

Chapter 43.20B RCW
REVENUE RECOVERY FOR DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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GENERAL PROVISIONS

RCW 43.20B.010 Definitions. The definitions in this section apply throughout this chapter:

(1) "Department" means the department of social and health services.

(2) "Secretary" means the secretary of the department of social and health services.

(3) "License" means that exercise of regulatory authority by the secretary to grant permission, authority, or liberty to do or to forbear certain activities. The term includes licenses, permits, certifications, registrations, and other similar terms.

(4) "Vendor" means an entity that provides goods or services to or for clientele of the department and that controls operational decisions.

(5) "Overpayment" means any payment or benefit to a recipient or to a vendor in excess of that to which is entitled by law, rule, or contract, including amounts in dispute. [1987 c 75 s 42.]

RCW 43.20B.020 Fees for services—Department of health and department of social and health services. The department of social and health services and the department of health are authorized to charge fees for services provided unless otherwise prohibited by law. The fees may be sufficient to cover the full cost of the service provided if practical or may be charged on an ability-to-pay basis if

practical. This section does not supersede other statutory authority enabling the assessment of fees by the departments. Whenever the department of social and health services is authorized by law to collect total or partial reimbursement for the cost of its providing care of or exercising custody over any person, the department shall collect the reimbursement to the extent practical. [1991 c 3 s 295; 1981 1st ex.s. c 6 s 25. Formerly RCW 43.20A.670.]

Effective date—Severability—1981 1st ex.s. c 6: See notes following RCW 74.04.005.

RCW 43.20B.030 Overpayments and debts due the department—Time limit—Write-offs and compromises—Waivers. (1) Except as otherwise provided by law, including subsection (2) of this section, there will be no collection of overpayments and other debts due the department after the expiration of six years from the date of notice of such overpayment or other debt unless the department has commenced recovery action in a court of law or unless an administrative remedy authorized by statute is in place. However, any amount due in a case thus extended shall cease to be a debt due the department at the expiration of ten years from the date of the notice of the overpayment or other debt unless a court-ordered remedy would be in effect for a longer period.

(2) There will be no collection of debts due the department after the expiration of twenty years from the date a lien is recorded pursuant to RCW 43.20B.080.

(3) The department, at any time, may accept offers of compromise of disputed claims or may grant partial or total write-off of any debt due the department if it is no longer cost-effective to pursue. The department shall adopt rules establishing the considerations to be made in the granting or denial of a partial or total write-off of debts.

(4) Notwithstanding the requirements of RCW 43.20B.630, 43.20B.635, 43.20B.640, and 43.20B.645, the department may waive all efforts to collect overpayments from a client when the department determines that the elements of equitable estoppel as set forth in WAC 388-02-0495, as it existed on January 1, 2012, are met. [2012 c 258 s 1; 2005 c 292 s 5; 2003 c 207 s 1; 1997 c 130 s 5; 1989 c 78 s 4; 1987 c 283 s 6; 1979 c 141 s 308; 1965 ex.s. c 91 s 2. Formerly RCW 74.04.306.]

Conflict with federal requirements—2012 c 258: "If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state." [2012 c 258 s 2.]

Severability—Savings—1987 c 283: See notes following RCW 43.20A.020.

RCW 43.20B.040 Chapter does not apply where another party liable
—Statement of lien—Form. The form of the lien in RCW 43.20B.060 shall be substantially as follows:

STATEMENT OF LIEN

Notice is hereby given that the State of Washington, Department of Social and Health Services, has rendered assistance or provided residential care to, a person who was injured on or about the day of in the county of state of, and the said department hereby asserts a lien, to the extent provided in RCW 43.20B.060, for the amount of such assistance or residential care, upon any sum due and owing (name of injured person) from, alleged to have caused the injury, and/or his or her insurer and from any other person or insurer liable for the injury or obligated to compensate the injured person on account of such injuries by contract or otherwise.

STATE OF WASHINGTON, DEPARTMENT OF SOCIAL AND HEALTH SERVICES

By:..... (Title)

STATE OF WASHINGTON

COUNTY OF

} ss.

I,, being first duly sworn, on oath state: That I am (title); that I have read the foregoing Statement of Lien, know the contents thereof, and believe the same to be true.

.....
Signed and sworn to or affirmed before me this day of, (year)

by
(name of person making statement).

(Seal or stamp)

.....
Notary Public in and for the State of Washington
My appointment expires:

[2016 c 202 s 33; 1990 c 100 s 3; 1979 c 141 s 341; 1969 ex.s. c 173 s 9. Formerly RCW 74.09.182.]

RCW 43.20B.050 Liens—Compromise—Settlement or judgment. (1) No settlement made by and between the recipient and tort feisor and/or insurer shall discharge or otherwise compromise the lien created in RCW 43.20B.060 without the express written consent of the secretary. Discretion to compromise such liens rests solely with the secretary or the secretary's designee.

(2) No settlement or judgment shall be entered purporting to compromise the lien created by RCW 43.20B.060 without the express written consent of the secretary or the secretary's designee. [1990 c 100 s 4; 1969 ex.s. c 173 s 12. Formerly RCW 74.09.186.]

Application—1990 c 100 ss 2, 4, 7(1), 8(2): See note following RCW 43.20B.060.

RCW 43.20B.060 Reimbursement for medical care or residential care—Lien—Subrogation—Delegation of lien and subrogation rights.

(1) To secure reimbursement of any assistance paid under chapter 74.09 RCW or reimbursement for any residential care provided by the department at a hospital for the mentally ill or habilitative care center for the developmentally disabled, as a result of injuries to or illness of a recipient caused by the negligence or wrong of another, the department shall be subrogated to the recipient's rights against a tortfeasor or the tortfeasor's insurer, or both.

(2) The department shall have a lien upon any recovery by or on behalf of the recipient from such tortfeasor or the tortfeasor's insurer, or both to the extent of the value of the assistance paid or residential care provided by the department, provided that such lien shall not be effective against recoveries subject to wrongful death when there are surviving dependents of the deceased. The lien shall become effective upon filing with the county auditor in the county where the assistance was authorized or where any action is brought against the tortfeasor or insurer. The lien may also be filed in any other county or served upon the recipient in the same manner as a civil summons if, in the department's discretion, such alternate filing or service is necessary to secure the department's interest. The additional lien shall be effective upon filing or service.

(3) The lien of the department shall be upon any claim, right of action, settlement proceeds, money, or benefits arising from an insurance program to which the recipient might be entitled (a) against the tortfeasor or insurer of the tortfeasor, or both, and (b) under any contract of insurance purchased by the recipient or by any other person providing coverage for the illness or injuries for which the assistance or residential care is paid or provided by the department.

(4) If recovery is made by the department under this section and the subrogation is fully or partially satisfied through an action brought by or on behalf of the recipient, the amount paid to the department shall bear its proportionate share of attorneys' fees and costs.

(a) The determination of the proportionate share to be borne by the department shall be based upon:

(i) The fees and costs approved by the court in which the action was initiated; or

(ii) The written agreement between the attorney and client which establishes fees and costs when fees and costs are not addressed by the court.

(b) When fees and costs have been approved by a court, after notice to the department, the department shall have the right to be heard on the matter of attorneys' fees and costs or its proportionate share.

(c) When fees and costs have not been addressed by the court, the department shall receive at the time of settlement a copy of the written agreement between the attorney and client which establishes fees and costs and may request and examine documentation of fees and costs associated with the case. The department may bring an action in superior court to void a settlement if it believes the attorneys' calculation of its proportionate share of fees and costs is inconsistent with the written agreement between the attorney and client which establishes fees and costs or if the fees and costs associated with the case are exorbitant in relation to cases of a similar nature.

