

## **300 CLAIMS**

### **301 DEFINITION OF A CLAIM**

#### **301.1 Temporary Assistance for Needy Families (TANF) (except TANF Loan), Supplemental Nutrition Assistance Program (SNAP), Medicaid, Child Care, Employment and Training (E&T), and Energy Assistance Program (EAP)**

A claim is defined as any assistance, benefit, or subsidy provided under a program administered by the DWSS paid to, or on behalf of, any individual, group of individuals or provider, which exceeds the amount they were eligible or entitled to receive.

Claim amounts reflect the difference between what the individual, group of individuals or provider incorrectly received in a form of assistance, benefits, or subsidy less what they were correctly eligible or entitled to receive.

#### **301.2 TANF Loan**

A claim is defined as the total amount of TANF Loan payments issued under the signed Loan Agreement that is due and payable by the Borrower.

### **302 DEFINITION OF DATE OF DISCOVERY**

The date of discovery is the date DWSS confirms through investigation of the claim allegation an overissuance or loan repayment obligation has occurred.

**Exception:** The Program, Review and Evaluation (PRE) Unit conduct investigations, which may generate a potential claim for the review month. Claims resulting from a QC error or audit finding must show the date of discovery as established by the Chief of PRE.

### **303 DEFINITION OF TRAFFICKING (SNAP ONLY)**

Trafficking means the buying or selling of SNAP benefits or other benefit instruments for case or consideration other than eligible food.

- A trafficking-related claim will be established against any person or retailer when it is determined the person or retailer engaged in trafficking.
- Any trafficking-related claim will be the value of the trafficked benefits.

### **304 INFORMATION IS RECEIVED INDICATING A CLAIM MAY EXIST**

The appropriate case manager or Investigations and Recovery (I&R) worker will:

- ensure the household's current budget reflects correct, up-to-date information to avoid further incorrect payment of benefits;
- obtain written verification of the questionable issue; and
- determine the period(s) of time during which the household incorrectly received assistance.

### **305 CLAIM CALCULATION**

#### **305.1 Calculation of TANF, SNAP and Medicaid Claims**

Case managers must calculate all claims for:

- participating TANF or SNAP cases, except
- cases associated with an investigation, IPV or QC error finding

Case managers need not submit claim referrals for investigative, IPV or QC claims as I&R staff will utilize case findings to initiate the claim identification process.

I&R staff will calculate all claims for:

- Medicaid cases regardless if the case is open or closed
- closed TANF and SNAP cases; and
- any case associated with an investigation, IPV, QC error finding

When calculating a TANF or SNAP claim, refer to E&P manual section B-600 for policy guidance on reporting requirements.

Staff must use budgeting procedures and policy in effect at the time the claim was incurred. Use actual income and circumstances when calculating a claim.

Income may be averaged from the ESD printout when attempts to obtain actual amounts have been pursued but not received. Attempts to obtain actual amounts will be documented.

All potential claims identified by DWSS staff are sent, via referral, to the Investigations and Recovery Information System (IRIS) for review and claim establishment.

If reasonable attempts made to secure documentary evidence prove unsuccessful, the case manager or I&R worker may, with the approval of their supervisor or designated staff, terminate calculation efforts.

### 305.1.1 Medicaid Claims

Determine the amount of the Medicaid claim by:

- separately reviewing the month(s) each assistance unit member was totally ineligible (consider possible Transitional Medicaid and CHAP eligibility) for any program benefits, and
- adding together all Medicaid benefits paid the corresponding periods to arrive at the total Medicaid claim amount.

If the claim includes months, which are less than six (6) months old, hold the calculation for at least 180 days from the date eligibility was terminated. This allows Medicaid providers the opportunity to bill for services during the last six (6) months (180 days) of the recipient's eligibility.

### 305.1.2 TANF Claims

After determining the TANF claim, the worker MUST identify Child Support Enforcement recoupment for each member of the overpaid assistance unit.

SEE FORMULA BELOW

The following formula is used to determine monthly amount of child support to be deducted from the claim. Complete a separate form for each month. Adjustment is made only for claim month(s) in which child support was actually received by the agency.

Claim month \_\_\_\_\_

Claim Amount \$ \_\_\_\_\_  
(Transfer to #8 below)

1. Determine the court-ordered obligation or the actual amount paid, whichever is less \$ \_\_\_\_\_ Recoupment.
2. Child support collected (See #1) \$ \_\_\_\_\_
3. Original Grant \$ \_\_\_\_\_  
Recalculated Grant \$ \_\_\_\_\_

(Transfer to # 5 below) If the recalculated grant is greater than the recoupment, no amount for this month.

(Recoupment is transferred to #6 below.)

4. If the recalculated grant is less than the recoupment, find the difference between the recoupment and the recalculated grant \$\_\_\_\_\_.

