
AID PAYMENTS

A. DETERMINING THE BENEFIT AMOUNT

1. Prospective/Retrospective Budgeting

Prospective and retrospective budgeting is done in CAPI.

a. Prospective Budgeting

Prospective budgeting is the term used to describe the process for using the individual's or couple's countable income received during the current month to determine the CAPI benefit amount for the current, or payment month.

After determining eligibility, prospective budgeting is used for the first two months of eligibility, meaning all income is counted in the month of receipt. The prospective budgeting rules will apply for:

1. The first two months of eligibility. The budget and payment amounts will be the same.
2. The first two months following a status change from individual to couple, couple to individual, or child to adult will be treated the same as the first two months of eligibility.
3. In-kind support income (ISM) for the first two months is not be used to further reduce the CAPI payment that is already reduced in the payment month because the participant is in the Household of Another (HOA) living arrangement.

EXAMPLE:

John Doe applied for CAPI on November 1, 1998. Mr. Doe is found eligible by DAPD in November 1998 and because of CAPI effective date of aid rules his CAPI benefits are effective the first of the month following application (December 1, 1998).

For December 1, 1998, Mr. Doe's countable income is \$400.00 and his CAPI Payment Standard \$722.00 (he is blind and lives alone). The Eligibility Worker did not get notice of Mr. Doe's approval until January 1999. In January 1999 the Eligibility Worker did the aid payment computations. Mr. Doe's CAPI benefit amount computation is as follows:

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A. DETERMINING THE BENEFIT AMOUNT (Continued)

1. Prospective/Retrospective Budgeting

a. Prospective Budgeting

EXAMPLE: (continued)

A. Mr. Doe's CAPI Payment Standard	\$722.00
B. Subtract Mr. Doe's Countable Income	<u>- \$400.00</u>
C. Mr. Doe's CAPI Payment (the difference between A. and B.)	\$322.00

Since Mr. Doe's first month of eligibility is December 1998 (prospective budgeting) and his December 1998 CAPI payment will be \$322.00. In addition, Mr. Doe's January 1999 CAPI amount will be \$322.00.

b. Retrospective budgeting

1) Retrospective budgeting is the term used to describe the process for using the individual's, or couple's countable income received two months prior to the current month to determine the CAPI benefit amount for the current, or payment month.

2) Exceptions to retrospective budgeting are listed in a., above.

c. Once the payment standard has been determined, the CAPI benefit amount is calculated by subtracting the individual's/couple's budget month's countable income from the payment standard for the payment month.

EXAMPLE:

Mr. Doe is expected to continue to be eligible for CAPI during the month of February 1999. Mr. Doe's December 1998 income will be retrospectively counted against his February 1999 payment.

A. Mr. Doe's CAPI Payment Standard	\$722.00
B. Subtract Mr. Doe's Countable Income	<u>- \$400.00</u>
C. Mr. Doe's CAPI Payment (the difference between A. and B.)	\$322.00

Since Mr. Doe continues to be eligible for CAPI for February 1999, his income from December 1998 would be retrospectively counted for February. Consequently, Mr. Doe's CAPI payment will be \$322.00.

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B. EFFECTIVE DATE OF AID

The effective date of aid for all CAPI applications is the first day of the month following the date of application or the date the individual would otherwise become eligible, whichever is later.

EXAMPLE #1:

A woman applies for CAPI on November 11, 1998, the day she turns 65. Her application effective date of aid is December 1, 1998.

EXAMPLE #2:

A man applies for CAPI on November 16, 1998. The effective date of CAPI aid is December 1, 1998,

EXAMPLE #3:

A minor child, through his parents, applies for CAPI on December 1, 1998. The EW sends the case to DAPD in December 1998. DAPD eligibility determination for the minor child's blindness is not received until February 1, 1999. Since the minor's child date of application is December 1, 1998 (as secured by the CA 1 date), the first date for which he can be approved for CAPI would be January 1, 1999. Once the participant applies and is otherwise eligible, his/her effective date of aid is always the first of the month following application or eligibility regardless of the date when DAPD responds.

