

James Toews  


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**Authorized Signature**

**Number: SPD-PT-06-011**  
**Issue Date: 03/15/2006**

**Topic:** Long Term Care

**Transmitting (check the box that best applies):**

- New Policy   
  Policy Change   
  Policy Clarification   
  Executive Letter  
 Administrative Rule   
  Manual Update   
  Other: \_\_\_\_\_

**Applies to (check all that apply):**

- |  |  |
|--|--|
| <input type="checkbox"/> All DHS employees                 | <input type="checkbox"/> County Mental Health Directors                  |
| <input checked="" type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services                                 |
| <input type="checkbox"/> Children, Adults and Families     | <input checked="" type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers        | <input type="checkbox"/> Other (please specify):                         |

Policy/Rule Title:	Client Liability and Overpayments		
Policy/Rule Number(s):	461-195-0521, 461-180-0085, 461-160-0610, 461-175-0230, 461-195-0501	Release No:	
Effective Date:	Current Policy	Expiration:	
References:	HCW Contract, SPD Generic Program Elements G., and Attached Checklist and examples		

**Discussion/Interpretation:**

Clients receiving waived in-home services with income above the SSI standard are required to pay a liability. Payments are based on prospective budgeting, and are due at the beginning of the month. This transmittal is intended to serve as instruction and clarification regarding this process.

**System:**

If the liability payment is not received by the 15<sup>th</sup> of the month, a computer-generated notice, "Services Termination Notice", will be sent to the client. This notice will include the date payment was due, the amount overdue and when services will end. This notice includes rule numbers and hearing rights as well as the case manager's office information and phone number.

Along with the Services Termination Notice that is sent to the client, a computer-

generated notice, "Payment Authorization Termination Notice", is sent to the homecare worker (HCW). This notice explains that the client may not be eligible to receive in-home services and whom the HCW should contact to find out if the client is eligible to receive in-home care.

If the client does not pay the total liability by the end of the month, the client is not eligible for the services that were received in that month ([461-160-0610](tel:461-160-0610)). The Services Termination Notice serves as a timely continuing benefit notice. However, the case manager must also send a closure notice (SDS 540) informing the client of any other Medicaid benefits the client may be eligible for ([461-175-0230](tel:461-175-0230)). The case will not close automatically, so it is the responsibility of the caseworker to close the case via CA/PS and CMS, with effective dates of the end of the month. This action needs to be taken before CMS cutoff. If the case is closed before CMS cutoff and the client comes in and pays their liability after CMS cutoff and prior to the end of the month, use a Restore to reopen the CMS case, and for CA/PS use Copy & Create to re-create the assessment that had been driving payment. Keep the original review date.

The computer-generated notice to the HCW does satisfy the notification requirements in the HCW Collective Bargaining Agreement, Article 17 Section 2. The worker does not need to complete and send the [DHS 4105](#), Homecare Worker Notice of Change in Hours or Services in this situation.

### **Adjusting Off The Liability:**

At the end of the month, the outstanding liability must be adjusted off through the SFMU system. The worker should use the code "OT" with the comment: "Failure to pay - referred to overpayment".

### **Overpayments:**

Per rule [461-195-0521](#), for any month the client does not pay the liability, an overpayment needs to be referred to the Overpayment Writing Unit (OWU). The overpayment is calculated for the month that the liability payment was not made. The overpayment amount includes:

- Any costs that the Department paid,
- Any health plan capitation payments,
- All medical expenses paid for the period,
- Provider payments,
- Home-delivered meals,
- Non-medical transportation, and
- Mileage reimbursement.

Staff should use the [SDS 284R](#) to refer cases with a client error (CE) overpayment. For instructions on completing an overpayment referral see [SPD Generic program elements G. Overpayment Recovery #2](#)

### **Late Payments:**

Clients must pay the liability in the month that it is due. Payments received the

following month are not to be used for any retroactive payment. The liability for the month that was not paid needs to be adjusted off. The client will need to pay the liability for the current month to receive services again. See attached example.