Apply this amount as a credit to claim. (Transfer to #9 below.)

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USE THIS FORMULA TO DOUBLE CHECK YOUR FIGURES

5. ....	Original Grant Amount	\$ _____
6. ....	Minus Recoupment	\$ _____
7. ....	Net Claim	\$ _____
8. ....	Total Claim	\$ _____
9. ....	Minus Difference From Above	\$ _____
10. ....	Net Claim	\$ _____

(Figures #7 and #10 should agree)

**Note:** The total amount of allowable CSEP payments are applied against the gross claim amount as a "Child Support Offset."

**305.1.3 SNAP Claims:**

When circumstances automatically cause ineligibility such as excess resources, assume the amount, which should have been issued, is "zero".

Allow only expenses previously claimed and budgeted, unless verification of expenses paid is provided or obtained because of verifying income.

**305.1.3.1 American Recovery and Reinvestment Act (ARRA) 2009**

The Act increased the maximum benefit level for all SNAP households effective April 1, 2009. The Act also mandates DWSS disregard the additional amount of benefits that a household receives as a result of this Act in determining the amount of over issuances during the time period April 1, 2009 through September 30, 2009. Claims must be calculated based on the benefit level in effect March 31, 2009.

**Exception:** If a recipient was ineligible to receive any allotment in a month with an ARRA increase, the overissuance will be the actual amount of benefits received by the household during the ineligible month(s).

For calculation of over issuances received by the household after September 30, 2009, the claim must be determined based on the actual amount of benefits received.

**305.1.4 NEON Claims:**

When training funds are given directly to the client but not used as required by their agreement with DWSS (funds not paid to the Training organization), establish a claim for the entire amount issued to the client for the training course.

When a client requests a refund for training funds from the training organization and never surrenders the refund to DWSS as required, establish a claim for the amount of the refund.

Establish a claim for the entire training benefit distributed as established in a formal Training Agreement, if the participant fails to complete the course satisfactorily.

Satisfactory completion is defined as completing the courses with a passing grade and/or earning a certificate of completion indicating they have gained the required skills and knowledge.

### **305.2 Calculation of a Child-Care Claim**

Claims must be calculated by the child care Contractor within 60 working days of receipt of the necessary collateral information and documented in the case file. Prior to initiating the calculation process, the Contractor must ensure they possess credible evidence, which clearly substantiates, verifies or confirms the client received benefits they were not entitled to for a specific period of time.

The calculation of any subsidy claim requires a comparison of benefits already received by the child care household minus benefits to which the household was retrospectively entitled. The difference is the claim amount. Determine the child care claim amount for each month incorrect benefits may have been paid.

Budgeting procedures and policy in effect at the time the claim was incurred must be used in the determination of the claim amount.

After the claim is calculated, child care staff sends the client a Notice of Debt & Recipient Repayment Agreement (Forms 2521 EG/A and 2521 EG/B) and submits the claim to I&R via referral through IRIS for review and claim establishment.

### **305.3 Calculation of an EAP Claim**

Claims must be calculated by the EAP caseworker for that household, unless the program manager assigns this task to another staff member, within 15 working days of receipt of the necessary collateral information.

Budgeting procedures and policy in effect at the time the claim was incurred must be used in the determination of the claim amount.

Following calculation of an IPV or client error claim, the claim must be submitted to the I&R Unit, via referral to IRIS for review, debt establishment and recovery.

## **306 CLAIM ESTABLISHMENT**

### **306.1 Establishing TANF, SNAP and Medicaid Claims**

I&R staff will establish all claims in NOMADS within ninety (90) days after the calendar quarter in which the claim was discovered.

Claims are established whenever DWSS confirms through investigation of the claim allegation that:

- DWSS incorrectly issued TANF, SNAP or Medicaid benefits to any individual or group of individuals; or
- a loan repayment obligation for any individual.

Claim classifications play no part in determining whether a claim is or is not calculated except for TANF and Medicaid agency errors.

When a claim is discovered and establishment may compromise a case sent to a prosecutorial or hearings office, I&R staff may suspend the establishment for up to one year, or case adjudication, whichever is sooner.

If the calculation determines the claim is equal to or less than \$125, the I&R worker may forego claim establishment and any subsequent collection action with the approval of designated I&R staff. **Exception:** Program claims subject to pending or current benefit reduction will not be terminated.

After claim establishment and claim file set up, I&R staff sends the client a Notice of Debt & Recipient Repayment Agreement (Forms 2521 EG/A and 2521 EG/B).

