

ORANGE COUNTY SOCIAL SERVICES AGENCY 45-304
Foster Care Policies and Procedures

SUBJECT **Foster Care and Adoption Assistance Program (AAP) Overpayments** 06/24/2011

APPROVED *Signature on file*

PURPOSE The purpose of this policy is to establish guidelines for processing and collecting Foster Care and AAP overpayments.

POLICY Counties are required to implement procedures to report and reduce Foster Care overpayments in order to be in compliance with federal law.
 An overpayment is defined as any amount of cash aid paid to a provider which they were not entitled to receive. Any payment for nights after the child has left the home would be considered an overpayment unless temporary absence applies.

TEMPORARY ABSENCE A child can be temporarily absent from the home no more than 14 calendar days in a calendar month. If temporary absence applies, there is no Foster Care overpayment. Examples of temporary absence include:

- Child was with a foster care provider and went absent without leave (AWOL) on the 20th of the month. The foster care provider requested a bed hold. The Senior Social Worker (SSW) notified the Eligibility Technician (ET) of the bed hold in order to continue payment without overpayment. The child returned to the foster care provider on the 29th of the same month. The child remained eligible during the temporary absence.
- Child went AWOL on the 20th of the month and did not return until the 10th of the following month. If a bed hold was requested there would be no overpayment and the provider would be paid without a disruption in benefits because the child was absent from the home fewer than 14 days in each calendar month.

TIMEFRAMES The county has one year from the discovery date (not the date of the overpayment) to initiate overpayment recovery.
 Examples:

- The relative moved on June 14th to a new residence and failed to notify the Senior Social Worker (SSW) of the change. Since the new home was not approved, the relative has an overpayment from June 14th until the home was approved. The SSW notified the Placement Change Stop Payment (PCSP) hotline on September 16th. The discovery date was September 16th when the Eligibility Technician (ET) was notified of the change.
- The SSW assessed the child as no longer needing a Specialized Care Increment (SCI) on August 1, 2008. The ET failed to end date the SCI in CalWIN and continued to pay until the next redetermination on July 15, 2009. In this example, the overpayment was discovered on July 15, 2009.

**LEGALLY
UNCOLLECTIBLE
FOSTER CARE
OVERPAYMENTS**

Repayment of overpayments cannot be required from a Foster Family Home, an approved home of a relative or non-relative extended family member (NREFM), or an approved home of a non-related legal guardian when any of the following conditions exist:

- The overpayment was exclusively the result of a county administrative error.
- Neither the county nor the provider was aware that the child was not eligible for a foster care benefit.
- The provider did not have knowledge of, and did not contribute to the cause of the overpayment.

Foster care providers will be requested to voluntarily repay legally uncollectible overpayments. An overpayment where the cost of the collection exceeds the amount of the overpayment will not be collected. Costs include total administrative and personnel costs, legal filing fees, and investigative costs. Collections may write-off the following overpayments:

- Foster care provider cannot be located
- Foster care provider is unable to pay
- Where the costs of further overpayment recovery actions will exceed the estimated recovery amounts.
- Amount not to exceed \$100.00.

Overpayments made to non profit Group Homes (GH) or Foster Family Agencies (FFA) that are no longer in business or licensed by Community Care Licensing cannot be collected.

**LEGALLY
COLLECTIBLE
FOSTER CARE
OVERPAYMENTS**

Repayment of all overpayments to the following providers are required:

- Group Homes
- Foster Family Agencies
- Small Family Regional Center Homes

Overpayments to the following providers will only be required if the provider had knowledge of, or contributed to the cause of the overpayment:

- Foster Family Homes (FFH)
- Approved home of a relative
- Non-relative extended family member (NREFM)
- Approved home of a non-related legal guardian

Examples:

- The foster care provider did not have the child in their home for several months and continued to receive a foster care payment.
- The relative failed to report to the SSW or the ET that they started to receive Social Security benefits for the child.

**PARTIALLY
LEGALLY
COLLECTIBLE
FOSTER CARE
OVERPAYMENTS**

An overpayment to a Foster Family Home, approved home of a relative, NREFM, or approved home of a non-related legal guardian may be a combination of legally collectible and legally uncollectible.

Example 1:

On December 28th, the child was permanently removed from the home of the relative Foster Parent. The Social Worker did not report the end of placement to the Eligibility Technician. The full December Foster Care payment was received by the Foster Parent. The overpayment for December is legally uncollectible because the payment was entirely an agency error. Voluntary repayment will be requested.

Example 2:

In the above situation, the full Foster Care payment was also received for January, February, and March, when the child was no longer in the home. Although the issuance was the result of an agency error, the Foster Parent kept these benefits knowing the child was no longer eligible for benefits in their home. This portion of the overpayment is legally collectible and repayment is required.

