



DEPARTMENT OF CHILDREN
AND FAMILIES
Secretary Eloise Anderson
201 East Washington Avenue, Room G200
P.O. Box 8916
Madison, WI 53708-8916
Telephone: 608-266-8684
Fax: 608-261-6972
www.dcf.wisconsin.gov

DEPARTMENT OF HEALTH SERVICES
Secretary Dennis G. Smith
1 West Wilson Street
P.O. Box 7850
Madison, WI 53707-7850
Telephone: (608) 266-9622
FAX: (608) 266-7882
www.dhs.wisconsin.gov

**State of Wisconsin
Governor Scott Walker**

**TO: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators**

**FROM: Shawn Smith, Bureau Director
Bureau of Enrollment Policy & Systems
Division of Health Care Access and Accountability**

BEPS/DFS OPERATIONS MEMO					
No: 12-20					
DATE: 04/04/2012					
FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>
BC+ Basic	<input type="checkbox"/>	BC+ CORE	<input type="checkbox"/>		
CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/> *
				EP	

SUBJECT: FoodShare Clarification of Overissuance Policy

CROSS REFERENCE: [FoodShare Handbook, 7.3.2](#); [7CFR](#)273.18(c)(1), 18(d)(1), 18(d)(3)

EFFECTIVE DATE: IMMEDIATELY

PURPOSE:

To clarify the overissuance Policy outlined in Chapter 7.3.2 of the FoodShare Handbook.

BACKGROUND:

There has been confusion regarding Chapter 7.3.2 in the FoodShare handbook (FSHB) regarding overissuances and the date used to calculate the overissuance period.. Currently, the FSHB uses the word “discovered” when referring to the overissuance period; however, the FSHB does not define “discovered”. The corresponding Federal Regulations use the words “discover” and become “aware” when describing the overissuance process but does not define these terms.

This lack of definition has caused confusion when determining the overissuance period. DHS has received clarification from the Food and Nutrition Service (FNS) regarding the definitions and how the policy should be applied. This Operations memo defines the terms and clarifies the policy under which overissuances are calculated.

CURRENT POLICY:*CLIENT ERROR*

When overissuance occurs because the group did not report a change timely, begin with the month the overissuance was **discovered** and extend backward:

1. Six years, or
2. To the month the change would have been effective, whichever is most recent.

NON-CLIENT ERROR

The overpayment period for nonclient errors begins with the month the error is **discovered** and extends back 12 months or when the error was effective, whichever is most recent.

POLICY CLARIFICATION:

The overissuance period begins with the "Date of Discovery" and extends back up to 1 year for non-client errors or up to 6 years for client errors. The Federal Regulations use the terms date of discovery and date of awareness when defining the overissuance period or look back period. Both the date of awareness and the date of discovery are defined to mean the date that the ESS became **aware** of the potential that an overissuance may exist. It is from this date that the "look back period" is established.

From this point forward the term "Date of Discovery" will be synonymous with the "Date of Awareness." Date of discovery will be used on all future correspondence. The intent of the policy is that both terms are part of a process to define the overissuance period. The overissuance period consists of the months you look back to determine if an overissuance has occurred.

CLIENT ERROR

Establish a claim for a client error that occurred when the FS group unintentionally:

1. Failed to provide correct or complete information,
2. Failed to report a change that was required to be reported, or
3. Received FS for which it was not entitled pending a fair hearing decision.

In cases of client errors, the overissuance period is established by identifying the date of discovery, or the date of awareness, as they are defined to mean the same thing, and extending backward:

1. Six years, or
2. To the month the change would have been effective had the group reported it timely, whichever is most recent.

NON-CLIENT ERROR

Establish a claim for a non-client error that occurred when the agency:

1. Did not take prompt action on a change the FS group reported,
2. Incorrectly computed the group's income or a deduction,
3. Continued to issue the group FS benefits after eligibility ended, or
4. Did not reduce the group's FS to correspond with a W2 or SSI grant increase.

The overissuance period for non-client errors begins with the day the ESS discovered or became aware of the potential for an overissuance, and extends backward:

1. Twelve months,
2. To the month the error was effective had the worker acted on the change timely, whichever is the most recent.

It is essential that the date of awareness is documented in case comments. This date locks in the look back period and will not change regardless as to when the ESS calculates the overissuance amount.

In order to meet the established timeliness requirements, overpayment claims must be completed before the last day of the quarter following the quarter in which the ESS discovered or became aware of an overissuance. This holds true for both client and agency errors. Overissuance claims must be established and recovered even if they are not completed within this timeframe. Overissuance claims must be established and recovered even if they are processed late; failing to complete a claim within the given timeframe does not void the overissuance.

EXAMPLE 1: At Jeff's review on June 5, 2011 he reported income of \$800 per month. His worker Marcia incorrectly budgeted \$400/month instead of the \$800/month. When Jeff submits his SMRF on December 5, 2011 Marcia discovers her error and corrects the case effective January 1, 2012. While reviewing Jeff's income, Marcia discovers that Jeff started a second job on August 1, from which he earns \$600/month.

To calculate the overissuance, Marcia budgets the correct income amount of \$800 from the job Jeff reported. Marcia does not use the income in the overissuance calculation from the second job, because this income was not required to be reported due to reduced reporting requirements. Jeff reports this change on his December 2011 SMRF and this income is budgeted effective January 1, 2012.

- The date of discovery is December 5th, 2011.
- The look back period is December 2010 through December 2011 (non-client error).
- Had the June 2011 change been acted on accurately the change would have been effective July 1, 2011, therefore the overissuance period is July 1, 2011 through December 31, 2011.

Example 2: Margaret submitted a complete SMRF on April 22, 2011 that was due April 5, 2011. On the SMRF Margaret reports her rent decreased from \$700 to \$500. On May 20, 2011 Margaret's worker, John, discovers the error; he corrects the case effective July 1, 2011. While determining if Margaret has an overissuance, John learns that Margaret began a second job, from which she earns \$120/month. The additional income does not put Margaret's income over 130% of the FPL, so she is not required to report the change until her next review is due, due to reduced reporting requirements.

- The date of discovery is May 20, 2011.
- The look back period is May 2010 through May 2011 (non-client error).
- Had the April 22, 2011 change been acted on timely the change would have been effective June 1, 2011, therefore the overissuance period is June 1, 2011 through June 31, 2011.

John does not use the income from Margaret's second job because it was not required to be reported.

CONTACTS:

BEPS CARES Information & Problem Resolution Center

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, BC+ Core – BadgerCare Plus Core, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DHS/DHCAA/BEPS/MR