C. ISSUANCE OF PAYMENTS

Currently, there are three methods utilized by the CAPI program to distribute payments to the participants:

1. L.A. FAIR - CAPI payments may be issued through L.A. FAIR and the benefit issuance outlets. Benefits for CAPI participants can be picked up on the first of the month. The pick-up date is not determined by the terminal digit of the case number.
2. Mail - County warrants may be mailed directly to the participant.
3. Direct Deposit - Effective December 2001, Direct Deposit was introduced as another method of issuing benefits to participants receiving CAPI. Participants may choose to have their benefits directly deposited into their account at a financial institution of their choice. Direct Deposit must be offered by EWs at Intake, Redetermination/Recertification and upon request.

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C. ISSUANCE OF PAYMENTS

3. Direct Deposit (Continued)

- a) At Intake, Direct Deposit shall be offered at the time of case approval by Wilshire Special District staff. The CAPI EW will mail the PA 1675, PA1675-1 and PA 1675-2 with the LEADER screen prints (Case Profile and Case Member) attached.
- b) When completing the annual Redetermination (CAPI cases **without** Food Stamps), Direct Deposit shall be offered by the CAPI EW by mailing the PA 1675, PA 1675-1 and PA 1675-2 with the LEADER screens (Case Profile and Case Members) to the participant.
- c) When completing the annual Recertification (CAPI cases **with** Food Stamps), the PA 1675-2 is to be offered at the face-to-face interview.
- d) All forms (PA 1675, PA 1675-1 and PA 1675-2) are to be provided to the participant any time information about Direct Deposit is requested.



NOTE: Any time there is a change in Payee/Authorized Representative on a case with Direct Deposit, CAPI EW must change the pick-up type on the Case Issuance Method screen to Regular Pick-up. Additionally, a new PA 1675 must be completed by the participant and forwarded to the Direct Deposit Liaison to be forwarded to the Auditor-Controller. After the Auditor-Controller updates new payee on LEADER, they will notify the participant by mail of the effective month of Direct Deposit.

Individuals who receive their benefits through L.A. FAIR and are unable to pick up and cash their benefits or who participate in Direct Deposit and are unable to go to their financial institution, may designate an Authorized Representative to do this for them by completing a PA 1857/PA 1857S, "Authorized Representative Designation for Food Stamp/Cash Benefits."

The designated Authorized Representative may pick up and/or cash the CAPI participant's check at the outlet if in L.A. FAIR or at the bank institution designated by the participant if in Direct Deposit.

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C. **ISSUANCE OF PAYMENTS** (Continued)

NOTE: CAPI participants receiving benefits in the mail or at the outlet who also receive Food Stamps must pick up their Food Stamps on a date based on the terminal digit. This will require two Permanent Issuance Cards since there will be two unique pick-up dates. Programming has been requested to permit the CAPI participants to pick up both their Food Stamps and their cash aid on the first of the month. For CAPI participants participating in Direct Deposit, the stagger date is the 1st of each month for both cash and Food Stamps.

If the participant is unable to go to a benefit issuance outlet, does not know anyone he/she could designate as an Authorized Representative and does not have an account at a financial institution, administrative staff should call General Relief & CAPI Programs Section staff to resolve the individual case problem.

D. **COUPLE CASES ON LEADER**

Couple cases with one or both individuals aided on CAPI are processed on LEADER as one case. LEADER determines eligibility for each individual based on the data input.

E. **INTERIM ASSISTANCE REIMBURSEMENT**

Any GR paid while a CAPI application is pending is considered to be interim assistance and is subject to recovery/reimbursement once CAPI is approved. GR/interim assistance is recovered/reimbursed from CAPI, as follows:

1. A signed SOC 455 must be filed. This is a written agreement by the CAPI applicant that the GR can be recovered from the CAPI benefits.
2. At the point of CAPI approval, the amount of GR paid (while CAPI was pending) will be automatically computed by LEADER. The GR grant amount paid for the number of months GR was received is considered a recoverable amount and LEADER will deduct it from the CAPI payment.
3. The GR termination date is to be coordinated with the GR EW.

EXAMPLE: John Doe, who was receiving GR, applied for CAPI on July 1, 2001. He was found eligible to CAPI and was approved effective August 1, 2001 on September 20, 2001. The GR grant was \$221 and GR was terminated effective September 30, 2001.

The amount of GR which is recoverable is \$442 for the months of August 2001 and September 2001. Once the CAPI case is approved, LEADER will deduct \$442 automatically from the CAPI entitlement.