**Partial Payments:**

If the client makes a partial payment in the month the liability is due, but does not pay the full liability by the end of the month, they may not make the rest of the payment the next month. The remaining liability amount that is due will need to be adjusted off. The client will need to pay the liability for the current month to receive services again. See attached example.

**Resource:**

A checklist, with instructions, is being provided to guide caseworkers through the steps. It is suggested that the attached checklist, or something similar, be used. The checklist may be printed and kept in the file for documentation. Examples are also being included.

**Implementation/Transition Instructions:**

When a client does not make their pay-in, close the case, adjust off the liability on the SFMU, send the provider the DHS 4105 and write the overpayment.

**Training/Communication Plan:**

No training is currently planned.

**Local/Branch Action Required:**

If a client does not pay their liability the case manager will need to:

- Close the case effective the end of the month that was not paid,
- Adjust off the liability for the month that was not paid,
- Send the provider the DHS 4105,
- Refer the overpayment, and
- Narrate actions, including dates, in Or ACCESS

*(Use the checklist to assist in the steps.)*

**Central Office Action Required:**

Provide technical assistance as needed.

**Field/Stakeholder review:**      Yes      No

**If yes, reviewed by:** Operations Committee

*If you have any questions about this policy, contact:*

<b>Contact(s):</b>	Sarah Lambert		
<b>Phone:</b>	503-945-6834	<b>Fax:</b>	503-373-7902
<b>E-mail:</b>	<a href="mailto:Sarah.D.Lambert@state.or.us">Sarah.D.Lambert@state.or.us</a>		



## Client Liability - Case Closure and Overpayment

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_  
Prime ID: \_\_\_\_\_  
Case #: \_\_\_\_\_

Month liability not paid: \_\_\_\_\_ Amount of liability due: \_\_\_\_\_

Yes  No Services Termination Notice sent to client (Available thru NOTC)  
Date: \_\_\_\_\_

Yes  No Payment Authorization Termination Notice sent to provider  
(Available thru NOTC)  
Date: \_\_\_\_\_

Yes  No Case reviewed for other Medicaid program eligibility?  
Date closed or converted to new program: \_\_\_\_\_  
If converted, what program was case converted to? \_\_\_\_\_

Yes  No DHS 4105 sent to provider (Available thru forms server)  
Date: \_\_\_\_\_

Yes  No Adjustment done thru SFMU  
Amount: \_\_\_\_\_  
Date: \_\_\_\_\_

Yes  No Referred to Overpayment Recovery Unit Using the [SDS 284R](#)  
Date: \_\_\_\_\_

Worker Name: \_\_\_\_\_ Branch: \_\_\_\_\_

Remember: The overpayment is calculated for the month that the payment was not made. The overpayment amount is the unpaid client liability and may include provider payments, home-delivered meals, non-medical transportation and mileage reimbursement. The overpayment also includes all medical expenses for that period. Most of the overpayments will be over the \$750.00 threshold.

**Late Payments:**

Late payments are not accepted. Payments must be made in the month they are due. If the payment is not made, the liability needs to be adjusted off. The client will need to pay the liability for the current month to receive services again.

**Example:**

John Smith has a liability of 100.00 for 01/XX. John does not make the payment by 01/15/XX. John receives a system generated Services Termination notice in the mail showing the outstanding amount due (in this case 100.00). John's HCW receives a system generated Payment Authorization Termination Notice in the mail. (These notices are mailed around the 15<sup>th</sup> of the month.) John's caseworker, Sally, sends a closure notice letting John know about other Medicaid programs that he may be eligible for and closes John's CMS case and CA/PS case effective 01/31/XX. (This needs to be done prior to CMS cutoff). Additionally, Sally will need to send the provider a DHS 4105 notice that the hours have changed to zero. At the end of the month, Sally adjusts off the liability for 01/XX using the code OT and the reason "Failure to pay, referred to overpayments", and makes an overpayment referral using the SDS284R. John will need to pay his liability for 02/XX in order to receive services.

If John comes in after CMS cutoff, but prior to the end of the month to make his liability payment, and Sally has closed his case, Sally will need to use a Reopen code on CMS (effective 02/01/XX) to reopen the Medicaid case. For CA/PS, Sally will need to use Copy & Create to copy the last assessment and use the begin date of 02/01/XX, and the review will be the same as the original assessment.