(5) The rights and remedies provided to the department in this section to secure reimbursement for assistance, including the department's lien and subrogation rights, may be delegated to a *managed health care system by contract entered into pursuant to RCW 74.09.522. A *managed health care system may enforce all rights and remedies delegated to it by the department to secure and recover assistance provided under a *managed health care system consistent with its agreement with the department. [1997 c 236 s 2; 1990 c 100 s 7.]

***Reviser's note:** RCW 74.09.522 was amended by 2023 c 51 s 43, removing the definition of "managed health care system" and changing "managed health care system" to "managed care organization."

Application—1990 c 100 ss 2, 4, 7(1), 8(2): "Sections 2, 4, 7(1), and 8(2) of this act apply to all existing claims against third parties for which settlements have not been reached or judgments entered by June 7, 1990." [1990 c 100 s 13.]

RCW 43.20B.070 Torts committed against recipients of state assistance—Duties of attorney representing recipient—Trust account for departmental lien. (1) An attorney representing a person who, as a result of injuries or illness sustained through the negligence or wrong of another, has received, is receiving, or has applied to receive assistance under chapter 74.09 RCW, or residential care provided by the department at a hospital for the mentally ill or habilitative care center for the developmentally disabled, shall:

(a) Notify the department at the time of filing any claim against a third party, commencing an action at law, negotiating a settlement, or accepting a settlement offer from the tortfeasor or the tortfeasor's insurer, or both; and

(b) Give the department thirty days' notice before any judgment, award, or settlement may be satisfied in any action or any claim by the applicant or recipient to recover damages for such injuries or illness.

(2) The proceeds from any recovery made pursuant to any action or claim described in RCW 43.20B.060 that is necessary to fully satisfy the department's lien against recovery shall be placed in a trust account or in the registry of the court until the department's lien is satisfied. [1999 c 55 s 1; 1990 c 100 s 8.]

Application—1990 c 100 ss 2, 4, 7(1), 8(2): See note following RCW 43.20B.060.

RCW 43.20B.080 Recovery for paid medical assistance—Rules—Disclosure of estate recovery costs, terms, and conditions. (1) The department shall file liens, seek adjustment, or otherwise effect recovery for medical assistance correctly paid on behalf of an individual consistent with 42 U.S.C. Sec. 1396p. The department shall adopt a rule providing for prior notice and hearing rights to the record titleholder or purchaser under a land sale contract.

(2) Liens may be adjusted by foreclosure in accordance with chapter 61.12 RCW.

(3) In the case of an individual who was fifty-five years of age or older when the individual received medical assistance, the

department shall seek adjustment or recovery from the individual's estate, and from nonprobate assets of the individual as defined by RCW 11.02.005, but only for medical assistance consisting of nursing facility services, home and community-based services, other services that the department determines to be appropriate, and related hospital and prescription drug services. Recovery from the individual's estate, including foreclosure of liens imposed under this section, shall be undertaken as soon as practicable, consistent with 42 U.S.C. Sec. 1396p.

(4) The department shall apply the medical assistance estate recovery law as it existed on the date that benefits were received when calculating an estate's liability to reimburse the department for those benefits.

(5) (a) The department shall establish procedures consistent with standards established by the federal department of health and human services and pursuant to 42 U.S.C. Sec. 1396p to waive recovery when such recovery would work an undue hardship. The department shall recognize an undue hardship for a surviving domestic partner whenever recovery would not have been permitted if he or she had been a surviving spouse. The department is not authorized to pursue recovery under such circumstances.

(b) Recovery of medical assistance from a recipient's estate shall not include property made exempt from claims by federal law or treaty, including exemption for tribal artifacts that may be held by individual Native Americans.

(6) A lien authorized under this section relates back to attach to any real property that the decedent had an ownership interest in immediately before death and is effective as of that date or date of recording, whichever is earlier.

(7) The department may enforce a lien authorized under this section against a decedent's life estate or joint tenancy interest in real property held by the decedent immediately prior to his or her death. Such a lien enforced under this subsection shall not end and shall continue as provided in this subsection until the department's lien has been satisfied.

(a) The value of the life estate subject to the lien shall be the value of the decedent's interest in the property subject to the life estate immediately prior to the decedent's death.

(b) The value of the joint tenancy interest subject to the lien shall be the value of the decedent's fractional interest the recipient would have owned in the jointly held interest in the property had the recipient and the surviving joint tenants held title to the property as tenants in common on the date of the recipient's death.

(c) The department may not enforce the lien provided by this subsection against a bona fide purchaser or encumbrancer that obtains an interest in the property after the death of the recipient and before the department records either its lien or the request for notice of transfer or encumbrance as provided by RCW 43.20B.750.

(d) The department may not enforce a lien provided by this subsection against any property right that vested prior to July 1, 2005.

(8) (a) Subject to the requirements of 42 U.S.C. Sec. 1396p(a) and the conditions of this subsection (8), the department is authorized to file a lien against the property of an individual prior to his or her death, and to seek adjustment and recovery from the individual's estate or sale of the property subject to the lien, if:

(i) The individual is an inpatient in a nursing facility, intermediate care facility for persons with intellectual disabilities, or other medical institution; and

(ii) The department has determined after notice and opportunity for a hearing that the individual cannot reasonably be expected to be discharged from the medical institution and to return home.

(b) If the individual is discharged from the medical facility and returns home, the department shall dissolve the lien.

(9) The department is authorized to adopt rules to effect recovery under this section. The department may adopt by rule later enactments of the federal laws referenced in this section.

(10) It is the responsibility of the department to fully disclose in advance verbally and in writing, in easy to understand language, the terms and conditions of estate recovery to all persons offered long-term care services subject to recovery of payments.

(11) In disclosing estate recovery costs to potential clients, and to family members at the consent of the client, the department shall provide a written description of the community service options. [2010 c 94 s 12; 2008 c 6 s 302; 2005 c 292 s 6; 1999 c 354 s 2; 1997 c 392 s 302; 1995 1st sp.s. c 18 s 67; 1994 c 21 s 3.]

Purpose—2010 c 94: See note following RCW 44.04.280.

Part headings not law—Severability—2008 c 6: See RCW 26.60.900 and 26.60.901.

Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392: See notes following RCW 74.39A.009.

Conflict with federal requirements—Severability—Effective date—1995 1st sp.s. c 18: See notes following RCW 74.39A.030.

Conflict with federal requirements—1994 c 21: "If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. The rules under this act shall meet federal requirements that are a necessary condition to the receipt of federal funds by the state." [1994 c 21 s 5.]

Effective date—1994 c 21: "This act shall take effect July 1, 1994." [1994 c 21 s 6.]

Legislative confirmation of effect of 1994 c 21: RCW 43.20B.090.

RCW 43.20B.090 Recovery for paid medical assistance and state-funded long-term care—Legislative intent—Legislative confirmation of effect of 1994 c 21. (1) It is the intent of the legislature to ensure that needy individuals have access to basic long-term care without requiring them to sell their homes. In the face of rising medical costs and limited funding for social welfare programs,

however, the state's medicaid and state-funded long-term care programs have placed an increasing financial burden on the state. By balancing the interests of individuals with immediate and future unmet medical care needs, surviving spouses and dependent children, adult nondependent children, more distant heirs, and the state, the estate recovery provisions of RCW 43.20B.080 and 74.39A.170 provide an equitable and reasonable method of easing the state's financial burden while ensuring the continued viability of the medicaid and state-funded long-term care programs.

(2) It is further the intent of the legislature to confirm that chapter 21, Laws of 1994, effective July 1, 1994, repealed and substantially reenacted the state's medicaid estate recovery laws and did not eliminate the department's authority to recover the cost of medical assistance paid prior to October 1, 1993, from the estates of deceased recipients regardless of whether they received benefits before, on, or after July 1, 1994. [1997 c 392 s 301.]

Short title—Findings—Construction—Conflict with federal requirements—Part headings and captions not law—1997 c 392: See notes following RCW 74.39A.009.