4. The NA 693 IAR, Notice of Approval - CAPI, is prepared. This form advises the participant of the CAPI approval and the GR being recovered from the CAPI benefits.

F. **OVERPAYMENTS/UNDERPAYMENTS**

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1. Definitions

a. Overpayment:

An overpayment is an excess payment. It is the amount an individual received for any period which exceeds the total amount which should have been paid for that period.

b. Underpayment:

An underpayment is a payment amount less than the amount due for any period.

c. Waiver (Of Adjustment Or Recovery):

A waiver frees the overpaid person and eligible spouse (and the person's estate after his or her death) from the obligation to repay the amount of the overpayment covered by the waiver.

Recovery of an overpayment can be waived if **BOTH** of the following are true:

- The person is “**without fault**” in connection with causing or accepting the overpayment as determined by reviewing the SOC 807A, “Cash Assistance Program For Immigrants (CAPI), Request For Waiver Of Overpayment Recovery - Without Fault” (Attachment A).

and

- The administratively overpaid person **cannot afford** to pay his/her bills for food, clothing, housing, medical care or other necessary expenses and still repay the overpayment either in full or by installments, as determined by reviewing the SOC 807, “Cash Assistance Program For Immigrants (CAPI), Request For Waiver of Overpayment Recovery - Income/Expenses” (Attachment B).

d. Without Fault:

Without fault is the absence of fault in connection with causing or accepting an overpayment. The overpaid individual is not without fault solely because the county may have been at fault in causing the overpayment.

F. OVERPAYMENTS/UNDERPAYMENTS

AID PAYMENTS

1. **Definitions** (Continued)

e. **At Fault:**

The existence of evidence that a participant knowingly, willingly and with intent to defraud, makes a false statement which impacts eligibility or the payment amount.

2. **Types of Overpayments**

a. **Administrative Overpayment:**

An administrative overpayment is caused by the county or the State and the participant is "without fault" in connection with causing or accepting an overpayment of this type.

Example: Mr. Wong, a Chinese only speaking participant, reported (within 10 days) the death of his wife, who was aided in their case; however, the EW inadvertently failed to change the household composition to one and couple payments continued for another three months following Mrs. Wong's death.

Having met his reporting responsibilities and not having been explained the program eligibility rules in his native language, Mr. Wong cashed the checks under the assumption that he was eligible to them.

In considering the factors mentioned above, it is determined that Mr. Wong is "**Without Fault.**"

Collection of an Administrative overpayment **may be waived** if the overpaid person requests an overpayment recovery waiver. A waiver request, forms SOC 807 and 807A, must be completed and submitted **with** supporting evidence to show that the overpaid person is without fault and repaying the overpayment would create a hardship which would prevent the person from meeting his/her basic needs.

Note: An administrative error does not relieve the person of responsibility for repayment when the person knew or should have known the payment was incorrect.

F. OVERPAYMENTS/UNDERPAYMENTS

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2. Types of Overpayments (Continued)

b. Potential Fraud Overpayment:

A potential fraud overpayment occurs when a person is “At Fault.” One is at fault when s/he knowingly, willfully and with intent to defraud, makes or causes a false statement to be made, or conceals or misrepresents a fact.

Collection of a fraud overpayment **must** be pursued in all cases in which fraud is suspected.

3. “Without Fault” and “At Fault” Determination

a. Without Fault:

In making a “without fault” determination, the EW must consider whether the individual:

- Understood the cause of the overpayment at the time it occurred;
- Understood the reporting requirements;
- Agreed to report events affecting payments;
- Was aware of events that should have been reported;
- Attempted to comply with the reporting requirements; and
- Understood the obligation to return payments to which he/she was not entitled.

In considering the factors mentioned above, the following shall be taken into account: the person’s age, comprehension, and any physical, mental, educational, or linguistic limitations.

Information to make a “without fault” determination is obtained from the individual through a SOC 807, “Cash Assistance for Immigrants (CAPI) - Request For Waiver Of Overpayments - Without Fault” and used in conjunction with all available evidence and case supporting documentation.

Example: In November 1999, Mrs. Le received a \$3,500 gift from her son and reported this timely (within 10 days); however, the EW did not act on the reported change. In March 2000, Mrs. Le spent \$1,500 on medical bills.