#### **306.1.1 Agency Caused TANF & Medicaid Claims**

1. Agency claims established against benefits issued prior to 12/01/2000 will be pursued as any other collectable claim.
2. Agency caused TANF and Medicaid claims, for benefits issued after 11/30/2000, will be calculated but not established or pursued except where the error was the result of:
  - an action resulting in a benefit which the client should have reasonably known was an error or mistake; or
  - worker and client action to commit illegal receipt of benefits

Examples of claims, which will be pursued:

- a client received the correct issuance and a duplicate issuance for the same amount for the same time period; or
- a client receives an issuance for \$5,000 when, in fact, they should have received only \$50

It is not necessary to calculate a claim for any other agency error

### **306.2 Establishing a Child-Care Claim**

Claims referred to I&R will be established in NOMADS within ninety (90) days after the calendar quarter in which the claim was discovered.

Provider error claims are not submitted to the I&R Unit, as the child care Contractor is responsible for establishment and collection of the claim.

Contractor and Agency error claims are not submitted to nor established by the I&R Unit except where the error was the result of:

- an action resulting in a benefit which the client should have reasonably known was an error or mistake; or
- the child care case manager and client took action enabling the client to receive benefits he/she was not entitled to

When a claim is discovered and establishment may compromise a case sent to a prosecutorial or hearings office, I&R staff may suspend the establishment for up to one year, or case adjudication, whichever is sooner.

If the calculation determines the claim is equal to or less than \$125, the I&R worker may forego claim establishment and any subsequent collection action with the approval of designated I&R staff. **Exception:** Program claims subject to pending or current benefit reduction will not be terminated.

### **306.3 Establishing an EAP Claim**

Claims will be established in NOMADS by I&R staff within ninety (90) days after the calendar quarter in which the claim was discovered.

Agency error claims will not be established unless the error is:

- so “obvious” and would be considered “obvious” to the household as well; or
- of such a large amount that it is considered prudent to recovery

When a claim is discovered and establishment may compromise a case sent to a prosecutorial or hearings office, I&R staff may suspend the establishment for up to one year, or case adjudication, whichever is sooner.

If the calculation determines the claim is equal to or less than \$125, the I&R worker may forego claim establishment and any subsequent collection action with the approval of designated I&R staff.

If the claim is collectible by recouping monies credited to the household's utility vendor, immediate action shall be taken by EAP staff to notify the utility vendor(s) to return any unused monies to DWSS. These monies shall be deducted from the claim balance owed by the household prior to referring the debt to I&R for establishment and collection.

### **307 CLAIM CLASSIFICATION**

Claims will be classified through use of one of the definitions, which follow:

#### **A. Intentional Program Violation**

A claim will be classified as an Intentional Program Violation (IPV) when DWSS is in receipt of:

- a written notice of decision from the hearings officer with a finding the individual intentionally violated program rules;
- a criminal court judgment of conviction for violations related to public assistance crimes; or
- an IPV waiver signed by the accused and approved by an I&R designee

#### **B. Client Error/Inadvertent Household Error**

A claim will be classified as a "Client Error" if;

- the claim was caused by a misunderstanding or unintended error by any or all members of the assistance unit; or
- the "Client Error" classification is used as a temporary classification pending DWSS action to have the claim reclassified as an "Intentional Program Violation"

#### **C. Agency Error**

A claim will be classified as an "Agency Error," if:

- the agency failed to take timely action on a reported change;
- the agency incorrectly determined and paid any benefits;
- the agency erroneously issued duplicate benefits which, were cashed or used by members of the assistance unit;
- the agency incorrectly computed income, expenses, deductions or the benefits;

- the agency failed to notify the Child Care Contractor of a known change to the client's household and/or agency benefits;
- the agency reported incorrect information to the Child Care Contractor regarding the client and/or their program benefits; or
- the agency makes any other error, which is not related to the client's withholding or incorrect reporting of eligibility information.

#### **D. TANF Loan**

A claim may be classified as a "TANF Loan" if:

- the client is legally responsible for repayment of the loan; or
- the client's authorized representative signed the agreement and thus held legally responsible for repayment of the loan

### **308 CLAIM FILE SET UP**

I&R staff must set up and retain a separate claim file for every individual owing a claim to DWSS.

The claim file must contain:

- copies or originals of evidence used to substantiate the calculation of the claim;
- budget forms for each month during which benefits were incorrectly paid;
- copies of the initial and any subsequent notifications mailed to the debtor addressing the debt;
- **if** the claim is classified as an IPV, a copy of the notice of decision issued by the Hearings Officer, a copy of the criminal court judgment of conviction or a copy of the accused signed waiver and Administrative Disqualification Notice;
- copies or originals of applications and rights and obligations relating to the claim period. Original copies may be removed from the eligibility file when replaced with Form 6203-AF, "Document Removal Sheet"; and
- a copy of the case narrative sheet used by the collections worker to record all actions relating to their attempts to recover the claim

**Note:** Various program claim documents may be filed within a common claim file but each program and occurrence must be separately sectioned. Documentation of the claim may also be retained in the program case file.