RCW 43.20B.095 Establishment and recovery of debts for the department of children, youth, and families. The department is authorized to establish and to recover debts for the department of children, youth, and families under this chapter pursuant to a contract between the department of children, youth, and families and the department that is entered into in compliance with the interlocal cooperation act, chapter 39.34 RCW. [2022 c 145 s 3; 2019 c 470 s 10.]

Purpose—Finding—2022 c 145: "(1) The purpose of this act is to repeal RCW 13.40.220 and 13.16.085, also known as the "parent pay" statutes, which require parents to pay a percentage of their gross income for the cost of their child's support, treatment, and confinement.

(2) The parent pay statutes essentially operate as a legal financial obligation assessed on parents for their child's incarceration. These laws disproportionately impact poorer parents and represent a dated policy and philosophy that is not aligned with current racial equity and social justice reforms. Pursuing these parents is unfair and takes advantage of people at their most vulnerable, undermining government credibility and the integrity of the legal process. Placing these parents in debt may also result in unstable home environments, deterring successful youth reentry back into the community.

(3) The legislature finds that eliminating parents' financial obligation to pay for their child's incarceration will advance racial equity and help to support a successful transition to adulthood for young people in juvenile detention and in the department's care." [2022 c 145 s 1.]

Application—2022 c 145: "(1) This act does not affect any moneys paid to the department of children, youth, and families or the courts before June 9, 2022. Any moneys already collected from a parent or other person legally obligated to care for and support a child under

RCW 13.40.220 or 13.16.085 before June 9, 2022, will not be refunded to that person.

(2) On June 9, 2022:

(a) All pending actions or proceedings to recover debt owed by a parent or other person legally obligated to care for and support a child under RCW 13.40.220 or 13.16.085 shall be terminated with prejudice including, but not limited to, tax refund intercepts, federal and state benefit intercepts, wage garnishments, payment plans, and automatic bank account deductions;

(b) All outstanding debts or other obligations including, but not limited to, interest charges owed by a parent or other person legally obligated to care for and support a child under RCW 13.40.220 or 13.16.085 shall be canceled with prejudice, rendered null and void, and considered paid in full; and

(c) Any assignment of collection authority for debt owed under RCW 13.40.220 or 13.16.085 that was reported to a collection agency or out-of-state collection agency as defined in RCW 19.16.100 shall be recalled and terminated, and any outstanding debt shall be rendered null and void and considered paid in full.

(3) This act does not create a cause of action against the state of Washington." [2022 c 145 s 4.]

NONRESIDENTIAL FEES AND COSTS OF SERVICES

RCW 43.20B.110 License fees to be charged by secretary—Waiver—Review and comment. (1) The secretary shall charge fees to the licensee for obtaining a license. The secretary may waive the fees when, in the discretion of the secretary, the fees would not be in the best interest of public health and safety, or when the fees would be to the financial disadvantage of the state.

(2) Fees charged shall be based on, but shall not exceed, the cost to the department for the licensure of the activity or class of activities and may include costs of necessary inspection.

(3) Department of social and health services advisory committees may review fees established by the secretary for licenses and comment upon the appropriateness of the level of such fees.

(4) Fees associated with the licensing or regulation of health professions or health facilities administered by the department of health, shall be in accordance with RCW 43.70.110 and 43.70.250. [1991 c 3 s 296; 1989 1st ex.s. c 9 s 216; 1987 c 75 s 6; 1982 c 201 s 2. Formerly RCW 43.20A.055.]

Effective date—Severability—1989 1st ex.s. c 9: See RCW 43.70.910 and 43.70.920.

RCW 43.20B.120 Funeral assistance—Lien against assets. If the department furnishes funeral assistance for deceased recipients under *RCW 74.08.120, the department shall have a lien against those assets left to a surviving spouse or minor children under those conditions defined in *RCW 74.08.120. The lien is valid for six years from the date of filing with the county auditor and has preference over the claims of all unsecured creditors. If the assets remain exempt or if

no probate is commenced, the lien automatically terminates without further action six years after filing. [1987 c 75 s 45.]

***Reviser's note:** RCW 74.08.120 was repealed by 1997 c 58 s 1002.

RESIDENTIAL SERVICES

RCW 43.20B.310 Residential care payments by families, when not collected. No payment may be collected by the department for residential care if the collection will reduce the income as defined in RCW 74.04.005 of the head of household and remaining dependents below one hundred percent of the need standard for temporary assistance for needy families. [1997 c 59 s 6; 1983 1st ex.s. c 41 s 34. Formerly RCW 74.04.780.]

Severability—1983 1st ex.s. c 41: See note following RCW 26.09.060.

RCW 43.20B.320 Mental illness—Treatment costs—Criminally insane—Liability. Patients hospitalized at state hospitals as criminally insane shall be responsible for payment of hospitalization charges. [1987 c 75 s 12; 1959 c 25 s 71.02.380. Prior: 1951 c 139 s 62. Formerly RCW 71.02.380.]

Criminally insane, reimbursement for costs: RCW 10.77.250.

RCW 43.20B.325 Mental illness—Hospitalization charges—How computed. Charges for hospitalization of patients in state hospitals are to be based on the actual cost of operating such hospitals for the previous year, taking into consideration the overhead expense of operating the hospital and expense of maintenance and repair, including in both cases all salaries of supervision and management as well as material and equipment actually used or expended in operation as computed by the department: PROVIDED, That a schedule of differing hospitalization charges may be computed, including a schedule of charges for outpatient services, considering the costs of care, treatment and maintenance in accordance with the classification of mental illness, type and intensity of treatment rendered, which may vary among and within the several state hospitals. Costs of transportation shall be computed by the department. [1967 ex.s. c 127 s 1; 1959 c 25 s 71.02.410. Prior: 1951 c 139 s 52. Formerly RCW 71.02.410.]

RCW 43.20B.330 Mental illness—Treatment costs—Liability. Any person admitted or committed to a state hospital for the mentally ill, and their estates and responsible relatives are liable for reimbursement to the state of the costs of hospitalization and/or outpatient services, as computed by the secretary, or his designee, in accordance with RCW 43.20B.325: PROVIDED, That such mentally ill person, and his or her estate, and the husband or wife of such mentally ill person and their estate shall be primarily responsible for reimbursement to the state for the costs of hospitalization and/or

outpatient services; and, the parents of such mentally ill person and their estates, until such person has attained the age of eighteen years, shall be secondarily liable. [1987 c 75 s 13; 1971 ex.s. c 292 s 64; 1967 ex.s. c 127 s 4. Formerly RCW 71.02.411.]

Severability—1971 ex.s. c 292: See note following RCW 26.28.010.

RCW 43.20B.335 Mental illness—Treatment costs—Determination of ability to pay—Standards—Rules and regulations. The department is authorized to investigate the financial condition of each person liable under the provisions of RCW 43.20B.355 and 43.20B.325 through 43.20B.350, and is further authorized to make determinations of the ability of each such person to pay hospitalization charges and/or charges for outpatient services, in accordance with the provisions of RCW 43.20B.355 and 43.20B.325 through 43.20B.350, and, for such purposes, to set a standard as a basis of judgment of ability to pay, which standard shall be recomputed periodically to reflect changes in the costs of living, and other pertinent factors, and to make provisions for unusual and exceptional circumstances in the application of such standard. Such factors and circumstances shall include judgments owed by the person to any victim of an act that would have resulted in criminal conviction of the patient but for a finding of criminal insanity. A victim shall include a personal representative of an estate who has obtained judgment for wrongful death against the criminally insane patient.

In accordance with the provisions of the Administrative Procedure Act, chapter 34.05 RCW, the department shall adopt appropriate rules and regulations relating to the standards to be applied in determining ability to pay such charges, the schedule of charges pursuant to RCW 43.20B.325, and such other rules and regulations as are deemed necessary to administer the provisions of RCW 43.20B.355 and 43.20B.325 through 43.20B.350. [1996 c 125 s 2; 1987 c 75 s 14; 1979 c 141 s 126; 1967 ex.s. c 127 s 5. Formerly RCW 71.02.412.]