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F. OVERPAYMENTS/UNDERPAYMENTS

3. “Without Fault” and “At Fault” Determination

a. Without Fault: (Continued)

Example: A review of the available evidence and case supporting documentation in June 2000 revealed that \$3,500 was the only resource Mrs. Le had at the time and she reported this timely. Thus, Mrs. Le is found to be “without fault” of any overpayments related to her son’s gift.

LEADER INPUT: Processing a “Without Fault” Claim



Report the changes to LEADER and run SFU.

On the “*Determine Benefit Discrepancy*” screen:

- Select “**Non-Willful**” as the Cash Error Type.
- Select “**CAPI**” as the Program, and then select the appropriate Discovery Source and Discovery Reason as they pertain to the “**Without Fault**” determination.

On the “*Claim Override*” screen, suspend collection of the overpayment once a “**Without Fault**” determination has been made:

- Select “**Status Change**” for Type of Action.
- Select Claim Status of “**Suspended.**”
- Select Appropriate Reason, beginning with “**CAPI Wvr Appr.**”
- Document Case Comments.
- Run SFU/EDBC.

b. At Fault:

For CAPI overpayment determination purpose, a person is said to be “**At Fault**” when there is evidence that the person knowingly, willingly and with intent to defraud, makes or causes a false statement to be made - either of which is material to eligibility or payment amount.

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F. OVERPAYMENTS/UNDERPAYMENTS (Continued)

3. “Without Fault” and “At Fault” Determination (Continued)

b. At Fault: (Continued)

Some indications of being “**At Fault**” include, but are not limited to:

- Concealing information vital to eligibility determination.
- Making an incorrect statement the person knew or should have known was incorrect.
- Failing to timely report important information that a person knew or should have known would affect payments.
- Accepting and cashing payments that a person knew or should have known were incorrect.
- Receiving and cashing duplicate payments for the same period.
- Having been overpaid in the past for similar reasons.

Example: Mr. Sanchez failed to declare a checking and a savings account with a combined value of \$5,250 on his initial application. This was discovered at the annual redetermination.

The applicant is “At Fault” for concealing information which would have made him ineligible to CAPI benefits. A potential fraud overpayment exists in this case.

LEADER INPUT: **Establishing an “At Fault” Claim**



Report the changes to LEADER and run SFU.

On the “*Determine Benefit Discrepancy*” screen:

- Select “**Willful**” as the Cash Error Type.
- Select “**CAPI**” as the Program, then select the appropriate Discovery Source and Discovery Reason as they pertain to the “**At Fault**” determination.

Once a claim is established and authorized on LEADER, the system will show a claim status of “Pending Waiver.” No recoupment activity will occur while the claim is in a “Pending Waiver” status. The EW must set a **manual 30 day control** to begin recoupment of the alleged overpayment **only** if the overpaid person does not dispute it within this period of time. The EW must also prepare and **mail** the NOA, NA 1217, on the **same day** a claim is established on LEADER.

F. OVERPAYMENTS/UNDERPAYMENTS (Continued)

AID PAYMENTS

3. “Without Fault” and “At Fault” Determination (Continued)

b. At Fault: (Continued)

Suspend all collection activity during the 30 days following the NOA or until a determination is made on the request for a waiver of collection of an overpayment.

NOTE: Recoupment of any overpayment begins on the 1st of the month following the 30th day from the date the overpayment NOA was mailed to the participant or when a determination is made on the request for a waiver of collection of an overpayment. Recoupment of the overpayment may be initiated **only** if the participant **does not** request a waiver of collection of his/her overpayment or if the waiver is denied.

A **fraud referral** is electronically created by LEADER after the ES changes the claim status from “Pending Waiver” to “Open.” The waiver status is changed to “Open” (see Section F. 4, LEADER Input, below) to begin or resume collection of the overpayment after:

- The allowed 30-day period has expired **and** the overpaid person did not file for a waiver of collection of his/her overpayment.
- or**
- A waiver of collection of an overpayment has been denied.

4. Overpayment/Underpayment Process

The first step in determining whether an overpayment exists is to **net** all overpayments and prior month underpayments against each other (i.e., add all of the overpayments and deduct the total amount of the underpayments). Once it is determined that an over- or underpayment exists, the EW must **notify** the participant of the incorrect payment using the appropriate notice NA 1217 or NA 1218 (see below). The EW must set up a **30 day manual control** to proceed with recoupment of the overpayment if there is no response from the participant within 30 days.

