOP Unit. Foster Care Program Integrity is responsible for the following:
Group Homes and FFA overpayments

- Reviews all overpayments to ensure paperwork is correct.
- Completes CalWIN entries in Display Claim Recovery Detail window from CalWIN notating reference table "FC NFOP Referral Made".
- Sends completed referral directly to the NFOP unit once the referral packet is complete.

Foster Homes, Relatives, and NREFM overpayments

- Reviews all overpayments to ensure paperwork is correct.
- Completes CalWIN entries in Display Claim Recovery Detail window from CalWIN notating reference table "FC NFOP Referral Made".
- Completes voluntary repayment notice and sends to the foster care provider with a postage paid envelope.
- Sends completed referral directly to the NFOP unit once the referral packet is complete.
- Logs referral packet on the Voluntary Repayment Notice Log.
- Sends the monthly NFOP Bass vs. Anderson and GH/FFA overpayment referral reports to the Foster Care Program Manager who will route to Fiscal Accounting.
- Sends the monthly AAP overpayment report the Foster Care Program Manager who will route to Fiscal Accounting.
- Sends the monthly Voluntary Repayment Notice Log monthly to NFOP Unit.
- Voluntary repayments are to be put on the Voluntary Repayment Notice Log and sent monthly to the Foster Care Program Manager by SSA Fiscal Accounting.

**REFERENCES
HYPERLINKS**

Eligibility And Assistance Standards (EAS) Manual Section 45-304 through 45-306
Eligibility And Assistance Standards (EAS) Manual Section 45-808
Eligibility And Assistance Standards (EAS) Manual Section 90-110.1(h)
Eligibility And Assistance Standards (EAS) Manual Section 44-352

**REQUIRED FORMS
HYPERLINKS**

Form Name	Form Number
Notice of Non Fraud Overpayment	F063-07-96
Voluntary Repayment Notice	F063-29-67
NFOP Checklist	F063-29-77

PROCEDURE

REQUIRED ACTION

The following actions must be completed when there is an overpayment that needs to be sent to SSA Program Integrity NFOP unit.

Responsibility	Step	Required Action
Assigned ET	1.	Identifies overpayment from the PIC or information reported by the client.
	1.	Sets up claim in CalWIN. <ul style="list-style-type: none">• AAP and KinGAP programs need to set up grant adjustments. Only completes the following steps if case closes or can no longer grant adjust the overpayment by statute.
	1.	For Relatives, NREFM's, and FH's, completes a draft voluntary repayment notice.
	1.	Completes NFOP referral.

	1.	Sends to the Program Integrity ET.
Foster Care Program Integrity ET	1.	Reviews NFOP referral for completeness. If incomplete, returns back to assigned ET for corrections.
	1.	For Relatives, NREFM's, and FH's, completes an official voluntary repayment notice from the draft received from the assigned ET and sends it to Foster Care provider.
	1.	Sends complete NFOP packet to Foster Care Program Integrity Coordinator.
Foster Care Program Integrity Coordinator	1.	Reviews NFOP packet for completeness.
	1.	Completes CalWIN entries in the Display Claim Summary "Foster Care NFOP Referral Made".
	1.	For Relatives, NREFM's, FH's reviews Voluntary Repayment Notice.
	1.	Sends complete NFOP packet to Foster Care Program Development Information Processing Technician (IPT) to enter information on the Voluntary Repayment log.
	1.	Once referral packet is completed forwards to NFOP unit Social Services Supervisor I (SSS I).
	1.	Sends Voluntary Repayment log to Foster Care Program Integrity SSS I.
	1.	Handles phone calls regarding overpayments and sets up informal hearing process with the Foster Care Program Manager (PM) and Foster Care Program Development Social Services Supervisor II (SSS II).
Foster Care Program Development IPT	1.	Sends Voluntary Repayment log to Foster Care Program Integrity SSS I by the last working day of the month.
	1.	Sends the NFOP logs to Foster Care Program Manager.
Foster Care Program Integrity SSS I	1.	Reviews Voluntary Repayment log. If correct, sends Voluntary Repayment Log to Foster Care Program Manager and SSA Program Integrity Program Manager.
Foster Care Program Manager	1.	Sends Foster Care NFOP reports and AAP overpayment reports to SSA Fiscal Accounting.
SSA Non Fraud Overpayment SSS I	1.	Receives NFOP referrals and assigns to NFOP ET.
SSA Non Fraud Overpayment ET	1.	Processes GH, FFA, Kin-GAP, and AAP NFOP referrals. <ul style="list-style-type: none"> • Sends demand letter for repayment. • Enters overpayment in Voluntary Automated Collection System (VACS) For Relative, NREFM, and FH referrals, banks referrals, unless a voluntary repayment is received and notified by fiscal accounting.

SSA Fiscal Accounting	1.	Receives payment from GH, FFA, AAP, and Kin-GAP providers. Enters repayment information in VACS. <ul style="list-style-type: none">• For voluntary repayments• Receives repayments.• Notifies NFOP SSS I on repayment amount.• Has Accounting Assistant II enter repayment into VACS.
	1.	Enters voluntary repayment amount on Voluntary Repayment log and forwards back to Foster Care Program Manager monthly.
Foster Care Program Integrity SSS I	1.	Completes monthly repayment statistics and forwards to Foster Care Program Manager.

OCCSSA