Findings—Purpose—1996 c 125: "The legislature finds that laws and regulations relating to the rights of the state to collection from criminally insane patients for cost of their hospitalization are in need of clarification. The legislature previously directed the department of social and health services to set standards regarding ability of such patients to pay that would include pertinent factors, as well as unusual and exceptional circumstances. The legislature finds that the regulations established by the department fail to take into account a factor and circumstance that should be paramount: Compensation owed by the patient to victims of his or her criminally insane conduct. The state public policy recognizes the due dignity and respect to be accorded victims of crime and the need for victims to be compensated, as set forth in Article I, section 35 of the state Constitution and in chapter 7.68 RCW. The legislature did not intend, in enacting RCW 43.20B.320, that the department attempt to obtain funds for hospitalization of criminally insane patients that would otherwise have compensated the victims of the patient. The purpose of chapter 125, Laws of 1996 is to clarify legislative intent and existing law." [1996 c 125 s 1.]

RCW 43.20B.340 Mental illness—Treatment costs—Notice and finding of responsibility—Period—Adjudicative proceedings. In any case where determination is made that a person, or the estate of such person, is able to pay all, or any portion of the charges for hospitalization, and/or charges for outpatient services, a notice and finding of responsibility shall be served on such person or the court-appointed personal representative of such person. The notice shall set forth the amount the department has determined that such person, or his or her estate, is able to pay not to exceed the costs of hospitalization, and/or costs of outpatient services, as fixed in accordance with the provisions of RCW 43.20B.325, or as otherwise limited by the provisions of RCW 43.20B.355 and 43.20B.325 through 43.20B.350. The responsibility for the payment to the department shall commence twenty-eight days after service of such notice and finding of responsibility which finding of responsibility shall cover the period from the date of admission of such mentally ill person to a state hospital, and for the costs of hospitalization, and/or the costs of outpatient services, accruing thereafter. The notice and finding of responsibility shall be served upon all persons found financially responsible in the manner prescribed for the service of summons in a civil action or may be served by certified mail, return receipt requested. The return receipt signed by addressee only is prima facie evidence of service. An application for an adjudicative proceeding may be filed with the secretary, or the secretary's designee within twenty-eight days from the date of service of such notice and finding of responsibility. The application must be written and served on the secretary by registered or certified mail, or by personal service. If no application is filed, the notice and finding of responsibility shall become final. If an application is filed, the execution of notice and finding of responsibility shall be stayed pending the final adjudicative order. The hearing shall be conducted in a local department office or other location in Washington convenient to the appellant. The proceeding is governed by the Administrative Procedure Act, chapter 34.05 RCW. [1989 c 175 s 98; 1987 c 75 s 15; 1985 c 245 s 3; 1981 c 67 s 33; 1971 c 81 s 133; 1969 ex.s. c 268 s 1; 1967 ex.s. c 127 s 6. Formerly RCW 71.02.413.]

Effective date—1989 c 175: See note following RCW 34.05.010.

Savings—1985 c 245 ss 3 and 6: "Sections 3 and 6 of this act shall not have the effect of terminating or in any way modifying any liability, civil or criminal, that is already in existence on May 10, 1985." [1985 c 245 s 11.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

RCW 43.20B.345 Mental illness—Treatment costs—Judgment for accrued amounts. Whenever any notice and finding of responsibility, or appeal therefrom, shall have become final, the superior court, wherein such person or persons reside or have property either real or personal, shall, upon application of the secretary enter a judgment in the amount of the accrued monthly charges for the costs of hospitalization, and/or the costs of outpatient services, and such judgment shall have and be given the same effect as if entered

pursuant to civil action instituted in said court; except, such judgment shall not be the subject of collection by the department unless and until any outstanding judgment for a victim referenced in RCW 43.20B.335 has been fully satisfied. [1996 c 125 s 3; 1987 c 75 s 16; 1979 c 141 s 127; 1967 ex.s. c 127 s 7. Formerly RCW 71.02.414.]

Findings—Purpose—1996 c 125: See note following RCW 43.20B.335.

RCW 43.20B.347 Mental illness—Treatment costs—Lien against real and personal property. Whenever a notice and finding of responsibility, or appeal therefrom, has become final, the department may file a lien against the real and personal property of all persons found financially responsible under RCW 43.20B.330 with the county auditor of the county where the persons reside or own property. [1993 c 272 s 1.]

Savings—1993 c 272: "This act does not have the effect of terminating or in any way modifying any liability, civil or criminal, that is already in existence on the effective date of this act." [1993 c 272 s 6.]

Severability—1993 c 272: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1993 c 272 s 7.]

RCW 43.20B.350 Mental illness—Treatment costs—Modification or vacation of findings of responsibility. The secretary, or the secretary's designee, upon application of the person responsible for payment of reimbursement to the state of the costs of hospitalization, and/or the costs of outpatient services, or the legal representative of such person, and, after investigation, or after investigation without application, the secretary, or the secretary's designee, if satisfied of the financial ability or inability of such person to reimburse the state in accordance with the original finding of responsibility, may, modify or vacate such original finding of responsibility and enter a new finding of responsibility. The determination to modify or vacate findings of responsibility shall be served and be appealable in the same manner and in accordance with the same procedures for appeals of original findings of responsibility. [1987 c 75 s 17; 1967 ex.s. c 127 s 8. Formerly RCW 71.02.415.]

RCW 43.20B.355 Mental illness—Hospitalization charges—Due date—Collection. Hospitalization charges are payable on the tenth day of each calendar month, for services rendered during the preceding month, and the department may make all necessary rules and regulations relative to the billing and collection of such charges. [1967 ex.s. c 127 s 2; 1959 c 25 s 71.02.320. Prior: 1951 c 139 s 56. Formerly RCW 71.02.320.]

RCW 43.20B.360 Mental illness—Hospitalization charges—Collection—Statutes of limitation. No statutes of limitations shall

run against the state of Washington for hospitalization charges: PROVIDED, HOWEVER, That periods of limitations for the filing of creditors' claims against probate and guardianship estates shall apply against such claims. [1959 c 25 s 71.02.360. Prior: 1951 c 139 s 61. Formerly RCW 71.02.360.]

RCW 43.20B.370 Mental illness—Hospitalization charges—Collection—Prosecuting attorneys to assist. The prosecuting attorneys of the various counties shall assist the department in the collection of hospitalization charges. [1959 c 25 s 71.02.370. Prior: 1951 c 139 s 64. Formerly RCW 71.02.370.]

RCW 43.20B.410 Residential habilitation centers—Liability for costs of services—Declaration of purpose. The purpose of RCW 43.20B.410 through 43.20B.455 is to place financial responsibility for cost of care, support and treatment upon those residents of residential habilitation centers operated under chapter 71A.20 RCW who possess assets over and above the minimal amount required to be retained for personal use; to provide procedures for establishing such liability and the monthly rate thereof, and the process for appeal therefrom to the secretary of social and health services and the courts by any person deemed aggrieved thereby. [1988 c 176 s 902; 1987 c 75 s 23; 1979 c 141 s 237; 1967 c 141 s 1. Formerly RCW 72.33.650.]

Effective date—1967 c 141: "This 1967 amendatory act shall become effective July 1, 1967." [1967 c 141 s 13.]

RCW 43.20B.415 State residential schools—Liability for costs of services—Limitation. The estates of all mentally or physically deficient persons who have been admitted to the state residential schools listed in *RCW 72.33.030 either by application of their parents or guardian or by commitment of court, or who may hereafter be admitted or committed to such institutions, shall be liable for their per capita costs of care, support and treatment: PROVIDED, That the estate funds may not be reduced as a result of such liability below an amount as set forth in *RCW 72.33.180. [1971 ex.s. c 118 s 2; 1967 c 141 s 2. Formerly RCW 72.33.655.]