**COLLECTION OF
FOSTER CARE
OVERPAYMENTS**

1. Legally uncollectible overpayments can only be requested to be repaid voluntarily by the foster care provider. The SOC 841 will be sent asking the provider to voluntarily repay the overpayment. If the foster care provider fails to repay the overpayment, no further actions can be taken.
 2. Legally collectible overpayments are required to be repaid. These can only be collected from the foster care provider who actually received the payment. Notice of Action (NOA) NA1261 will be sent to the foster care provider. The provider may voluntarily agree to repay an assessed overpayment in the following order of priority:
 - Voluntary Lump Sum Repayment. A voluntary lump sum repayment must be received by the county by the date the foster care provider and the county agree upon. Otherwise, a voluntary repayment agreement must be initiated.
 - Voluntary Repayment Agreement. If the foster care provider agrees to repay the overpayment, the Agreement to Reimburse Note F0912-05-24 must be completed.
 - Voluntary Grant Offset. If the foster care provider agrees to a voluntary grant offset, only the grant of the overpaid child can be offset. If the child no longer lives in the foster care provider's home a voluntary grant offset cannot be initiated. A written agreement must be completed.
- Involuntary Grant Offset
- When a foster care provider fails to enter into or comply with voluntary repayment agreement, involuntary repayments can be initiated as long as the overpayment is legally collectible.
- Involuntary grant offset shall only be used where the provider is still providing foster care services to the child whom the overpayment was assessed.
 - The foster care provider must have sufficient funds to provide adequate care and supervision to all children in care after deduction of grant offset. It is the responsibility of the provider to timely inform the county of circumstances which may result in insufficient funds.
 - The amount deducted from the child's current foster care payment can be no more than 10% of the payment.

**AAP
OVERPAYMENTS**

An AAP overpayment occurs when excess benefits are paid. This may occur for one of the following reasons:

1. Benefits were paid after the child became ineligible:
 - The child was 18 years old; or 21 when the agency determined the child's condition warrants extended benefits.
 - The adoptive parent was no longer supporting the child.
 - The adoptive parent was no longer legally responsible for the support of the child.
 - The adoptive parent committed fraud in the application for, or reassessment of, AAP benefits.
1. The AAP payment exceeded the FC payment which would have been paid on behalf of the child if the child had not been placed for adoption.
2. An out-of-home provider received payment for services not provided. For example, a group home received payment for days the child was not in the group home.

**COLLECTION OF
AAP
OVERPAYMENTS**

- The county may attempt to recover all AAP overpayments. The adoptive parent(s) who signed the Adoption Assistance Agreement form (AD 4320) is generally responsible for repaying the overpayment, with the following exceptions:
- Recovery of overpayments from an adoptive parent no longer receiving assistance is not required when the cost of collection would exceed the amount of recovery.
 - An out-of-home care provider is responsible for repaying an overpayment they received for services not provided. Example: a group home received payment for days the child was not in the group home.
- Grant Offset
- Collection of AAP overpayments is made through grant offsets. The AAP payment is reduced until the overpayment is repaid, for up to 7 months.
 - The amount of the adjustment shall not exceed an amount which would cause the adoptive family's total net income to fall below the Aid to Families with Dependent Children (AFDC) Minimum Basic Standard of Adequate Care (MBSAC).
- Civil Judgment
- If the adoptive parent no longer receiving aid refuses or is unable to repay the amount demanded, the county may seek a civil judgment.

INTERNAL CONTROLS

Regulations require counties to place internal controls to avoid overpayments. The following internal controls are in place for Orange County:

- Within 24 hours when a change in placement occurs, the SSW must notify the Placement Change Stop Payment (PCSP) Hotline. The PCSP ET will stop the payment by end dating the placement in CalWIN.
- Within 5 calendar days of the placement change, the SSW must send a Placement Information Change (PIC) notice to the Foster Care Eligibility (FCE) e-mail account.
- ETs must work all changes within 3 days prior to the 20th of the month. Thereafter, the changes must be worked the same day received.
- ETs will place warrants on hold by contacting Accounting if the change in placement is late in the month.
- If a payment could not be held and was not negotiated by the foster care provider, the ET will ask the foster care provider to return the warrant so the correct amount can be issued.
- If the warrant was negotiated by a group home or FFA the ET will request they repay the funds.
- Foster Care Providers must call the Foster Parent Change Hotline to report a child moving out of their home.

Overpayment Reports are distributed monthly to all Children and Family Services (CFS) Managers to review with their staff to avoid Foster Care overpayments. Reports include: PCSP Hotline report lists all calls received into the hotline monthly, listing the reporting social worker and if the call was made within 24 hours of the change. Foster Care Comprehensive Overpayment report lists all overpayments in the month by SSW, ET, client and fiscal errors. Fiscal errors occur when the SSW and ET met their deadlines but the change occurred too late in the month to avoid the overpayment.