F. OVERPAYMENTS/UNDERPAYMENTS

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4. Overpayment/Underpayment Process (Continued)

- NA 1217: Cash Assistance Program For Immigrants (CAPI) - Notice Of Overpayment (Attachment C) is completed **manually**.

Once an overpayment claim is established on LEADER (see Section #3,b, LEADER Input, above) and it is **not** disputed by the overpaid person within the allowed 30-day period, recoupment must be initiated or resumed as indicated below:

LEADER INPUT: **Changing Claim Status from “Pending Waiver” to “Open”**



On the “*Claim Override*” screen, begin collection of the overpayment once the participant does not dispute the action or the waiver is denied. The ES must:

- Select “**Status Change**” for Type of Action.
- Select Claim Status of “**Open**”.
- Select Appropriate Reason; if the waiver is denied, select a reason beginning with “**CAPI Wvr Den.**”
- Document Case Comments.
- Run SFU/EDBC.

The CAPI payment will be automatically reduced by **10 percent** of the CAPI Payment standard associated with the overpaid participant’s living arrangements.

- NA 1218: Cash Assistance Program For Immigrants (CAPI) - Notice Of Underpayment (Attachment D) is completed **manually**.

If it is determined that there is an outstanding underpayment after netting the overpayments against underpayments, the EW must initiate reimbursement of the underpayment amount **immediately** after the NA 1218 - Notice of Underpayment is mailed to the participant. This is done to ensure that the underpaid person receives his/her supplemental payment within **two weeks** from the date the EW becomes aware that the underpayment exists.

F. OVERPAYMENTS/UNDERPAYMENTS (Continued)

5. Waiver (Of Adjustment Or Recovery)

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An overpaid person may request an overpayment recovery waiver at **any time** after receiving the initial overpayment notice. Upon receiving a request for a waiver of collection of an overpayment, the EW must suspend all collection activity by changing the claim status to "*Pending Waiver*" and evaluating the waiver request.

a. Waiver Provisions:

(1) Two Waiver Conditions:

Recovery of an overpayment can be waived if **both** of the following conditions are **true**:

- The person is "**Without Fault**" in connection with causing or accepting the overpayment as determined by reviewing the SOC 807A, "Cash Assistance Program For Immigrants (CAPI), Request For Waiver Of Overpayment Recovery - Without Fault" (Attachment A); **and**
- The administratively overpaid person **cannot afford** to pay his/her bills for food, clothing, housing, medical care or other necessary expenses and still repay the overpayment either in full or by installments as determined by reviewing the SOC 807, "Cash Assistance Program For Immigrants (CAPI), Request For Waiver of Overpayment Recovery - Income/Expenses" (Attachment B).

(2) Waiver Forms:

A person(s) requesting a waiver of collection of an overpayment can do so by completing the **two** waiver request forms:

- SOC 807: "Cash Assistance Program For Immigrants (CAPI) - Request For Waiver Of Overpayment - Income Expenses" and
- SOC 807A: "Cash Assistance Program For Immigrants (CAPI) - Request For Waiver Of Overpayment - Without Fault"

Upon receiving a request for a waiver of collection of an overpayment, the EW must **manually** mail the SOC 807 and the SOC 807A for completion by the waiver requestor(s).

F. OVERPAYMENTS/UNDERPAYMENTS

5. Waiver (Of Adjustment Or Recovery)

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a. Waiver Provisions: (Continued)

(3) Automatic Waivers:

There are **two instances** in which a waiver is automatically granted and the person is presumed “Without Fault” unless the evidence clearly shows that the he/she willingly and knowingly failed to report the excess resources.

An **automatic waiver** of recovery is granted, regardless of whether the overpaid person requests a waiver or not, when:

- The sole cause of the overpayment is **Excess Resources Under \$50**
and/or
- The **Overpayment is Under \$30**. This is the minimum collectable overpayment amount.

Notice: **No NOA** is required on these cases; however, the EW must document the reason for not pursuing collection of these overpayments in the case record.

LEADER INPUT: **Processing Automatic Waivers**



Report the changes to LEADER and run SFU.

