DEPARTMENT OF HUMAN SERVICES

County and Tribal Memo

Date: **04/10/2017**

To: **Child Care Assistance Program (CCAP) Administrative and Client Access Contacts**

From: **Department of Human Services, Children and Family Services Administration**
Child Care Assistance Program (CCAP)

RE: Child Care Assistance Program (CCAP) Provider Overpayments

Background

This memo gives new guidance about existing Child Care Assistance Program (CCAP) policies. Share with those in your agency who establish and maintain provider claims.

Registered providers with overpayments must sign an agreement before CCAP can begin recoupment. Counties and tribes must close an authorized provider's registration if the provider does not pay the full balance of the overpayment or agree that CCAP can recoup payments based on the policies defined in Minnesota Rules, part 3400.0187, subpart 6.

Refer to Minnesota Statutes, section 119B.11, subdivision 2a, paragraph (c), which states:

> If the provider continues to care for children receiving child care assistance, the overpayment must be recovered through reductions in child care assistance payments for services ***as described in an agreement with the county*** [emphasis added]. . . . A provider with an outstanding debt under this subdivision is not eligible to care for children receiving child care assistance until:
>
> 1. The debt is paid in full; or
> 2. Satisfactory arrangements are made with the county to retire the debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and the provider is in compliance with the arrangements.

This memo outlines procedures for:

- Beginning recoupment for new claims on active providers.
- Starting recoupment for previously established claims on active providers.
- Closing a provider's registration if the provider does not sign an agreement or pay the balance in full.

See below for more information about "Recovering Claims on Inactive Providers" and "Continuing Recoupment for Established Provider Claims."

Beginning Recoupment for New Claims on Active Providers

When you set up a new claim on an active provider, you must get a signed agreement from the provider before starting recoupment.

Follow these steps when establishing a new claim on an active provider.

Determine an Overpayment and Establish a Claim

1. Once your agency receives all documentation necessary to calculate the overpayment, follow policies in CCAP Policy Manual §14.6 (Amount of Overpayment) on determining overpayments.

2. Follow instructions in the MEC² User Manual to establish a provider claim. See *Claims > Claims Establishment > Provider Claim*. **When completing the Provider tab, in the Collection Action box, select "No" for Recoupment status.**

NOTE: After the claim is established, MEC² generates a Notice of Overpayment. Claim notices are created in a nightly batch job and are not available immediately for viewing. Wait until the "Notice of Overpayment" is available in the Notice Activity tab in the Claims area (usually the next day) before completing step 3 of this process.

Mail the Payment Agreement for Notice of CCAP Overpayment

3. Send the provider a copy of the **"Payment Agreement for Notice of CCAP Overpayment"** (See Attachment A. Highlighted portions must be updated). Allow the provider 15 calendar days to return the signed agreement. If the last day of the 15-day request period falls on a Saturday, Sunday, or legal holiday, extend the time period to the next working day.

NOTE: Use the following information from the Notice of Overpayment in MEC² to complete the **"Payment Agreement for Notice of CCAP Overpayment"**:

- Overpayment Amount: Use the amount listed in the first paragraph.
- Overpayment Reason: Use the reason listed at the end of the first paragraph (e.g. "You provided incorrect or incomplete information").
- Recoupment Amount: Use the recoupment amount listed at the end of the second paragraph (e.g. "The total amount of each payment we will take will be 25% of the payment or $50, whichever is more".

4. Set a provider alert as a reminder of the end of the 15-day deadline. Follow instructions in the MEC² User Manual to create alerts. See *Alerts > Create Alerts (Worker Created Alerts)*.

Start Recoupment or Close the Provider's Registration

5. Depending on whether the provider returns the signed **"Payment Agreement for Notice of CCAP Overpayment"** within 15 calendar days, complete *either* step 5a or 5b:
    a. **Begin recoupment** – If the provider return the signed **"Payment Agreement for Notice of CCAP Overpayment"** by the deadline, start recoupment.
        i. Enter the Claim Number or conduct a Claim Search. *See Claims > Claim Search.*
        ii. From Claims - Maintenance, click the Provider tab.
        iii. Click "Edit" to enable the window.
        iv. In the Collection Action box, change the Recoupment status from "No" to "Yes."
        v. Click "Save."

b. **Close the provider's registration** – If the provider does not sign and return the **"Payment Agreement for Notice of CCAP Overpayment"** by the deadline, close the provider's registration with 15-days' notice.
    i. Enter the Provider ID Number or conduct a Provider Search. See *Provider Management > Provider Search.*
    ii. Follow the instructions in the MEC² User Manual to close a provider. See *Provider Management > Provider Closure > Close a Provider*. **On the Registration and Renewal Window, select "Failed Provider Requirements" as the End Reason.**

NOTE:

- The 15-day request period and the 15-day notice of adverse action cannot overlap each other.
- MEC² automatically closes any active Service Authorizations and notifies families when a provider's registration is closed.
- If the provider returns a signed agreement during the 15-day notice period, reinstate the provider's registration without a gap.
- If the provider does not return a signed agreement during the 15-day notice period and the provider's registration closes, then *both* of the following must occur before the provider can be re-registered:
    - The provider must submit a signed **"Payment Agreement for Notice of CCAP Overpayment."**
    - The provider must complete a new registration and acknowledgement. The new registration cannot begin prior to the date the provider signs the **"Payment Agreement for Notice of CCAP Overpayment."**
- After the provider returns the agreement and their registration is active, begin recoupment following step 5a above.

Document Actions

6. Document all actions in Claim Notes and save copies of the **"Payment Agreement for Notice of CCAP Overpayment"** in the provider's file.

Starting Recoupment for Previously Established Claims on Active Providers

If you have already established a claim in MEC² for an active provider, but recoupment is inactive, you must get a signed agreement from the provider before starting recoupment.

When starting recoupment for a previously established claim on an active provider, follow steps 3 – 6 above.

Recovering Claims on Inactive Providers

Counties and tribes must recover overpayments of $50 or more from inactive providers. Follow procedures for collecting overpayments through:

- Voluntary repayment, repayment agreements, and Confessions of Judgment;
- Civil recovery; and/or
- Criminal restitution.

For more information about recovery methods for inactive providers, see CCAP Policy Manual sections §14.9 (Recovery Methods), §14.9.3 (Voluntary Repayment Agreement), §14.9.15 (Civil Recovery – Providers), and §14.12 (Fraudulently Obtaining Child Care Assistance).

Continuing Recoupment for Established Provider Claims

If your agency is currently recouping claims on active providers, recoupment may continue.

Appeals

Providers have the right to appeal the responsibility and amount of an overpayment. However, providers do not have a statutory right to appeal a registration closure to the DHS Appeals Office. A family may file an appeal with the DHS Appeals Office if the family disagrees with an agency's decision to close a provider's registration.

Legal References

Minnesota Statutes, section 119B.11, subdivision 2a, paragraph (c)
Minnesota Statutes, section 119B.16, subdivision 1a
Minnesota Rules, part 3400.0187, subpart 6

Questions

Contact your technical liaison if you have questions.

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