REFERENCES**HYPERLINKS**

Children and Family Services Operations Manual – Placement Change Notification K-0209

Foster Care Non Fraud Overpayment (NFOP) Referrals Policy and Procedure 45-003

REQUIRED FORMS**HYPERLINKS**

Form Name	Form Number
Notice of Non Fraud Overpayment	F063-07-96
Foster Care Program Integrity NFOP Checklist	F063-29-77

PROCEDURE**OVERPAYMENT DISCOVERY**

REQUIRED ACTION The following actions must be completed for Foster Care overpayments.

Responsibility	Step	Required Action
Eligibility Technician (ET)	1.	Identify overpayment from the PIC or information reported by the client.

	1.	Set up claim in CalWIN and send CalWIN generated NOA to the foster care provider. NA 1261- Legally Collectible SOC 841- Non-legally Collectible
	1.	Complete NFOP referral packet and send to Supervisor for review.
Eligibility Supervisor (ES)	1.	Send referral packet to the Program Integrity Coordinator once reviewed for completeness. If incomplete, return to ET.
Program Integrity Coordinator (PIC)	1.	Review NFOP referral packet for completeness. If incomplete, return packet to supervisor for corrections.
	1.	Complete CalWIN entries in the Display Claim Summary "Foster Care NFOP Referral Made."
	1.	Send complete NFOP referral packet to the Information Processing Technician (IPT) to enter information on the Voluntary Repayment and NFOP logs.
Information Processing Technician (IPT)	1.	Enter NFOP referral packet information on the Voluntary Repayment and NFOP logs.
	1.	Forward NFOP packet to NFOP SSSI.

OVERPAYMENT DISPUTES

REQUIRED ACTION The following actions must be completed when the provider is disputing an overpayment.

Responsibility	Step	Required Action
ET	1.	Research overpayment by reviewing the case.
	1.	If overpayment is determined to be incorrect, adjust the overpayment to the correct amount and inform provider and PIC of findings.
	1.	If the overpayment assessment is correct, the ET will inform the provider of the Informal and Formal Fair Hearing process.
PIC	1.	Upon receiving information that the overpayment amount is incorrect, inform Program Integrity of findings.

1. REQUESTS

REQUIRED ACTION The following actions must be completed when an Appeal is filed.

Responsibility	1.	1. Action
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| ET | <ol style="list-style-type: none"> 1. Upon notification from the Appeals Unit of entitlement to Aid Paid Pending (APP), take the appropriate steps (within 24 hours) as directed by Appeals.
Note: Do not send a new Notice of Action. 1. Forward the original case to the Appeals Unit. Route the case through the Unit Supervisor.
Note: A duplicate case must be created for retention in the district office. 1. Appear at State Hearing if requested by the Appeals Representative. |
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GRANT OFFSET

REQUIRED ACTION The following actions must be completed when a provider has received an overpayment (OP) and has agreed to have their monthly Foster Care grant offset to repay the overpayment.

Responsibility	Step	Required Action
FOSTER CARE OP	ET	<ol style="list-style-type: none"> 1. Enter new date of placement in Display Foster Care Summary window. 1. In the Display Unearned Income Summary window, enter the grant-offset amount to be deducted from grant. 1. Run Eligibility and Benefit Calculation (EDBC) in CalWIN and authorize EDBC results. 1. Enter in Case Comments in detail of the actions for the grant offset. 1. In the Display Claim Summary by Case Number window, select correct claim number and clicks the Adjustment button. Enter the grant offset as "regrouping overpayment downward". Note: Updates monthly for every overpayment being repaid. 1. Monitor the grant offset amount. When the last repayment amount is less than the initial repayment, change grant offset amount, rerun EDBC, and Authorize EDBC results. 1. Enter final grant offset amount in Display Claim Summary by Case Number window. 1. When the overpayment is repaid in full, end date the income received in the Display Unearned Income Summary window, run EDBC and Authorize results. 1. Close claim and update narrative in CalWIN.
AAP OP	ET	<ol style="list-style-type: none"> 1. In the Collected AAP Detail window, enter the negotiated AAP grant amount. Example: If basic rate is \$494.00 and grant is being adjusted by \$150.00, enter \$344.00.

1. Run Eligibility and Benefit Calculation (EDBC) in CalWIN and authorize EDBC results.
1. Enter in Case Comments in detail actions taken for the grant offset.
1. In the Display Claim Summary by Case Number window, select correct claim number and click the Adjustment button. Select adjustment type "Revision Downward" and adjustment reason "AAP OP Grant Adjustment" and enter amount being adjusted.
Note: Updates monthly for every overpayment being repaid.
1. Monitor the grant offset amount. When the last repayment amount is less than the initial repayment, change grant offset amount, rerun EDBC, and Authorize EDBC results.
Note: AAP overpayments can only be adjusted for 7 months.
1. When the overpayment has been repaid or 7 months have passed (whichever occurs first) stop adjustment, inform PIC, and update narrative in CalWIN.
1. If balance remains on overpayment, inform Program Integrity SSSI of overpayment balance.

PIC
