

SERVING THE FAMILY
CHILD CARE 6 - 9
Corrections & Overpayments

Supersedes: Child Care 6-9 (4/9/16)

References: 37.80.315-316, 37.80.502 ARM, 37.80.503, ARM, 37.80.504 ARM

General Rule

Providers or parents who have reason to believe an overpayment or under-payment of child care assistance has occurred shall notify the Early Childhood Services Bureau [ECSB] within 10 calendar days.

If an error is made when determining eligibility or paying child care for authorized activities, the case shall be re-worked making corrections, as it should have been managed had the error not occurred. The correction may result in an underpayment or an overpayment. Once an error is identified, the CCR&R Eligibility Specialist shall research and pursue the entire correction.

In limited situations, overpayments due to agency error may not be pursued in limited circumstances identified below, under 'Agency Error' with prior Bureau approval.

Underpayments

If a family or provider has not received the amount due to them, the CCR&R Eligibility Specialist may adjust invoices in order for the additional payment to be processed.

- Case note the circumstances and the calculation of the underpayment [See the ESCB Procedure Handbook.]

Agency Error Results in Overpayment Sent Directly to Parent

In limited situations, when scholarship payments are sent directly to the parent and an agency error results in overpayment, the Department **does not collect an overpayment**. All of the following criteria must apply:

- Payment is made directly to the parent, not to the provider; and
- The Department or CCR&R error causes the overpayment; and
- The overpayment is less than 150% of the monthly benefit.

NOTE: If the overpayment period extends beyond three months and is over 150% of the monthly benefit, the recovery period shall be limited to three months.

When an overpayment meets the criteria for non-collection, the CCR&R Eligibility Specialist shall calculate the amount of the overpayment, case note, and e-mail the overpayment amount to the ECSB Fiscal Officer.

Calculating an Over Claim or an Overpayment

An adjustment is calculated by re-determining eligibility or attendance with the new information. The difference in the amount of child care scholarship issued under the error and the amount of child care scholarship which should have been issued, becomes the amount of the adjustment.

If the family loses eligibility, the period used to calculate the overpayment begins when the family first loses eligibility. All subsequent payments are subject to overpayment. Eligibility specialists cannot assume a participant might have reported periods of basic eligibility requirements (e.g. employment or unemployment) following the initial loss of eligibility.

An underpayment/overpayment waiver will be granted for any charges that do not exceed \$100.00. This will apply to providers and parents. All underpayments/overpayments will be resolved in the system if possible.

Creating Provider Overpayments

A provider overpayment may be created when an invoice is adjusted. See the ECSB Procedure Handbook for processing.

Overpayments outstanding for any program types whose business structure is Sole Proprietorship, Partnership, or Corporation and the business dissolves or otherwise becomes defunct and the Department is unable to collect monies owed, the principals, shareholders, officers, or other individuals involved with the business at the time of dissolution are disqualified from receiving CCDF funds under any other business name or entity.

Household Overpayments

A household overpayment may be created when an invoice is adjusted.

See the ECSB Procedure Handbook for processing.

A parent who is not making monthly payments on outstanding child care overpayments is not eligible for further child care assistance. Any parent who misses a payment as required by the terms of a repayment agreement or Fair Hearing order and who does not become fully current in making all payments required under the agreement or order within the times described below will not be eligible to receive child care assistance until the parent has become fully current in making all payments required under the agreement or Fair Hearing order, or unless the Department has agreed to modify the payment schedule under the repayment agreement or order.