

# FINAL BILL REPORT

## SSB 6508

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### PARTIAL VETO C 258 L 12 Synopsis as Enacted

**Brief Description:** Authorizing waivers from certain DSHS overpayment recovery efforts.

**Sponsors:** Senate Committee on Human Services & Corrections (originally sponsored by Senator Pridemore).

#### **Senate Committee on Human Services & Corrections** **House Committee on Early Learning & Human Services**

**Background:** The Department of Social and Health Services (DSHS) must recoup overpayments from any person who is overpaid public assistance, food stamp, or medical benefits. Overpayment is defined as any payment or benefit to a recipient (or vendor) in excess of that to which the recipient (or vendor) is entitled by law, rule or contract. DSHS is authorized to collect overpayments by a variety of methods: reduction in the amount of the continuing grants of benefits, assignment of earnings, or a lien on personal or real property of the recipient.

DSHS may not collect overpayments after six years have passed from the date of a notice of overpayment unless DSHS has already started the recovery action in court or an administrative remedy is in place. Regardless of whether DSHS has started recovery efforts before the expiration of the six year period, any debt due DSHS expires at the end of ten years from the date notice is sent unless a court-ordered remedy would be in effect for a longer period of time. No debt due DSHS may be collected after the expiration of 20 years from the date a lien is recorded.

DSHS may accept offers of a compromise on disputed claims or may grant partial or total write-off of any debt when it is no longer cost effective to pursue collection of the debt.

**Summary:** DSHS is authorized to waive efforts to collect overpayments made to a client if DSHS determines that the elements of equitable estoppel have been met as follows: (1) DSHS took an action or failed to take an action regarding overpayment of benefits which is inconsistent with a later claim or position; (2) the client reasonably relied on DSHS's original statement, action, or failure to act regarding overpayment; (3) the client would be injured to the client's detriment if DSHS is allowed to contradict the original statement, act, or failure to act regarding overpayment; (4) the client cannot afford to repay the overpayment; (5) the client gave DSHS timely and accurate information when required; (6) the client did not know

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

that DSHS made a mistake; (7) the client is free from fault; (8) the overpayment was caused solely by DSHS's mistake; and (9) waiving overpayment collection efforts will not impair DSHS's functions.

**Votes on Final Passage:**

Senate	31	18	
House	63	35	(House amended)
Senate	33	16	(Senate concurred)

**Effective:** June 7, 2012

**Partial Veto Summary:** The Governor vetoed section 3 which required DSHS, in collaboration with the Department of Early Learning and the State Auditor's Office, to identify, review, and provide the Legislature by October 1, 2013, recommendations for integrated monitoring and detection systems to prevent overpayments of public assistance.