***Reviser's note:** RCW 72.33.030 and 72.33.180 were repealed by 1988 c 176 s 1007. See Title 71A RCW. The term "residential schools" was changed to "residential habilitation centers" by 1988 c 176.

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.420 Residential habilitation centers—Determination of costs of services—Establishment of rates—Collection. The charges for services as provided in RCW 43.20B.425 shall be based on the rates established for the purpose of receiving federal reimbursement for the same services. For those services for which there is no applicable federal reimbursement-related rate, charges shall be based on the average per capita costs, adjusted for inflation, of operating each of

the residential habilitation centers for the previous reporting year taking into consideration all expenses of institutional operation, maintenance and repair, salaries and wages, equipment and supplies: PROVIDED, That all expenses directly related to the cost of education for persons under the age of twenty-two years shall be excluded from the computation of the average per capita cost. The department shall establish rates on a per capita basis and promulgate those rates or the methodology used in computing costs and establishing rates as rules of the department in accordance with chapter 34.05 RCW. The department shall be charged with the duty of collection of charges incurred under RCW 43.20B.410 through 43.20B.455, which may be enforced by civil action instituted by the attorney general within or without the state. [1988 c 176 s 903; 1987 c 75 s 24; 1984 c 200 s 1; 1979 c 141 s 238; 1967 c 141 s 3. Formerly RCW 72.33.660.]

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.425 Residential habilitation centers—Costs of services—Investigation and determination of ability to pay—Exemptions. The department shall investigate and determine the assets of the estates of each resident of a residential habilitation center and the ability of each such estate to pay all, or any portion of, the average monthly charge for care, support and treatment at a residential habilitation center as determined by the procedure set forth in RCW 43.20B.420: PROVIDED, That the sum as set forth in RCW 71A.20.100 shall be retained by the estate of the resident at all times for such personal needs as may arise: PROVIDED FURTHER, That where any person other than a resident or the guardian of the resident's estate deposits funds so that the depositor and a resident become joint tenants with the right of survivorship, such funds shall not be considered part of the resident's estate so long as the resident is not the sole survivor among such joint tenants. [1988 c 176 s 904; 1987 c 75 s 25; 1971 ex.s. c 118 s 3; 1967 c 141 s 4. Formerly RCW 72.33.665.]

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.430 Residential habilitation centers—Costs of services—Initial notice and finding of responsibility—Service—Adjudicative proceeding. In all cases where a determination is made that the estate of a resident of a residential habilitation center is able to pay all or any portion of the charges, an initial notice and finding of responsibility shall be served on the guardian of the resident's estate, or if no guardian has been appointed then to the resident, the resident's spouse, or other person acting in a representative capacity and having property in his or her possession belonging to a resident. The initial notice shall set forth the amount the department has determined that such estate is able to pay, not to exceed the charge as fixed in accordance with RCW 43.20B.420, and the responsibility for payment to the department shall commence twenty-eight days after service of such notice and finding of responsibility. Service of the initial notice shall be in the manner prescribed for the service of a summons in a civil action or may be served by certified mail, return receipt requested. The return receipt signed by

addressee only is prima facie evidence of service. An application for an adjudicative proceeding from the determination of responsibility may be made to the secretary by the guardian of the resident's estate, or if no guardian has been appointed then by the resident, the resident's spouse, or other person acting in a representative capacity and having property in his or her possession belonging to a resident of a state school, within such twenty-eight day period. The application must be written and served on the secretary by registered or certified mail, or by personal service. If no application is filed, the notice and finding of responsibility shall become final. If an application is filed, the execution of notice and finding of responsibility shall be stayed pending the final adjudicative order. The hearing shall be conducted in a local department office or other location in Washington convenient to the appellant. The proceeding is governed by the Administrative Procedure Act, chapter 34.05 RCW. [2017 c 269 s 3; 1989 c 175 s 99; 1988 c 176 s 905; 1987 c 75 s 26; 1985 c 245 s 6; 1982 c 189 s 7; 1979 c 141 s 239; 1970 ex.s. c 75 s 1; 1967 c 141 s 5. Formerly RCW 72.33.670.]

Effective date—1989 c 175: See note following RCW 34.05.010.

Savings—1985 c 245: See note following RCW 43.20B.340.

Effective date—1982 c 189: See note following RCW 34.12.020.

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.435 State residential habilitation centers—Costs of services—Modification or vacation of initial finding of responsibility. The secretary, upon application of the guardian of the estate of the resident, and after investigation, or upon investigation without application, may, if satisfied of the financial ability or inability of such person to make payments in accordance with the initial finding of responsibility as provided for in RCW 43.20B.430, modify or vacate such initial finding of responsibility, and enter a new finding of responsibility. The secretary's determination to modify or vacate findings of responsibility shall be served by regular mail. A new finding of responsibility shall be appealable in the same manner and in accordance with the same procedure for appeals of initial findings of responsibility. [2017 c 269 s 4; 1979 c 141 s 240; 1967 c 141 s 7. Formerly RCW 72.33.680.]

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.440 Residential habilitation centers—Costs of services—Charges payable in advance. The charges for care, support, maintenance and treatment of persons at residential habilitation centers as provided by RCW 43.20B.410 through 43.20B.455 shall be payable in advance on the first day of each and every month to the department. [1988 c 176 s 906; 1987 c 75 s 27; 1979 c 141 s 241; 1967 c 141 s 8. Formerly RCW 72.33.685.]

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.445 Residential habilitation centers—Costs of services—Reimbursement from property subsequently acquired—Placement outside school—Liability after death of resident. The provisions of RCW 43.20B.410 through 43.20B.455 shall not be construed to prohibit or prevent the department of social and health services from obtaining reimbursement from any person liable under RCW 43.20B.410 through 43.20B.455 for payment of the full amount of the accrued per capita cost from any property acquired by gift, devise or bequest subsequent to and regardless of the initial findings of responsibility under RCW 43.20B.430: PROVIDED, That the estate of any resident of a residential habilitation center shall not be liable for such reimbursement subsequent to termination of services for that resident at the residential habilitation center: PROVIDED FURTHER, That upon the death of any person while a resident in a residential habilitation center, the person's estate shall become liable to the same extent as the resident's liability on the date of death. [1988 c 176 s 907; 1987 c 75 s 28; 1979 c 141 s 242; 1967 c 141 s 9. Formerly RCW 72.33.690.]

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.450 State residential habilitation centers—Costs of services—Liabilities created apply to care, support, and treatment after July 1, 1967. The liabilities created by RCW 43.20B.410 through 43.20B.455 shall apply to the care, support and treatment occurring after July 1, 1967. [1987 c 75 s 29; 1967 c 141 s 11. Formerly RCW 72.33.695.]

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.455 Residential habilitation centers—Costs of services—Discretionary allowance in resident's fund. Notwithstanding any other provision of RCW 43.20B.410 through 43.20B.455, the secretary may, if in the secretary's discretion any resident of a residential habilitation center can be terminated from receiving services at the habilitation center more rapidly and assimilated into a community, keep an amount not exceeding five thousand dollars in the resident's fund for such resident and such resident shall not thereafter be liable thereon for per capita costs of care, support and treatment as provided for in RCW 43.20B.415. [1988 c 176 s 908; 1987 c 75 s 30; 1979 c 141 s 243; 1967 c 141 s 12. Formerly RCW 72.33.700.]

Effective date—1967 c 141: See note following RCW 43.20B.410.

RCW 43.20B.460 Guardianship fees and additional costs for incapacitated clients paying part of costs—Maximum amount—Rules. The department of social and health services shall establish by rule the maximum amount of guardianship fees and additional compensation for administrative costs that may be allowed by the court as compensation for a guardian or limited guardian of an incapacitated person who is a department of social and health services client residing in a nursing facility or in a residential or home setting and is required by the department of social and health services to contribute a portion of

their income towards the cost of residential or supportive services.
[1994 c 68 s 2.]

