

# BENEFIT OVERPAYMENT RECOVERY

Public Consulting Group (PCG) can help you comply with federal requirements to recover overpaid public benefits in a way that is:

- non-punitive for clients;
- revenue generating; and
- supportive of the integrity of your public assistance benefit program.



# BENEFIT OVERPAYMENT RECOVERY

Under the TANF, SNAP, Medicaid, and SSI/SSDI programs, some recipients occasionally receive monthly assistance payments to which they are not entitled, referred to as 'overpayments'.

Generally, overpayments are caused by either an agency error, inadvertent household error, or an intentional recipient program violation.

Federal regulations<sup>1</sup> require states to attempt to recover these overpayments in one of two ways:

- by recouping them from the recipient through a reduction of the recipient's benefit in one or more future months; or
- by collecting cash repayment(s) from the recipient (or former recipient) under a lump sum or periodic repayment plan.

## The Challenge

Collecting overpaid benefits from former recipients is difficult. For example, just the process of obtaining current address information to contact individuals for repayment is arduous and requires significant resources. Also, the work involved in establishing repayments oftentimes may not be considered a core program function. As a result, overpayments, by default, are just accepted as a program loss. Given the current economic environment, increasing effective cash management within state systems can help generate newfound revenue that otherwise would not have been recovered.

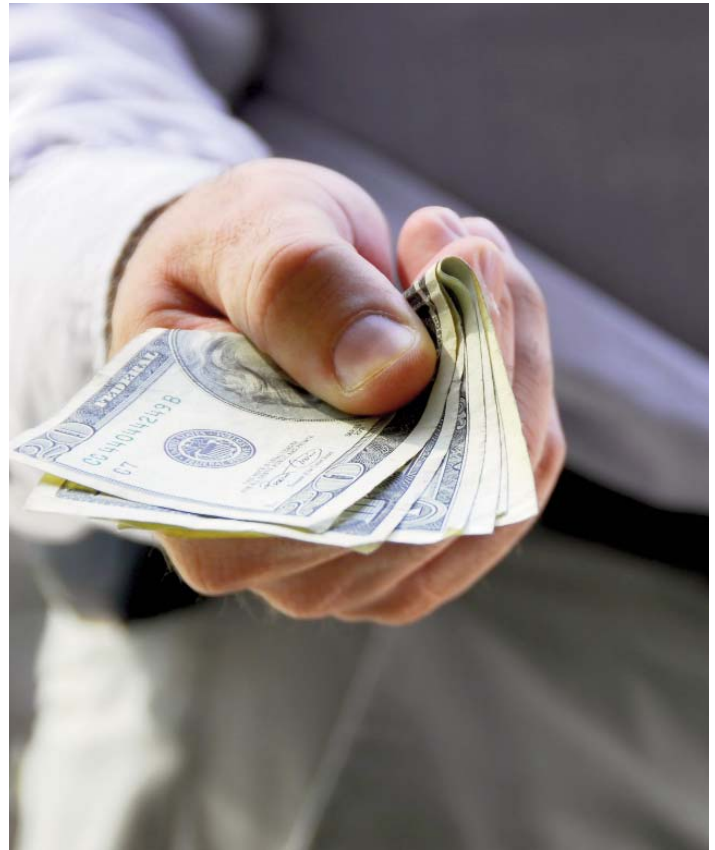
PCG's Benefit Overpayment Recovery Solution can help you immediately by developing and implementing a strategic and efficient system for cash repayment collection, processing, and reporting.

## The PCG Solution

The focus of the PCG Benefit Overpayment Recovery Solution is to support health and human service agency goals of maintaining the integrity of public assistance programs in a way that is fair and reasonable to participants. PCG engages current and former public assistance clients in demonstrating personal responsibility by establishing manageable and non-punitive recoupment plans. Working in conjunction with state benefit recovery units, PCG establishes reasonable monthly payment plans with clients and implements ongoing communication strategies with clients to assist states in recovering millions of dollars annually in benefit overpayments. PCG is not a collections agency and does not engage in deceptive and underhanded 'collections agency' tactics.

## Innovative Technology

PCG has worked with Bank of America to develop automated payment-processing technology that reduces banking fees for states and makes the collections process more efficient for clients. These automated processes are cost effective and ensure that collections are accepted and recorded accurately. This innovative technology package includes a pay-by-phone system, which enables clients to complete transactions in a quick and efficient manner, at their convenience.



## Benefits

PCG's Benefit Overpayment Recovery Solution can generate significant new revenue by augmenting internal state overpayment recovery activities and by recovering money from current and former public assistance clients in compliance with federal requirements.

Additionally, current and former public assistance clients who establish monthly re-payment plans can avoid large tax return and lump sum intercepts, such as the Treasury Offset Program (TOP), initiated by states to recoup overpayment claims. This enables recipients to better manage their finances.

## Proven Results

PCG has assisted the Florida Department of Children and Families in benefit recovery efforts since 2000. Over the course of this initiative, PCG has assisted the department in recouping over \$26 million in benefit claims (January 2000 to August 2009). During the last three years (2006 – 2008), PCG has recouped on average \$3.3 million per year.

Contact PCG to learn more about how our Benefit Overpayment Recovery Solution can help your agency recover overpayments in an efficient, cost-effective, and accurate manner.

<sup>1</sup> "Claims against Households." Code of Federal Regulations 7:2 (January 1, 2003). § 273.18