

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES**  
**BISMARCK, NORTH DAKOTA**  
March 10, 2020

**PI 20-08**

**TO:** Human Service Zones  
Regional Representatives  
Division of Juvenile Services  
Foster Care Eligibility Workers  
Tribal Social Services

**FROM:** Kelsey Bless, Permanency Administrator

**SUBJECT:** Overpayments – Foster Care Maintenance

**PROGRAMS:** Foster Care Maintenance  
**623-05-20-20**  
**623-05-20-35**  
**623-05-20-37**

**RETENTION:** Until Manualized

Children and Family Services has adjusted the overpayment policy to offer clarity and efficiencies for the recoupment process. Overpayments have become increasingly more common and all case managers, supervisors, eligibility workers and agency staff need to continue communications to reduce the number of overpayments paid to providers. Majority of overpayments exist because the eligibility workers are not notified timely when a child is moved from one placement to another.

When an overpayment occurs, the Human Service Zone or Tribe is required to collect and return the overpayment to the Department timely. Upon identification of an overpayment, Human Service Zone eligibility workers must set up an overpayment in the payment system. Eligibility workers should then review if there is a placement with the provider. A new form, SFN 839 was established for notification to the Department. If there is a placement with the provider who received an overpayment, the notification will prompt CFS to set up an auto-recoup in the payment system. If there is not a current placement with the provider, the SFN 839 will describe the action taken by the Zone or Tribe to satisfy the overpayment.

If you have questions or need technical assistance Deb Lachenmeier at 328-1710 or [dlachenmeier@nd.gov](mailto:dlachenmeier@nd.gov) or Kelsey Bless at 328-3581 or [kmbless@nd.gov](mailto:kmbless@nd.gov).

Attached:

- Updated directions for CCWIPS, setting up an overpayment
- New Form: <https://www.nd.gov/eforms/Doc/sfn00839.pdf>

## Definitions 623-05-05

Auto-Recoupment: The process by which the NDDHS payment system will automatically reduce a future reimbursement if the foster care provider has a current placement or a payment due.

Direct Recoupment: The process by which the Human Service Zone will directly contact the foster care provider to request reimbursement for a foster care payment made in error.

Supplemental Checkwrite: The Department of Human Services payment schedule will issue reimbursement to foster care providers with authorized expenditures from prior months and irregular payments authorized since the last supplemental check write. Supplemental check write is scheduled to run weekly on Wednesday night, unless there is a standard check write scheduled.

Standard Checkwrite: The Department of Human Services payment schedule will issue reimbursement to foster care providers with authorized expenditures for the current month and irregular payments authorized since the last supplemental check write. Standard check write is scheduled to run the second to last working day of the month.

## Recoupment of Foster Care Overpayments 623-05-20-20

The Department's payment system ~~CCWIPS~~ has the ability to recoup overpayments from foster care providers for amounts due the Department. The payment system ~~has the ability to~~ can automatically ~~reduce~~ subtract any debits (such as the overpayment) ~~to that specific to a foster care provider for any foster child. If auto recoupment of overpayments is not possible, the Human Service Zone will seek a direct recoupment from the foster care provider.~~

The procedure for overpayment recoupment is as follows:

1. The eligibility worker must create an overpayment in the system specific to the child and provider.
2. The eligibility worker must review the provider placement history to see if there is a current placement with the provider.
3. When an overpayment has occurred, CFS must be notified by the eligibility worker by use of the SFN 839, Foster Care Overpayment Notification, once the overpayment is created.
4. Overpayments can be auto recouped if the provider has a placement or payment due. The payment system will allow the reduction if the auto recoupment is set up in advance. The payment system auto-recoupment function can only be entered by administration from Children and Family Services.
5. Overpayments will require a direct recoupment when the provider does not have a placement or payment due. The Human Service Zone collects the overpayment from the foster care provider by requesting a refund. The eligibility worker must send the provider a formal letter detailing the reason for the overpayment and directions on how to return the funds to the Department. Upon receipt of the refund, the Human Service Zone must return the funds to NDDHS Fiscal Administration with a completed credit form (SFN 827). NDDHS Fiscal Administration will satisfy the

overpayment in the payment system.

The payment system has restrictions regarding when an auto recoupment can occur specific to a provider type:

<u>Provider Type</u>	<u>Checkwrite</u>
<u>Family Foster Home (FA, AF, YW,)</u>	<u>Auto recoupment only allowed during the standard check write (end of the month).</u>
<u>Treatment Foster Home (PATH and LSS)</u>	<u>Auto recoupment allowed during all check writes (weekly).</u>
<u>QRTP Facility (Various)</u>	<u>Auto recoupment allowed during all check writes (weekly).</u>
<u>SIL Agency (DBGR and PATH)</u>	<u>Auto recoupment allowed during all check writes (weekly).</u>

The Department will grant 90 days for the Human Service Zone eligibility worker to collect the overpayment directly from the foster care provider. After the 90 days, the child's custodial agency will be responsible to reimburse the overpayment in efforts to satisfy the payment system.

- ~~5. Overpayments made to foster care providers are recouped in CCWIPS the month following the month the overpayment is set up in the payment system, assuming that any foster child is residing in the home and/or a payment is being made to that provider. This direct recoupment is a central office, CFS, function only.~~
- ~~3. For providers where a placement continues and an overpayment has occurred, CFS will set up the auto-recoupment specific to that provider. Payment authorization must be made after the last supplemental check write and before the standard check write in order for the auto-recoupment to process that month.~~
- ~~4. If no payment is due to the foster care provider in the month following the month the overpayment is set up, the county collects the overpayment from the foster care provider and sends the overpayment remittance to NDDHS Fiscal Administration with a completed credit form (SFN 827).~~

~~NDDHS Fiscal Administration will age unresolved balances and at the three month point will bill the financially responsible county dollar for dollar. Indian county cases in need of overpayment reimbursement will be reviewed and handled on a case-by-case basis.~~

#### Collections:

If recoupment from a foster care provider cannot be accomplished, NDDHS will work to collect the overpayment through a collection agency. If the agency does collect the overpayment from the provider, the money will be paid to NDDHS and the **CCWIPS payment system** payment record will be adjusted accordingly. If the collection agency holds the account for six years and does not have success in collecting the overpayment, state law requires the collection agency to return the account to NDDHS.

NDDHS can make the determination to ~~close the CCWIPS review and terminate a~~ foster care overpayment account ~~if the account was returned to NDDHS from a collection agency~~

~~after six years~~ and the overpayment amount does not exceed a value approved by Fiscal Administration.

### **Lutheran Social Services Foster Care Rates 623-05-20-37**

#### **Overpayments to LSS**

If there is an overpayment made to an LSS provider, the overpayment must be entered in the payment system. Children & Family Services (CFS) can auto-recoup the overpayment during either the supplemental or standard check write so long as the provider where the overpayment took place has a current foster care placement. ~~If there is not a placement with the specified provider, CFS will generate a letter for LSS to reimburse NDDHS directly.~~

### **PATH Foster Care Rates 623-05-20-35**

#### **Overpayments to PATH**

If there is an overpayment made to a PATH provider, Children & Family Services (CFS) can auto-recoup the overpayment during either the supplemental or standard check write so long as the provider has a foster care placement. ~~If there is not a placement with the specified provider, CFS will generate a letter for PATH to reimburse NDDHS directly.~~