RECOVERY OF OVERPAYMENTS

RCW 43.20B.620 Overpayments of assistance—Lien against recipient's property—Recovery methods. Overpayments of public assistance or food stamps or food stamp benefits transferred electronically under RCW 74.04.300 shall become a lien against the real and personal property of the recipient from the time of filing by the department with the county auditor of the county in which the recipient resides or owns property, and the lien claim has preference over the claims of all unsecured creditors.

Debts due the state for overpayments of public assistance or food stamps or food stamp benefits transferred electronically may be recovered by the state by deduction from the subsequent assistance payments to such persons, lien and foreclosure, or order to withhold and deliver, or may be recovered by civil action. [1998 c 79 s 4; 1987 c 75 s 43.]

RCW 43.20B.630 Overpayments of assistance—Procedures—Adjudicative proceeding. (1) Any person who owes a debt to the state for an overpayment of public assistance and/or food stamps or food stamp benefits transferred electronically shall be notified of that debt by either personal service or certified mail, return receipt requested. Personal service, return of the requested receipt, or refusal by the debtor of such notice is proof of notice to the debtor of the debt owed. Service of the notice shall be in the manner prescribed for the service of a summons in a civil action. The notice shall include a statement of the debt owed; a statement that the property of the debtor will be subject to collection action after the debtor terminates from public assistance and/or food stamps or benefits; a statement that the property will be subject to lien and foreclosure, distraint, seizure and sale, or order to withhold and deliver; and a statement that the net proceeds will be applied to the satisfaction of the overpayment debt. Action to collect the debt by lien and foreclosure, distraint, seizure and sale, or order to withhold and deliver, is lawful after ninety days from the debtor's termination from public assistance and/or food stamps or benefits or the receipt of the notice of debt, whichever is later. This does not preclude the department from recovering overpayments by deduction from subsequent assistance payments, not exceeding deductions as authorized under federal law with regard to financial assistance programs: PROVIDED, That subject to federal legal requirement, deductions shall not exceed five percent of the grant payment standard if the overpayment resulted from error on the part of the department or error on the part of the recipient without willful or knowing intent of the recipient in obtaining or retaining the overpayment.

(2) A current or former recipient who is aggrieved by a claim that he or she owes a debt for an overpayment of public assistance or food stamps or food stamp benefits transferred electronically has the right to an adjudicative proceeding pursuant to RCW 74.08.080. If no application is filed, the debt will be subject to collection action as

authorized under this chapter. If a timely application is filed, the execution of collection action on the debt shall be stayed pending the final adjudicative order or termination of the debtor from public assistance and/or food stamps or food stamp benefits transferred electronically, whichever occurs later. [1998 c 79 s 5; 1989 c 175 s 100; 1982 c 201 s 18; 1981 c 163 s 1. Formerly RCW 74.04.700.]

Effective date—1989 c 175: See note following RCW 34.05.010.

Overpayments and debts due the state: RCW 74.04.300.

RCW 43.20B.635 Overpayments of assistance—Orders to withhold property of debtor—Procedures. (1) After service of a notice of debt for an overpayment as provided for in RCW 43.20B.630, stating the debt accrued, the secretary may issue to any person, firm, corporation, association, political subdivision, or department of the state, an order to withhold and deliver property of any kind including, but not restricted to, earnings which are due, owing, or belonging to the debtor, when the secretary has reason to believe that there is in the possession of such person, firm, corporation, association, political subdivision, or department of the state property which is due, owing, or belonging to the debtor.

(2) (a) The order to withhold and deliver shall state the amount of the debt, and shall state in summary the terms of this section, RCW 6.27.150 and 6.27.160, chapters 6.13 and 6.15 RCW, 15 U.S.C. 1673, and other state or federal exemption laws applicable generally to debtors.

(b) The order to withhold and deliver shall be served by regular mail or, with a party's agreement, electronically.

(3) (a) Any person, firm, corporation, association, political subdivision, or department of the state upon whom service has been made shall answer the order to withhold and deliver within twenty days, exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of therein.

(b) The secretary may require further and additional answers to be completed by the person, firm, corporation, association, political subdivision, or department of the state.

(c) If any such person, firm, corporation, association, political subdivision, or department of the state possesses any property which may be subject to the claim of the department of social and health services, such property shall be withheld immediately upon receipt of the order to withhold and deliver and shall, after the twenty-day period, upon demand, be delivered forthwith to the secretary.

(d) The secretary shall hold the property in trust for application on the indebtedness involved or for return, without interest, in accordance with final determination of liability or nonliability. In the alternative, there may be furnished to the secretary a good and sufficient bond, satisfactory to the secretary, conditioned upon final determination of liability.

(e) Where money is due and owing under any contract of employment, express or implied, or is held by any person, firm, corporation, association, political subdivision, or department of the state subject to withdrawal by the debtor, such money shall be delivered by remittance payable to the order of the secretary. Delivery to the secretary, subject to the exemptions under RCW 6.27.150 and 6.27.160, chapters 6.13 and 6.15 RCW, 15 U.S.C. 1673, and

other state or federal law applicable generally to debtors, of the money or other property held or claimed satisfies the requirement of the order to withhold and deliver. Delivery to the secretary serves as full acquittance, and the state warrants and represents that it shall defend and hold harmless for such actions persons delivering money or property to the secretary pursuant to this chapter. The state also warrants and represents that it shall defend and hold harmless for such actions persons withholding money or property pursuant to this chapter.

(4) (a) The secretary shall also, on or before the date of service of the order to withhold and deliver, mail or cause to be mailed a copy of the order to withhold and deliver to the debtor at the debtor's last known post office address or, with a party's agreement serve the order upon the debtor electronically on or before the date of service of the order to withhold and deliver.

(b) The copy of the order shall be mailed or served together with a concise explanation of the right to petition for a hearing on any issue related to the collection. This requirement is not jurisdictional, but, if the copy is not mailed or served as provided in this section, or if any irregularity appears with respect to the mailing or service electronically, the superior court, on its discretion on motion of the debtor promptly made and supported by affidavit showing that the debtor has suffered substantial injury due to the failure to mail the copy or serve the copy electronically, may set aside the order to withhold and deliver and award to the debtor an amount equal to the damages resulting from the secretary's failure to serve on or mail to the debtor the copy. [2017 c 269 s 5; 1990 c 100 s 1; 1987 c 75 s 37; 1981 c 163 s 2. Formerly RCW 74.04.710.]

RCW 43.20B.640 Overpayments of assistance—Failure to withhold property of debtor. If any person, firm, corporation, association, political subdivision, or department of the state fails to answer an order to withhold and deliver within the time prescribed in RCW 43.20B.635, or fails or refuses to deliver property pursuant to the order, or after actual notice of filing of a lien as provided for in this chapter, pays over, releases, sells, transfers, or conveys real or personal property subject to such lien to or for the benefit of the debtor or any other person, or fails or refuses to surrender upon demand property distrained under RCW 43.20B.635, or fails or refuses to honor an assignment of wages presented by the secretary, such person, firm, corporation, association, political subdivision, or department of the state is liable to the department in an amount equal to one hundred percent of the value of the debt which is the basis of the lien, order to withhold and deliver, distraint, or assignment of wages, together with costs, interest, and reasonable attorney fees. [1987 c 75 s 38; 1981 c 163 s 3. Formerly RCW 74.04.720.]

