

# ALASKA PUBLIC ASSISTANCE MANUAL

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### 482 CLAIMS

An APA recipient may occasionally receive more or less assistance than he or she is entitled to. This chapter contains APA policy regarding overpayment or underpayment situations.

#### 482-1 UNDERPAYMENTS

If DPA discovers that an APA recipient has been underpaid by \$25 or more, it will issue a corrective payment. However, a corrective payment will not be issued if the underpayment was caused by the recipient's failure, without good cause, to report, or to report accurately, a change in circumstances which caused the recipient to be underpaid.

#### 482-2 OVERPAYMENTS

The Division will pursue the collection of APA overpayments received by both current and former recipients.

##### A. DEFINITION OF AN APA OVERPAYMENT

For APA purposes, a “overpayment” means the amount of APA benefits to which a recipient was not entitled. It includes the amount of assistance paid to a recipient pending a fair hearing decision, if the hearing authority renders a decision requiring that the assistance be repaid.

An APA overpayment does **not** include the amount of Interim Assistance paid to an individual whose application for SSI is denied solely because the individual is determined not disabled or blind, or because the individual's income exceeds SSI income standards.

##### B. TREATMENT OF AN APA OVERPAYMENT

The requirement to repay an APA overpayment depends on whether the overpayment is agency-caused or client-caused. Repayment is requested but not required for an agency-caused overpayment. Repayment is required for a client-caused overpayment.

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#### 1. Agency-caused overpayment

An overpayment is agency-caused when the overpayment occurs solely as the result of an administrative error or oversight by the Division. Agency-caused overpayments include situations where the agency:

- Fails to take timely action on a reported change;
- Calculates income, deductions, or payment incorrectly; or
- Makes any other error which results in an incorrect payment.

#### 2. Client-caused overpayment

An overpayment is client-caused when the overpayment is the result of an action or inaction by the recipient, or by an individual acting on the recipient's behalf. Client-caused overpayments include situations where the client:

- Fails to provide the agency with correct or complete information;
- Fails to report a change; or
- Fails to report a change in a timely manner.

### C. ESTABLISHING A CLAIM

When a case worker discovers that an APA overpayment has occurred, he or she will determine the amount of the overpayment, complete a Report of Claim Determination (Gen 95) form, and send the Gen 95 form and any backup information (such as an APA budget worksheet) to the Claims Unit. The Claims Unit will establish the overpayment claim on EIS and pursue collection of the claim against the current or former recipient. See Chapter 111 of the Administration Procedures manual for more information about program losses and claims collection.

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**D.    NOTICE REQUIREMENT**

After being advised of the overpayment, the Claims Unit is responsible for sending the current or former recipient a written request for repayment. The overpayment notice must:

- State the amount of the overpayment;
- Give the reason for the overpayment; and
- Advise the individual whether repayment is being requested or required. If repayment is being required, the notice must specify what further actions will be taken if repayment is not made.

**E.    REPAYMENT OPTIONS**

**1.    Current Recipients**

A current recipient may choose to repay an overpayment in a single payment or in monthly installments. If the recipient chooses to repay the overpayment by monthly installment, the division will withhold from the recipient's monthly benefit an amount equal to 10 percent of the recipient's monthly payment, or \$10, whichever amount is higher. If the recipient's assistance payment before withholding is less than \$10, the entire payment will be withheld.

A current recipient has 30 days from the date he or she receives a notice requesting repayment of a client-caused overpayment. If the entire amount of the client-caused overpayment is not repaid within 30 days, the Division will begin collecting the overpayment by reducing the individual's monthly payment according to the method specified above.

**2.    Former Recipients**

A former recipient may choose to repay an overpayment by:

- making a single payment;

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- making monthly installment payments of at least 10 percent of the last monthly assistance payment received by the individual;
- making quarterly installment payments of at least 30 percent of the last monthly assistance payment received by the individual; or
- assigning the individual's Permanent Fund Dividend through a valid legal assignment to the Division

A former recipient may choose any combination of the payment options listed above as long as the total annual repayment amount is at least equal to the amount that would be collected by monthly installment if only that option were chosen. A former recipient who chooses to repay an overpayment with his or her Permanent Fund Dividend(s) must execute a new valid assignment of each year's Permanent Fund Dividend until the overpayment is recovered in full.

### 3. When a Former Recipient Becomes a Recipient Again.

When a former recipient who has not totally repaid a previous client-caused overpayment again qualifies for assistance, the Division must pursue collection of any remaining balance by reducing the recipient's monthly benefit according to section E.1. above. Withholding begins the second benefit month of the recipient's new period of eligibility.

## F. HARDSHIP PROVISION

Repayment of a client-caused overpayment may be suspended or adjusted if it will cause extreme economic hardship to the individual. The Claims Unit is responsible for deciding whether to suspend or reduce collection due to hardship as follows:

### 1. Current Recipients

If a current recipient can demonstrate that the loss of assistance will cause extreme economic hardship, repayment may be suspended for up to three months.

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### 2. Former Recipients

If a former recipient can demonstrate that repayment will result in extreme economic hardship, the Claims Unit may:

- allow the former recipient to repay less than the required amount; or
- temporarily suspend repayment for up to three months.

### G. COORDINATION WITH SSI

If the APA recipient is also an SSI recipient and it appears that he or she has received SSI benefits to which he or she was not entitled, the case worker shall inform the servicing SSA office and let the SSI claims representative pursue collection of any SSI overpayment. Potential APA overpayments for recipients who are also SSI recipients exist only for the months in which the recipient is determined ineligible for SSI. Months for which the APA/SSI recipient was found to be overpaid but still eligible for SSI, are overpayments to the SSI program only.

When documenting the amount of an APA overpayment, the case worker may assume that SSI will collect any SSI overpayment. The amount of any APA overpayment is the difference between the amount of APA the recipient received and the amount of APA the recipient was actually entitled to.

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### FRAUD

If the case worker has reason to believe that a recipient has received APA benefits that he or she is not entitled to because the recipient intentionally withheld, concealed, or misrepresented information, a fraud referral may be appropriate. When APA fraud is suspected, refer to the Administrative Procedures Manual, section 112, for proper procedures for fraud referrals.

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