
Early Learning & Human Services Committee

HB 1243

Brief Description: Addressing the burden of unintentional overpayments on older adults and adults with disabilities served by the department of social and health services.

Sponsors: Representatives Simmons, Eslick, Leavitt, Farivar and Wylie; by request of Department of Social and Health Services.

<p>Brief Summary of Bill</p> <p>Allows the Department of Social and Health Services to waive efforts to collect overpayments of the Aged, Blind, or Disabled cash assistance program benefits and overpayments made to functionally disabled adults under other programs.</p>
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Hearing Date: 1/21/25

Staff: Omeara Harrington (786-7136).

Background:

Programs Administered by the Department of Social and Health Services.

The Department of Social and Health Services (DSHS) Economic Services Administration (ESA) administers numerous assistance programs for the state, including the Aged, Blind, or Disabled (ABD) cash assistance program. The ABD program provides cash assistance, a referral to the Essential Needs and Housing (HEN) program, and help accessing federal disability benefits to eligible low-income adults who are age 65 or older, blind, or determined likely to meet federal Supplemental Security Income criteria.

The DSHS also administers federally and state-funded programs through the Aging and Long-Term Support Administration (AL TSA) and the Developmental Disabilities Administration

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(DDA) for persons who meet functional and financial eligibility criteria. The ALTSA supports long-term care programs for seniors and people with disabilities. The DDA assists individuals with developmental disabilities and their families to obtain services and supports. Clients of the ALTSA and the DDA may receive services through the Community First Choice program under the Medicaid State Plan or through community-based services waivers, or a combination of both.

Collection of Overpayments.

An overpayment is any cash assistance paid that is more than the recipient was eligible to receive. Intentional overpayments result from a willful or knowing failure to report a change or misstating a fact affecting benefit eligibility or amount. Unintentional overpayments are any other client-caused and all agency-caused overpayments.

When a person is overpaid benefits administered by the DSHS, state law authorizes recovery of funds through mandatory reduction of the client's future assistance payments. In addition to grant reductions, repayment may be from other resources or income, or an assistant unit member's estate. All adult members of an overpaid assistance unit are responsible for repayment of an overpayment. A person who disagrees with a claim that the person owes a debt for an overpayment has the right to an adjudicative proceeding. The DSHS may not collect overpayments after six years from the date of notice of the overpayment absent a recovery action in court, which may extend the time for collection to 10 years. In addition, the DSHS may, at any time, accept offers of compromise of disputed claims, or may grant a partial or total write off of amounts due that are no longer cost effective to pursue.

Federal regulations require states administering Medicaid-funded programs to remit the federal portion of overpayments to the Centers for Medicare and Medicaid Services.

Summary of Bill:

Beginning July 1, 2025, the Department of Social and Health Services (DSHS) may waive all efforts to collect overpayments of the Aged, Blind, or Disabled (ABD) program and overpayments made to functionally disabled clients receiving long-term support services and developmental disabilities services.

The DSHS must adopt rules establishing the circumstances under which it will waive collection efforts.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2025.