

2 SSB 6216 - S AMD - 653
3 By Senators Horn and Long

4 ADOPTED 2/14/98

5 Strike everything after the enacting clause and insert the
6 following:

7 NEW SECTION. Sec. 1. The legislature finds that more efficient
8 and cost-effective means are available for the collection of vendor
9 overpayments owed the state of Washington. The legislature further
10 finds it desirable to provide vendors a uniform formal appeal process
11 that will streamline the current process for both the department of
12 social and health services and the vendor.

13 NEW SECTION. Sec. 2. A new section is added to chapter 43.20B RCW
14 to read as follows:

15 (1) When the department determines that a vendor was overpaid by
16 the department for either goods or services, or both, provided to
17 department clients, except nursing homes under chapter 74.46 RCW, the
18 department will give written notice to the vendor. The notice will
19 include the amount of the overpayment, the basis for the claim, and the
20 rights of the vendor under this section.

21 (2) The notice may be served upon the vendor in the manner
22 prescribed for the service of a summons in civil action or be mailed to
23 the vendor at the last known address by certified mail, return receipt
24 requested, demanding payment within twenty days of the date of receipt.

25 (3) The vendor has the right to an adjudicative proceeding governed
26 by the administrative procedure act, chapter 34.05 RCW, and the rules
27 of the department. The vendor's application for an adjudicative
28 proceeding must be in writing, state the basis for contesting the
29 overpayment notice, and include a copy of the department's notice. The
30 application must be served on and received by the department within
31 twenty-eight days of the vendor's receipt of the notice of overpayment.
32 The vendor must serve the department in a manner providing proof of
33 receipt.

1 (4) Where an adjudicative proceeding has been requested, the
2 presiding or reviewing office will determine the amount, if any, of the
3 overpayment received by the vendor.

4 (5) If the vendor fails to attend or participate in the
5 adjudicative proceeding, upon a showing of valid service, the presiding
6 or reviewing officer may enter an administrative order declaring the
7 amount claimed in the notice to be assessed against the vendor and
8 subject to collection action by the department.

9 (6) Failure to make an application for an adjudicative proceeding
10 within twenty-eight days of the date of notice will result in the
11 establishment of a final debt against the vendor in the amount asserted
12 by the department and that amount is subject to collection action. The
13 department may also charge the vendor with any costs associated with
14 the collection of any final overpayment or debt established against the
15 vendor.

16 (7) The department may enforce a final overpayment or debt through
17 lien and foreclosure, distraint, seizure and sale, order to withhold
18 and deliver, or other collection action available to the department to
19 satisfy the debt due.

20 (8) Debts determined under this chapter are subject to collection
21 action without further necessity of action by a presiding or reviewing
22 officer. The department may collect the debt in accordance with RCW
23 43.20B.635, 43.20B.640, and 43.20B.680. In addition, a vendor lien may
24 be subject to distraint and seizure and sale in the same manner as
25 prescribed for support liens in RCW 74.20A.130.

26 (9) This section applies to all vendors that provide goods or
27 services provided on or after July 1, 1998.

28 (10) The department may adopt rules consistent with this section."

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32 On page 1, line 1 of the title, after "overpayments;" strike the
33 remainder of the title and insert "adding a new section to chapter
34 43.20B RCW; and creating a new section."

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