On the “**Determine Benefit Discrepancy**” screen:

- Select “**Non-Willful**” as the Cash Error Type.
- Select “**CAPI**” as the Program, and then select the appropriate Discovery Source and Discovery Reason as they pertain to the “**Without Fault**” determination.

On the “*Claim Override*” screen, suspend collection of the overpayment once a “**Without Fault**” determination has been made:

- Select “**Status Change**” for Type of Action.
- Select Appropriate Reason, either “**CAPI Wvr Appr -Res Under 50**” or “**CAPI Wvr Appr - Amt Undr 30.**”
- Select Claim Status of “**Suspended.**”
- Document Case Comments for not pursuing the overpayment.
- Run SFU/EDBC.

F. OVERPAYMENTS/UNDERPAYMENTS (Continued)

6. Waiver Request Decisions

All overpayment collection activity (if any) must be suspended immediately after the

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waiver request forms are received from the overpaid person(s).

The EW shall examine the SOC 807 and the SOC 807A for their proper completion and to identify and reconcile (if possible) any discrepancies between the information provided in the waiver request forms and existing information in the case record.

One of **three possible decisions** below may be rendered on a request for a waiver of collection of an overpayment:

- Approval: If a request for a waiver is approved and collection of an overpayment is waived, the EW shall annotate this in the case record and send a NOA, NA 1230 - “ CAPI Notice of Overpayment - Waiver Approval ” (Exhibit E), to inform the participant. Any money recovered toward the collection of the overpayment must be refunded to the individual.

- Partial Approval: If a request for a waiver of collection of an overpayment(s) is partially approved, annotate this in the case record and send a NOA, NA 1231 - “ CAPI Notice of Overpayment - Partial Waiver Approval” (Exhibit F), to inform the participant. Any money recovered toward the collection of the overpayment amount partially approved must be credited toward recovery of the denied waiver portion.

- Denial: If a request for a waiver of collection of an overpayment(s) is denied, the EW shall annotate this in the case record and send a NOA, NA 1232 - “ CAPI Notice of Overpayment - Waiver Denial” (Exhibit G), to inform the participant of this and initiate or resume (if suspended) collection of the overpayment.

7. Waiver Approval, Partial Approval and Denial Reasons

In addition to the two reasons for an automatic waiver (see Section F.5, a. [3], above), collection of an overpayment may be waived based on information provided by the overpaid person on the SOC 807 and SOC 807A. A request for a waiver of collection of an overpayment(s) may be approved, denied, or partially approved for one of the following reasons:

F. OVERPAYMENTS/UNDERPAYMENTS

7. Waiver Approval, Partial Approval and Denial Reasons (Continued)

- a. Reasons for Waiver Approvals:

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A waiver of collection of an overpayment is fully approved when it is determined that throughout the overpayment period:

- The person was not at fault in connection with causing the or accepting the overpayment; **and**
- The person **cannot** pay his/her bills for food, clothing, housing, medical care, or other necessary expenses if he/she was to repay the overpayment.
- The person's quality of life decreases; or he/she gives up an opportunity to improve his/her living conditions because he/she relied on the County's promise of a CAPI payment(s).

Example: A person does not take advantage of an offer made by a private organization or charity because he/she relies on CAPI benefits. It is subsequently found that CAPI benefits were improperly paid for the month in which the person did not take advantage of the offer made by the organization or charity.

Recoupment of this overpayment is waived because the participant declined private benefits and relied on CAPI.

All waiver approvals must be documented in the case record and a NOA must be sent to the participant. Any benefits previously withheld and covered by the waiver determination must be re-issued as indicated in Section F.4, Overpayment and Underpayment Process, above.

b. Reasons For Partial Waiver Approval:

A waiver of collection of an overpayment(s) may be partially approved if it is determined that the person meets the waiver approval reasons for part of the overpayment period. In this case, part of the waiver request is approved and part is denied. Therefore, the denied portion of the waiver must be recovered.

A partial waiver approval of collection of an overpayment is calculated based on the participant's information provided on the SOC 807 - CAPI Request for Waiver of Overpayment Recovery - Income/Expenses and the SOC 807A - CAPI Request for Waiver of Overpayment Recovery - Without Fault.