RCW 43.20B.645 Overpayments of assistance—Assignment of earnings. Any person, firm, corporation, association, political subdivision, or department employing a person owing a debt for overpayment of public assistance received as defined in RCW 74.04.300, shall honor, according to its terms, a duly executed assignment of earnings presented to the employer by the secretary as a plan to satisfy or retire an overpayment debt. This requirement to honor the

assignment of earnings is applicable whether the earnings are to be paid presently or in the future and continues in force and effect until released in writing by the secretary. Payment of moneys pursuant to an assignment of earnings presented to the employer by the secretary serves as full acquittance under any contract of employment, and the state warrants and represents it shall defend and hold harmless such action taken pursuant to the assignment of earnings. The secretary is released from liability for improper receipt of moneys under assignment of earnings upon return of any moneys so received. [1981 c 163 s 4. Formerly RCW 74.04.730.]

RCW 43.20B.660 Improper realty transfer—Suit to rescind—Recovery from recipient's estate. If an improper real property transfer is made as defined in RCW 74.08.331 through 74.08.338, the department may request the attorney general to file suit to rescind the transaction except as to subsequent bona fide purchasers for value. If it is established by judicial proceedings that a fraudulent conveyance occurred, the value of any public assistance which has been furnished may be recovered in any proceedings from the recipient or the recipient's estate. [1987 c 75 s 46.]

RCW 43.20B.670 Excess property assistance program—Lien—Department as creditor. When the department provides grant assistance to persons who possess excess real property under *RCW 74.04.005(10)(f), the department may file a lien against, or otherwise perfect its interest in such real property as a condition of granting such assistance, and the department shall have the status of a secured creditor. [1985 c 245 s 10. Formerly RCW 74.04.007.]

***Reviser's note:** RCW 74.04.005 was amended by 1997 c 58 s 309, changing subsection (10)(f) to subsection (10)(g). RCW 74.04.005 was subsequently amended by 2010 1st sp.s. c 8 s 4, changing subsection (10)(g) to subsection (11)(g). RCW 74.04.005 was subsequently alphabetized pursuant to RCW 1.08.015(2)(k), changing subsection (11)(g) to subsection (13)(g). RCW 74.04.005 was subsequently amended by 2023 c 418 s 1, changing subsection (13)(g) to subsection (13)(h).

RCW 43.20B.675 Vendor overpayments—Goods or services provided on or after July 1, 1998—Notice—Adjudicative proceeding—Enforcement—Collection—Rules. (1) When the department determines that a vendor was overpaid by the department for either goods or services, or both, provided to department clients, except nursing homes under chapter 74.46 RCW, the department will give written notice to the vendor. The notice will include the amount of the overpayment, the basis for the claim, and the rights of the vendor under this section.

(2) The notice may be served upon the vendor in the manner prescribed for the service of a summons in civil action or be mailed to the vendor at the last known address by certified mail, return receipt requested, demanding payment within twenty days of the date of receipt.

(3) The vendor has the right to an adjudicative proceeding governed by the administrative procedure act, chapter 34.05 RCW, and the rules of the department. The vendor's application for an adjudicative proceeding must be in writing, state the basis for

contesting the overpayment notice, and include a copy of the department's notice. The application must be served on and received by the department within twenty-eight days of the vendor's receipt of the notice of overpayment. The vendor must serve the department in a manner providing proof of receipt.

(4) Where an adjudicative proceeding has been requested, the presiding or reviewing office will determine the amount, if any, of the overpayment received by the vendor.

(5) If the vendor fails to attend or participate in the adjudicative proceeding, upon a showing of valid service, the presiding or reviewing officer may enter an administrative order declaring the amount claimed in the notice to be assessed against the vendor and subject to collection action by the department.

(6) Failure to make an application for an adjudicative proceeding within twenty-eight days of the date of notice will result in the establishment of a final debt against the vendor in the amount asserted by the department and that amount is subject to collection action. The department may also charge the vendor with any costs associated with the collection of any final overpayment or debt established against the vendor.

(7) The department may enforce a final overpayment or debt through lien and foreclosure, distraint, seizure and sale, order to withhold and deliver, or other collection action available to the department to satisfy the debt due.

(8) Debts determined under this chapter are subject to collection action without further necessity of action by a presiding or reviewing officer. The department may collect the debt in accordance with RCW 43.20B.635, 43.20B.640, and 43.20B.680. In addition, a vendor lien may be subject to distraint and seizure and sale in the same manner as prescribed for support liens in RCW 74.20A.130.

(9) Chapter 66, Laws of 1998 applies to overpayments for goods or services provided on or after July 1, 1998.

(10) The department may adopt rules consistent with this section. [1998 c 66 s 2.]

Findings—1998 c 66: "The legislature finds that more efficient and cost-effective means are available for the collection of vendor overpayments owed the state of Washington. The legislature further finds it desirable to provide vendors a uniform formal appeal process that will streamline the current process for both the department of social and health services and the vendor." [1998 c 66 s 1.]

RCW 43.20B.680 Vendor overpayments—Lien or other security—Setoff or recoupment—Exception. (1) The department may, at the secretary's discretion, secure the repayment of any outstanding overpayment, plus interest, if any, through the filing of a lien against the vendor's real property, or by requiring the posting of a bond, assignment of deposit, or some other form of security acceptable to the department, or by doing both.

(a) Any lien shall be effective from the date of filing for record with the county auditor of the county in which the property is located and the lien claim shall have preference over the claims of all unsecured creditors.

(b) The department shall review and determine the acceptability of all other forms of security.

(c) Any bond must be issued by a company licensed as a surety in the state of Washington.

(d) This subsection does not apply to nursing homes licensed under chapter 18.51 RCW or portions of hospitals licensed under chapter 70.41 RCW and operating as a nursing home, if those facilities are subject to chapter 74.46 RCW.

(2) The department may recover any overpayment, plus interest, if any, by setoff or recoupment against subsequent payments to the vendor. [1987 c 283 s 10.]

Severability—Savings—1987 c 283: See notes following RCW 43.20A.020.

RCW 43.20B.685 Vendor overpayments—Liens—Duration—Enforcement.

Liens created under RCW 43.20B.680 shall bind the affected property for a period of ten years after the lien has been recorded or ten years after the resolution of all good faith disputes as to the overpayment, whichever is later. Any civil action by the department to enforce such lien must be timely commenced before the ten-year period expires or the lien shall be released. A civil action to enforce such lien shall not be timely commenced unless the summons and complaint are filed within the ten-year period in a court having jurisdiction and service of the summons and complaint is made upon all parties in the manner prescribed by appropriate civil court rules. [1987 c 283 s 11.]

Severability—Savings—1987 c 283: See notes following RCW 43.20A.020.

RCW 43.20B.688 Limitation on actions to enforce vendor overpayment debts. Any action to enforce a vendor overpayment debt shall be commenced within six years from the date of the department's notice to the vendor. [1987 c 283 s 15. Formerly RCW 43.20A.440.]

Severability—Savings—1987 c 283: See notes following RCW 43.20A.020.

Vendor overpayments: RCW 43.20B.680 through 43.20B.695.

RCW 43.20B.690 Vendor overpayments—Remedies nonexclusive. The remedies under RCW 43.20B.680 and 43.20B.685 are nonexclusive and nothing contained in this chapter may be construed to impair or affect the right of the department to maintain a civil action or to pursue any other remedies available to it under the laws of this state to recover such debt. [1987 c 283 s 12.]

Severability—Savings—1987 c 283: See notes following RCW 43.20A.020.

RCW 43.20B.695 Vendor overpayments—Interest—Exceptions. (1) Except as provided in subsection (4) of this section, vendors shall pay interest on overpayments at the rate of one percent per month or

portion thereof. Where partial repayment of an overpayment is made, interest accrues on the remaining balance. Interest will not accrue when the overpayment occurred due to department error.

(2) If the overpayment is discovered by the vendor prior to discovery and notice by the department, the interest shall begin accruing ninety days after the vendor notifies the department of such overpayment.

(3) If the overpayment is discovered by the department prior to discovery and notice by the vendor, the interest shall begin accruing thirty days after the date of notice by the department to the vendor.