**Partial Payments:**

If the client makes a partial payment in the month the liability is due, but does not pay the full liability by the end of the month, they may not make the rest of the payment the next month. The remaining liability amount that is due will need to be adjusted off. The client will need to pay the liability for the current month to receive services again.

*Example:*

John Smith has a liability of 100.00 for 01/XX. John does not make the full payment; he only pays 50.00 of the 100.00 due by 01/15/XX. John receives a system generated Services Termination notice in the mail showing the outstanding amount due (in this case 50.00). John's HCW receives a system generated Payment Authorization Termination Notice in the mail. (These notices are mailed around the 15<sup>th</sup> of the month.) John's caseworker, Sally, sends a closure notice letting John know about other Medicaid programs that he may be eligible for and closes John's case effective the end of the month. (This needs to be done prior to CMS cutoff). Additionally, Sally will need to send the provider a DHS 4105 notice that the hours have changed to zero. At the end of the month, Sally adjusts off the remaining liability for 01/XX using the code OT and the reason "Failure to pay, referred to overpayments", and makes an overpayment referral using the SDS284R. John will need to pay his liability for 02/XX in order to receive services.

If John comes in after CMS cutoff, but prior to the end of the month to make the remainder of his liability payment, and Sally has closed his case, Sally will need to use a Reopen code on CMS (effective 02/01/XX) to reopen the Medicaid case. For CA/PS, Sally will need to use Copy & Create to copy the last assessment and use the begin date of 02/01/XX, and the review will be the same as the original assessment.

# Overpayment Referral

# Oregon

## Client Information

1

Last name

First name

Initial(s)

DEPARTMENT  
OF HUMAN  
SERVICES

Human Services Bldg.

Seniors & People  
With Disabilities

Time Period

From

Through

## Overpayment

2

### 1 PROGRAM OVERPAYMENT OCCURRED IN:

- Food Stamps       Cash assistance       Medical  
 Long-term care services  
     In-Home  
     AFC/RCF/ALF  
     Nursing Home

**SDS 0284R**  
Client

Date sent

Case number

Prime number

Type of overpayment:  Client Caused\*     Agency Caused \*\*

Date of birth

Social Security No.

### 2 DESCRIBE WHAT CAUSED THE OVERPAYMENT

**Attach supporting documentation such as bank statements,  
wage verification, award letter, etc.**

Program

Branch code

Worker

\*Please explain if OVP may be **Potential Fraud** or **IPV**.

Phone number

## Instructions

3

Mail this form to: Steve Husak

Overpayment Writing Unit    Phone: 541-464-3921

621 W Madrone St.            Fax: 541-440-3508

Roseburg, OR 97470        Toll Free: 1-877-888-3578

***Note: Overpayments against providers are not handled by the Overpayment Writer.***

***\*\*Workers in branch offices are responsible for completing “Administrative/Agency Error” overpayments. Contact your local overpayment writer if you need assistance.***

See page 2 for overpayment threshold information.

**Instructions: If overpayment does not meet threshold, do not submit referral. Narrate reasons for non-referral in case file. Contact Overpayment Writer if you have questions.**

## **OVERPAYMENT THRESHOLDS**

(Effective 01/01/04)

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### **Administrative Error (AE) Occurrences**

- |                                    |                    |
|------------------------------------|--------------------|
| • Food Stamp Program – open case   | More than \$100    |
| • Food Stamp Program – closed case | More than \$200    |
| • Cash and Child care programs     | More than \$200    |
| • Medical programs                 | No AE overpayments |

### **Client Error (CE) Occurrences**

- |                                    |                 |
|------------------------------------|-----------------|
| • Food Stamp Program – open case   | More than \$100 |
| • Food Stamp Program – closed case | More than \$200 |
| • Cash and Child care programs     | More than \$200 |
| • Medical programs                 | More than \$750 |

### **Possible Fraud (PF) Occurrences**

- Refer all PF overpayments to Overpayment Writer regardless of dollar amount.

### **Quality Control Review cases**

All overpayments