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## Appropriations Committee

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### HB 2592

**Brief Description:** Modifying vendor overpayment provisions.

**Sponsors:** Representatives Morrell and VanDeWege.

Brief Summary of Bill
<ul style="list-style-type: none"><li>Limits the accrual period for which interest may be collected, with respect to overpayments by the Department of Social and Health Services (Department) to vendors, to the period that begins 30 days after the Department notifies the vendor of overpayment.</li></ul>



**Hearing Date:** 2/11/08

**Staff:** Mark Matteson (786-7145).

**Background:**

Vendors of the Department of Social and Health Services (Department) to which the Department has made overpayments for services rendered must repay the amounts overpaid with interest. The amount of interest is calculated at 1 percent per month. The accrual period begins when the Department first sends notice of overpayment to the vendor, or 90 days after the date of overpayment to the vendor, whichever occurs first. The Department Secretary may secure overpayments and the interest thereon through a lien against the vendor's real and personal property, through seizure of assets, or other methods available to the Department for the satisfaction of debts.

In June 2007, representatives of the Washington State Pharmacy Association (WSPA) met with Department staff concerning pharmacy audits. In a letter to legislators issued July 3, 2007, the Department provided context on recent discussions with WSPA. The Department explained that the discussions yielded agreement about steps to take to address concerns about the Department audits, including investigating how to modify overpayment interest accrual periods.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Interest on overpayments to a vendor may not begin to accrue earlier than 30 days following notification by the Department that overpayment has occurred.

**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2008.

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