F. OVERPAYMENTS/UNDERPAYMENTS

7. Waiver Approval, Partial Approval and Denial Reasons (Continued)

c. Reasons For Denial:

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A waiver of collection of an overpayment must be denied if a person is found **at fault** for the occurrence of an overpayment **or** without fault **but** able to repay the overpayment.

The denial reasons below include most of the indications for a waiver denial:

(1) "At Fault"

- The person made an incorrect statement or a statement he/she should have known was incorrect.
- The person failed to provide timely information that he/she knew or should have known was important.
- The person accepted and cashed payments that he/she either knew or could have been expected to know were incorrect.
- The person received and cashed duplicate payments for the same period.
- The person has been overpaid in the past for similar reasons.

(2) "Income Under Basic Needs"

- The person can afford to pay his/her bills for food, clothing, housing, medical care, or other necessary expenses and still repay the overpayment either in full or by installments.
- The overpaid person receives CAPI or SSI (after CAPI is terminated) and does have earned income greater than \$65 a month.
- The overpaid person receives CAPI (or SSI) and it is determined that:

recoupment of the overpayment would NOT reduce the total resources below \$3,000 for one person without dependents or \$5,000 for a person with one dependent.

F. OVERPAYMENTS/UNDERPAYMENTS (Continued)

7. Waiver Approval, Partial Approval and Denial Reasons (Continued)

(3) Misleading Information:

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- Due to misleading information provided by the county, a participant bears a decrease of quality of his/her life; or gives up an opportunity to improve his/her living conditions because he/she relied on promised CAPI payment(s).

Example: A person does not take advantage of an offer made by a private organization or charity because he/she relies on CAPI benefits. It is subsequently found that CAPI benefits were improperly paid for the month in which the person did not take advantage of the offer made by the organization or charity.

Recoupment of this overpayment is waived because the participant declined private benefits and relied on the county.

F. OVERPAYMENTS/UNDERPAYMENTS (Continued)

8. Collection of Overpayments

- a. Revision of Payments And Creation Of Over/Under Payments:

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- (1) 1-Year Rule: Prior determination of eligibility and payment amounts can be revised (and over - or underpayments created) within one year of discovery of an erroneous payment amount for any reason.
- (2) 2 -Year Rule: Prior determination of eligibility and payment amounts can be revised (and over - and underpayments created) within two years prior to the date that the county:
- Received new material evidence;
 - Determines a clerical error has been made; or
 - Determines there is an error based on existing evidence already provided.
- (3) 3-Year Rule: Prior determination of eligibility and payment amounts can be revised (and over - or underpayments created) at **any time** if fraud is suspected or if in the past there was an overpayment for the same reason.

b. Methods of Collection:

Recovery of overpayments may be accomplished through two methods: refund and adjustment of payments.

- (1) Cash Repayments: Repayment in full of the existing overpayment amount.

This is always the **preferred** method of repayment.

LEADER INPUT: **Cash Repayments**

Cashiers receiving repayments must:

Go to the **“Record Payment/Adjustment”** screen.

Select the Payment radial button.

Select **“CAPI”** for Program.

Enter repayment amount.

Complete all fields on the screen.

Verify the accuracy of data entry.

Right click and Save results.



F. OVERPAYMENTS/UNDERPAYMENTS

8. Collection of Overpayments

b. Methods of collection (Continued)

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(2) Recoupment: The method by which the person's CAPI grant is reduced by **10 percent** of the CAPI payment standard.

Example: The payment adjustment rate for an overpaid individual living independently (in 2003) would be \$74.00 (10% of \$747.00).

Note: An individual can request a higher or lower rate of recovery than the standard rate of 10 percent. A lower rate of recovery may be approved if the overpayment will be recovered in full within **36 months**. This type of arrangement, however, will require payments to be made at the district office in person.

On the other hand, an individual can arrange with his or her EW for a recovery payment plan **higher** than the required monthly, **10%** recoupment amount. This plan would have to be carried out manually as LEADER cannot accommodate this arrangement at this time. If the participant fails to comply with the manual plan, the automatic 10% recovery plan must be reinstated. The EW must properly notify the participant of this change.

LEADER INPUT: **Payment Below 10 Percent**

On the "**Claim Override**" screen

Change the Status of the claim to "**Suspended**".

Select appropriate reason: "**CAPI-Lower Recpmt Requested.**"

Document Case Comments.

