

P-2230 Benefits (continued)

P-2230E Benefit Underpayment (20-02)

Underpayments are worked by the Fraud and Claims Unit (FACU). Any suspected underpayment should be sent to FACU email group after the Claim Referral Form, ESD 108CRF has been completed.

Any questions regarding an underpayment should be sent to FACU.

When to Restore Underpaid Benefits

Restore benefits due to an underpayment because of:

- an agency error,
- changes in State or Federal regulations or laws, or
- a fair hearing decision reversing an action taken on the case.

Restore underpayments even if the household is not currently eligible. The household is not required to request issuance of the underpayment.

Timeframes

Restore underpaid benefits for not more than 12-months before the date of discovery:

- the household requests the underpayment be restored, including requesting a fair hearing,
- the underpayment is discovered, or
- the agency is notified of the underpayment, including fair hearing decisions reversing agency actions.

Note: If more than one occurs at the same time restore benefits from the date that occurred first.

Agency Error

Underpayments due to agency error occur when the agency failed to provide the household with the correct amount of benefits.

Incorrect Amount

Calculate underpayments for the time the household was eligible and had an open case. Issue the difference between the amount the household received and the correct amount.

Case Closed in Error

Reopen the case and restore benefits beginning with the first day benefits were not received after closure.

Application Delay or Denial

Restore benefits from the day of application and any other months when the application was:

- not processed timely, or
- denied in error.

Recertification Delay or Denial

Timely recertification applications denied in error or delayed must have benefits restored beginning the first month following the end of the previous certification period.

Changes in State or Federal Laws or Regulations

Restore any underpaid benefits when required and as directed by State or Federal laws or regulations.

Fair Hearing Decision

Restore benefits when a fair hearing decision states the agency's actions regarding the household's benefit amount or eligibility were incorrect. Issue underpaid benefits for not more than 12-months from whichever timeframe date occurred first.

Determining the Amount to Restore

Determine the months that benefits were potentially underpaid when the household was eligible or should have been eligible. Exclude months:

- when the household was ineligible, or
- more than 12-months before the timeframes.

Compare the amount of benefits:

- the household received,
- to what the household should have received.

If the household received less than they were due, the difference between the amounts is the underpayment.

Subtract any claims to be offset from the underpayment amount.

Information Needed for Determination

The household must provide any missing information needed to determine a potential underpayment when the case record doesn't contain all necessary information. Send the household the Verification Change Request form, ESD 202VCR, requesting the missing information for each month needed. Deny restored benefits due to an underpayment for the months the household fails to provide the missing information.

Offsetting Overpayment Claims

Restored benefits for underpayments must be used to offset any unpaid Reach Up claims including compromised overpayments. Amounts remaining after offsetting the claim are issued to the household.

Exception: Restored underpayments are not used to offset a claim when restoring benefits due to an underpayment for an initial month's benefit, unless the household agrees to the reduction.

Apply underpayments to a prior claim by faxing the Lost Benefits Restoration Worksheet, ESD 203R to the Fraud and Claims Unit at 802-241-0960, ATTN: Supervisor.

Issuing Benefits

Issue underpayments to the household's account in addition to any amounts the household normally receives via:

- check,
- direct deposit to their checking or savings account, or
- through an EBT card for households without a bank account.

Changes to household composition

If the household's composition changed, issue benefits to the household containing the majority of members at the time the underpayment occurred. When the majority of household members can't be located or determined, issue benefits to the household containing the person who was the head of household at the time the underpayment occurred.

Notification

Send the household the Notice of Decision, form ESD 220, advising the household of the underpayment being restored including the:

- amount of the underpayment,
- reason for the underpayment, and
- household's right to a fair hearing if they disagree.

When underpayments are used to offset a claim, the notice must also include:

- an explanation that the claim amount was adjusted,
- the amount of the underpayment used to offset the claim,
- the new claim amount, and
- the amount of underpayment to be issued, if any.

Household Disagrees with Amount or Decision

Disagrees with the Amount

Households that do not agree with the underpayment amount have the right to request a fair hearing within 90-days of the date they are notified of the restored underpayment. Issue the original underpayment amount to the household,

pending the hearing decision. Do not adjust the underpayment amount unless the hearing decision rules in favor of the household and requires an additional underpayment issuance.

Disagrees with the Decision

When a determination is made finding the household was not underpaid, and the household disagrees with the decision, they have 90-days to request a fair hearing. Restore benefits to the household only when the fair hearing rules in favor of the household.

BPS Support

Restoring Underpayments

BPS completes the Claim Referral Form, ESD 108CRF, and emails it to the Fraud and Claims Unit (FACU) and district management group.

Email: AHS.DCFESDClaimsUnit@vermont.gov

Note: Do not email ESD 108CRF if no underpayment occurred. CATN reason it was not done.

FACU will complete the Lost Benefit Restoration Worksheet, ESD 203R, to calculate benefits for each month of the potential underpayment.

1. Enter the claim number, district code, customer's name and address.
2. Check off the reason for the error.
3. Summarize why the error occurred.
4. Compare the amount of benefits:
 - the household received,
 - against what the household should have received. If the household received less than they were due, the difference between the amounts is the underpayment.
5. Subtract any unpaid claims to be offset from the underpayment.

6. Mark the ESD 203R indicating any offset and net amount issued.
7. Issue the balance, if any, to the household.
8. Go to ACCESS, CHCK/C/RUFA
 - Enter the start date and end date for the underpayment.
 - Enter each corrected month and amount for that month, line by line.
 - Enter the pass code.
9. Emails result of ESD 108 CAR to district management.
10. Upload a copy of the ESD 203R to Onbase as a work complete document.
11. Maintains files with supporting documentation.
12. CATN:
 - the reason for the underpayment,
 - the calculation,
 - the months restored,
 - if benefits were used to offset a claim, and
 - the amount of the underpayment before and after an offset.