

Par.1. **Material Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 400-28, Child Care Assistance Program.

Par. 2. **Effective Date** – Policy on overpayments will be effective with any new overpayments discovered on or after June 1, 2018, regardless of when the overpayment occurred.

Items that include a change in policy are indicated. All other items are corrections or clarifications.

The following sections have been repealed:

- Overview 400-28-150-05
- Administrative and Caretaker Errors 400-28-150-15-05
- Situations Where an Overpayment May Need to be Established 400-28-150-15-10.
- Obtaining Verification of Unreported Information 400-28-150-15-15.

Underpayments and Overpayments 400-28-150

1. 400-28-150-05 – Overview. This section has been repealed. Policies related to when an overpayment is established are included in policy under Overpayments 400-28-150-15.
2. 400-28-150-15 – Overpayments. This section includes information from repealed sections 400-28-150-05 and 400-28-150-15-05. Overpayments will not be established due to agency errors. Overpayments will only be established when the error is a result of the household or provider failing to report a mandatory reportable change, fraud or an IPV. **This is a change in policy.**

Overpayments 400-28-150-15

An overpayment is a correction to benefits paid to a provider or adult member of the Child Care Assistance unit who was originally paid more than they were entitled to receive.

Overpayments are only established for errors caused by the client or provider due to failure to notify the county of a mandatory reportable change, fraud or an Intentional Program Violation (IPV). Overpayments are not established due to agency errors.

Example 1: At the time of application, the eligibility worker fails to request verification of the household's income. The application is approved and payments are issued over the course of the eligibility period. It is later discovered that income verification was not requested or received. No overpayments are established as the agency failed to request verification of income.

Example 2: At the time of application, the household verified income eligibility below the income limit. During the eligibility period, the household had an increase in income that resulted in income over the maximum allowable income limit but the household failed to report this change. In this situation, overpayments will be established as the household failed to notify the county of the mandatory reportable change.

Example 3: At the time of application, the household was approved with mom and child. The father of the child moves into the home three months after the initial eligibility determination and is not engaged in an allowable activity. The household does not report the addition of father in the home. No overpayments are established as the addition of a household member is not a mandatory reportable change.

Example 4: A provider has been submitting the SFN 616 to the county for a child that is eligible for CCAP. It is later discovered that the child for whom the provider billed was not attending child care with that provider. In this situation, overpayments will be established and IPV may be pursued against the provider, household or both.

The eligibility worker must promptly take all reasonable and practical steps to establish all overpayments.

Anytime an overpayment is discovered, a determination must be made whether or not to pursue an Intentional Program Violation. ~~(Refer to Section 400-28-160, Intentional Program Violation.)~~

When it is determined that an overpayment exists, each service month that is potentially incorrect must be reworked using the policies, procedures and information that should have been applied for those months.

3. 400-28-150-15-05 – Administrative and Caretaker Errors. This section has been repealed. Policies related to when an overpayment is established are included in policy under Overpayments 400-28-150-15.
4. 400-28-150-15-10 – Situations Where an Overpayment May Need to be Established. This section has been repealed. Policies related to when an overpayment is established are included in policy under Overpayments 400-28-150-15.
5. 400-28-150-15-15 – Obtaining Verification of Unreported Information. This section has been repealed. Policies related to verification of reported changes are addressed in Mandatory and Known Information Changes 400-28-125.