Run EDBC.



Note: Participant must be instructed to make **manual payments** to the CAPI District or the nearest GR District Office.

LEADER INPUT: **Processing Repayments Made in Person**

See Cash Repayments in Section F.8, b (1), above.

F. OVERPAYMENTS/UNDERPAYMENTS

8. Collection of Overpayments (Continued)

c. Overpaid Persons No Longer Receiving CAPI:

AID PAYMENTS

For overpaid persons no longer receiving CAPI, the EW shall:

- Determine if the person has been overpaid (see Section F.4, Overpayment/Underpayment Process, above).
- Determine if participant(s) was “At Fault” or “Without Fault”.
- Send the appropriate overpayment notice.
- Initiate a manual referral, PA 495 “Request for Collection,” to the Special Payments Section if it is determined that the overpaid person is “Without Fault” but able to repay the overpayment without any hardship.
- Refer the case to the Welfare Fraud Prevention and Investigation (WFP&I) for investigation if:
 - the person **does not** respond within 30 days of the initial notice; **or**
 - the notice is returned as undeliverable **and** the EW has determined that an overpayment exists and the participant was “At Fault”.

LEADER INPUT: **Collection Referrals to Special Payment Section**

A manual referral must be done with the input to LEADER and annotation must be entered in Case Comments.



Note: District collection referrals of CAPI overpayments on discontinued cases must follow existing General Relief Regulations 43-203 and 44-336.2.

Property Management and Benefits Issuance Division, Special Payments Section staff shall **manually** refer the case to the Treasurer Tax Collector if the person is more than 30 days late on an installment.

d. Overpayments Due To Excess Resources:

For overpayments caused by excess resources of **over \$50**, the participant will be determined to be without fault, unless he/she willingly and knowingly failed to report the excess resources accurately and timely.

F. OVERPAYMENTS/UNDERPAYMENTS

8. Collection of Overpayments

AID PAYMENTS

d. Overpayments Due to Excess Resources: (Continued)

To compute the overpayment amount in cases where the excess of resources changed during the overpayment period, a determination of “without fault” must be made in the months in which the **greatest** resource amount existed (see example below).

The EW must **annotate** this determination on the case record and proceed to recover the **lesser** of the greatest excess resource amount and the amount of CAPI paid during the overpayment period (see example below).

Example: In his December 1998 application, Mr. Le, the only aided participant on his case, declared a life insurance policy with a cash surrender value of \$1,900 (his only countable resource). It was discovered during a June 2000 redetermination that the cash surrender value of Mr. Le’s life insurance policy (still his only countable resource) had increased to \$2,400 in October 1999 and to \$2,900 in April 2000.

Step #1: Finding The Greatest Resource Amount:
Subtract the applicable resource limit for one person (\$2,000), from the greatest resource amount during the overpayment period (\$2,900). [$\$2,900 - \$2,000 = \mathbf{\$900}$.]

Step #2: Finding The Amount To Be Recovered:

Recover the **lesser** of the excess resource amount in Step #1 (\$900) or the amount of CAPI paid while the participant’s resources exceeded the limit by more than \$50 (in this case, \$10,086).

The amount to be recovered in this example is **\$900**.

Note: A manual claim must be established for all overpayments due to excess resources. LEADER does not compute this type of overpayment.

F. OVERPAYMENTS/UNDERPAYMENTS

8. Collection of Overpayments:

AID PAYMENTS

d. Overpayments Due To Excess Resources: (Continued)

LEADER INPUT: **Establishing A Manual Claim**



On the “**Go To**” screen, select the “**Benefit Recovery**” subsystem and the “**Establish Manual Claim**” screen.

Select “**Willful**” as the Cash Error Type.

Select “**CAPI**” as the Program, and then select the appropriate Discovery Source and Discovery Reason as they pertain to the “**At Fault**” determination.

Right Click and Save the information. This opens up the “**Benefit Discrepancy Monthly Details**” screen.

Complete the “**Monthly Details**” screen for each month of the overpayment. Select the “**Add**” button to include each additional month.

Select “**OK**” once all the months are entered.

Go to the “**Claim Authorization/Information**” screen;

Complete the authorization process. Once the claim is authorized by the ES, the claim status is automatically set to “**Pending Waiver.**”

Document Case Comments.