



**STATE OFFICE for SERVICES
to CHILDREN and FAMILIES**

ADMINISTRATIVE SUPPORT MANUAL III

ISSUED BY: Management Operations
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SECTION: B. Financial
Management

SUBSECTION: 3. General
Collection

SUBJECT: 3. Recovery of Overpayments - Oregon Administrative Rules

Responsible Manager: Assistant Administrator,
Management Operations

Approval: _____
Assistant Administrator
Management Operations

Interpretation: Assistant Administrator,
Management Operations

REFERENCES: ORS 183.413 - 183.421
ORS 293.250 – 293.260
OAR 137-003-0000 – 137-003-0092
OAR 413-310-0200 – 413-310-0240
Oregon Accounting Manual, Policy 03 03 00.PO

413-310-0350
Recovery of Overpayments – General

These rules describe SOSCF's procedures for handling the collection of overpayments to contracted providers of child care and treatment services, and for granting Administrative Reviews and hearings in contested cases. Contested case hearings of SOSCF are conducted in accordance with the Attorney General's Model Rules OAR 137-003-0501 and the following, entitled "Model Rules of Procedure for Contested Cases"; Hearing Officer Panel Rules.

Statutory Authority: ORS 418.005
Stats. Implemented: ORS 293.250 through 293.260

413-310-0355
Definition

"Overpayment" is defined for purposes of these rules as a payment for child care or treatment services and for related services to a family made by SOSCF, on behalf of a client, that either is paid to an ineligible provider or that exceeds the amount authorized by terms of the contract, SOSCF policies and rules, or law. An overpayment includes payments where a service provider is paid:

- (1) Beyond an authorization date or contract end date;

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- (2) In excess of what is authorized;
- (3) For services not provided;
- (4) For services not meeting policy criteria;
- (5) Under circumstances of Erroneous Payments Based on Error or Fraud described in OAR 413-310-0200 through 0240.

Statutory Authority: ORS 418.005

Stats. Implemented: ORS 293.250 through 293.260

413-310-0360**Policy**

- (1) In instances of overpayment as defined above, SOSCF will initiate action to recover money inappropriately paid out.
 - (a) When an overpayment is discovered, notice will be sent to the service provider in writing stating that deductions will be made from future payments and that if the provider is no longer receiving payments from SOSCF, the provider is directed to refund the overpayment. The notice will direct the provider to call a specified person(s) in the DHS Accounting Services office at a listed phone number to establish a repayment schedule or to discuss details of the issue, including contesting the SOSCF claim of overpayment.
 - (b) If the provider is no longer receiving payments from SOSCF, or the overpayment amount is larger than remaining payments, and if satisfactory resolution is not reached through the personal contact described above, a billing process will be initiated.
 - (c) In the billing process, an invoice along with a letter explaining the circumstances of the overpayment and payment options is sent to the service provider. This letter gives 30 days to make repayment in full, or to request to make mutually agreeable installment payments, or to appeal for a review or hearing as described in paragraphs (3) and (4) below.
 - (d) If after the 30 days, a satisfactory response is not received, SOSCF will send a second notice with a copy of the invoice and explanations, again asking for payment in 30 days. If satisfactory response is still not received, SOSCF will send a final notice requesting payment in full by the end of 30 days. The final notice will state that if payment is not received in full by the end of the 30 days, the case will be referred to the Department of

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Revenue for collection in accordance with ORS 293.250-293.260, or to a private collection agency.

- (2) With the first billing notice (see (1)(b) & (c) above) to the service provider that an overpayment is to be repaid, SOSCF will include information on appealing the SOSCF claim for repayment in an Administrative Review by the SOSCF Administrator or designee, as well as a Contested Case Notice informing the provider of rights to a hearing as described in OAR 137-003-0505, failing resolution in the Administrative Review.
- (3) The service provider will have 30 days following notice of an overpayment (see (1)(a) above) to request an Administrative Review by the SOSCF Administrator or designee. This Administrative Review will be a required step prior to the provider requesting a contested case hearing described in (4) below.
- (4) The service provider will have 30 days following the conclusion of an Administrative Review and issuance of a decision to appeal the finding in a contested case hearing before a hearing officer from the Hearing Officer Panel of the Oregon Employment Department. The proceedings shall be conducted pursuant to OAR 137-003-0501 to 137-003-0700.
- (5) A contractor may request an Administrative Review or a hearing before a hearing officer from the Hearing Officer Panel to contest the finding that an overpayment exists for the following reasons:
 - (a) To contest the finding that an overpayment exists;
 - (b) To contest the extent and amount of the overpayment to be repaid; or
 - (c) To contest the terms for repayment.
- (6) Upon receipt by SOSCF of a formal request for an Administrative Review or for a hearing as described in (3) and (4) above, any withholding of otherwise appropriate contract payments may be discontinued pending the outcome of the review or hearing.

Statutory Authority: ORS 418.005

Stats. Implemented: ORS 293.250 through 293.260