

**441—170.9(237A) Child care assistance overpayments.** All child care assistance overpayments shall be subject to recoupment.

**170.9(1) Notification and appeals.** All clients or providers shall be notified as described at subrule 170.9(6), when it is determined that an overpayment exists. Notification shall include the amount, date and reason for the overpayment. The department shall provide additional information regarding the computation of the overpayment upon the client's or provider's request. The client or provider may appeal the computation of the overpayment and any action to recover the overpayment in accordance with 441—subrule 7.5(9).

**170.9(2) Determination of overpayments.** All overpayments due to client, provider, or agency error or due to benefits or payments issued pending an appeal decision shall be recouped. Overpayments shall be computed as if the information had been acted upon timely.

**170.9(3) Benefits or payments issued pending appeal decision.** Recoupment of overpayments resulting from benefits or payments issued pending a decision on an appeal hearing shall not occur until after a final appeal decision is issued affirming the department.

**170.9(4) Failure to cooperate.** Failure by the client to cooperate in the investigation of alleged overpayments shall result in ineligibility for the months in question and the overpayment shall be the total amount of assistance received during those months. Failure by the provider to cooperate in the investigation of alleged overpayments shall result in payments being recouped for the months in question.

**170.9(5) Payment agreement.** The client or provider may choose to make a lump-sum payment or make periodic installment payments as agreed to on the notification form issued pursuant to subrule 170.9(6). Failure to negotiate an approved payment agreement may result in further collection action as outlined in 441—Chapter 11.

**170.9(6) Procedures for recoupment.**

*a.* When the department determines that an overpayment exists, the department shall refer the case to the department of inspections and appeals for investigation, recoupment, or referral for possible prosecution.

*b.* The department of inspections and appeals shall initiate recoupment by notifying the debtor of the overpayment using one of the following forms:

- (1) Form 470-3627, Demand Letter for Child Care Assistance Provider Error Overissuance; or
- (2) Form 470-3628, Demand Letter for Child Care Assistance Agency Error Overissuance;
- (3) Form 470-3807, Demand Letter for Child Care Assistance Client Error Benefit Overissuance;

or

- (4) Form 470-4530, Notice of Child Care Assistance Overpayment.

*c.* When financial circumstances change, the department of inspections and appeals has the authority to revise the recoupment plan.

*d.* Recoupment for overpayments due to client error or due to an agency error that affected eligibility shall be made from the parent who received child care assistance at the time the overpayment occurred. When two parents were in the home at the time the overpayment occurred, both parents are equally responsible for repayment of the overpayment.

*e.* Recoupment for overpayments due to provider error or due to an agency error that affected benefits shall be made from the provider.

**170.9(7) Suspension and waiver.** Recoupment will be suspended on nonfraud overpayments when the amount of the overpayment is less than \$35. Recoupment will be waived on nonfraud overpayments of less than \$35 which have been held in suspense for three years.