(4) This section does not apply to:

(a) Interagency or intergovernmental transactions;

(b) Contracts for public works, goods and services procured for the exclusive use of the department, equipment, or travel; and

(c) Contracts entered into before September 1, 1979, for contracts with medical assistance funding, and August 23, 1983, for all other contracts. [2008 c 53 s 1; 1987 c 283 s 2; 1983 1st ex.s. c 41 s 17. Formerly RCW 43.20A.435.]

Severability—Savings—1987 c 283: See notes following RCW 43.20A.020.

Savings—1983 1st ex.s. c 41 s 17: "The enactment of section 17 of this act shall not have the effect of terminating or in any way modifying any liability, civil or criminal, which is already in existence on August 23, 1983." [1983 1st ex.s. c 41 s 18.]

Severability—1983 1st ex.s. c 41: See note following RCW 26.09.060.

RCW 43.20B.710 Medical assistance—Improper transfer or assignment of resources—Penalty—Presumption, rebuttal—Attorney's fees. If cash or resources are improperly transferred or assigned under *RCW 74.09.538, a person who knowingly or willingly receives the assets for less than fair market value is liable for a civil penalty equal to the uncompensated value of the cash or resources transferred or assigned at less than fair market value. The civil penalty shall not exceed the cost of assistance rendered by the department to the applicant or recipient. The person may rebut the presumption that the transfer or assignment was made for the purpose of enabling the applicant or recipient to qualify or continue to qualify for assistance. The prevailing party in such an action shall be awarded reasonable attorney's fees. [1987 c 75 s 47.]

***Reviser's note:** RCW 74.09.538 was repealed by 1989 c 87 s 11.

Transfer of spousal resources: RCW 74.09.530 through 74.09.595.

RCW 43.20B.720 Recipient receiving industrial insurance compensation—Subrogation rights of department—Lien—Withhold and deliver notice. (1) To avoid a duplicate payment of benefits, a recipient of public assistance from the department of social and health services is deemed to have subrogated the department to the recipient's right to recover temporary total disability compensation due to the recipient and the recipient's dependents under Title 51

RCW, to the extent of such assistance or compensation, whichever is less. However, the amount to be repaid to the department of social and health services shall bear its proportionate share of attorney's fees and costs, if any, incurred under Title 51 RCW by the recipient or the recipient's dependents.

(2) The department of social and health services may assert and enforce a lien and notice to withhold and deliver to secure reimbursement. The department shall identify in the lien and notice to withhold and deliver the recipient of public assistance and temporary total disability compensation and the amount claimed by the department. [1997 c 130 s 1; 1985 c 245 s 7; 1982 c 201 s 17; 1973 1st ex.s. c 102 s 1. Formerly RCW 74.04.530.]

RCW 43.20B.730 Recipient receiving industrial insurance compensation—Effective date of lien and notice—Service. The effective date of the lien and notice to withhold and deliver provided in RCW 43.20B.720 is the day that it is received by the department of labor and industries or a self-insurer as defined in chapter 51.08 RCW. Service of the lien and notice to withhold and deliver may be made personally, by regular mail with postage prepaid, or by electronic means. A statement of lien and notice to withhold and deliver shall be mailed to the recipient at the recipient's last known address by certified mail, return receipt requested, no later than two business days after the department mails, delivers, or transmits the lien and notice to withhold and deliver to the department of labor and industries or a self-insurer. [1997 c 130 s 2; 1987 c 75 s 34; 1985 c 245 s 9; 1973 1st ex.s. c 102 s 3. Formerly RCW 74.04.550.]

RCW 43.20B.735 Recipient receiving industrial insurance compensation—Duty to withhold and deliver—Amount. The director of labor and industries or the director's designee, or a self-insurer as defined in chapter 51.08 RCW, following receipt of the lien and notice to withhold and deliver, shall deliver to the secretary of social and health services or the secretary's designee any temporary total disability compensation payable to the recipient named in the lien and notice to withhold and deliver up to the amount claimed. The director of labor and industries or self-insurer shall withhold and deliver from funds currently in the director's or self-insurer's possession or from any funds that may at any time come into the director's or self-insurer's possession on account of temporary total disability compensation payable to the recipient named in the lien and notice to withhold and deliver. [1997 c 130 s 3; 1973 1st ex.s. c 102 s 4. Formerly RCW 74.04.560.]

RCW 43.20B.740 Recipient receiving industrial insurance compensation—Adjudicative proceeding—Collection pending final order. A recipient feeling aggrieved by the action of the department of social and health services in recovering his or her temporary total disability compensation as provided in RCW 43.20B.720 through 43.20B.745 shall have the right to an adjudicative proceeding.

A recipient seeking an adjudicative proceeding shall file an application with the secretary within twenty-eight days after the statement of lien and notice to withhold and deliver was mailed to the

recipient. If the recipient files an application more than twenty-eight days after, but within one year of, the date the statement of lien and notice to withhold and deliver was mailed, the recipient is entitled to a hearing if the recipient shows good cause for the recipient's failure to file a timely application. The filing of a late application does not affect prior collection action pending the final adjudicative order. Until good cause for failure to file a timely application is decided, the department may continue to collect under the lien and notice to withhold and deliver.

The proceeding shall be governed by chapter 34.05 RCW, the Administrative Procedure Act. [1997 c 130 s 4; 1989 c 175 s 101; 1987 c 75 s 35; 1973 1st ex.s. c 102 s 5. Formerly RCW 74.04.570.]

Effective date—1989 c 175: See note following RCW 34.05.010.

RCW 43.20B.745 Recipient receiving industrial insurance compensation—Application. RCW 43.20B.720 through 43.20B.745 shall not apply to persons whose eligibility for benefits under Title 51 RCW, is based upon an injury or illness occurring prior to July 1, 1972. [1987 c 75 s 36; 1973 1st ex.s. c 102 s 6. Formerly RCW 74.04.580.]

RCW 43.20B.750 Recipients holding title to real property or purchasing under land sales contracts—Recording request for notice or termination or request for notice of transfer or encumbrance of property—Notice and hearing—Rules. (1) When an individual receives medical assistance subject to recovery under this chapter and the individual is the holder of record title to real property or the purchaser under a land sale contract, the department of social and health services may present to the county auditor for recording in the deed and mortgage records of a county a request for notice of transfer or encumbrance of the real property. The department shall adopt a rule providing prior notice and hearing rights to the record titleholder or purchaser under a land sale contract.

(2) The department shall present to the county auditor for recording a termination of request for notice of transfer or encumbrance when, in the judgment of the department, it is no longer necessary or appropriate for the department to monitor transfers or encumbrances related to the real property.

(3) The department shall adopt by rule a form for the request for notice of transfer or encumbrance and the termination of request for notice of transfer or encumbrance that, at a minimum:

(a) Contains the name of the public assistance recipient and a departmental case identifier or other appropriate information that links the individual who is the holder of record title to real property or the purchaser under a land sale contract to the individual's public assistance records;

(b) Contains the legal description of the real property;

(c) Contains a mailing address for the department to receive the notice of transfer or encumbrance; and

(d) Complies with the requirements for recording in RCW 36.18.010 for those forms intended to be recorded.

(4) The department shall pay the recording fee required by the county clerk under RCW 36.18.010.

(5) The request for notice of transfer or encumbrance described in this section does not affect title to real property and is not a lien on, encumbrance of, or other interest in the real property. [2005 c 292 s 1.]

CONSTRUCTION

RCW 43.20B.900 Savings—1987 c 75. The enactment of this act shall not have the effect of terminating or in any way modifying any liability, civil or criminal, which is already in existence on July 26, 1987. [1987 c 75 s 48.]

RCW 43.20B.902 Construction—Chapter applicable to state registered domestic partnerships—2009 c 521. For the purposes of this chapter, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Where necessary to implement chapter 521, Laws of 2009, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships. [2009 c 521 s 106.]