



CDSS

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**DEPARTMENT OF SOCIAL SERVICES**

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ARNOLD SCHWARZENEGGER  
GOVERNOR

December 17, 2009

ALL COUNTY LETTER NO. 09-64

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CHIEF PROBATION OFFICERS  
ALL COUNTY ADOPTION AGENCIES  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY PROGRAM MANAGERS

SUBJECT: TITLE IV-E FOSTER CARE OVERPAYMENT FORMS AS REQUIRED BY  
SENATE BILL 84

REFERENCE: SENATE BILL 84, (CHAPTER 177, STATUTES OF 2007)  
ALL COUNTY LETTER NO. 06-48  
ALL COUNTY LETTER NO. 07-15  
ALL COUNTY INFORMATION NOTICE NO. I-60-07

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

The California Department of Social Services (CDSS) was directed by the provisions outlined in Senate Bill (SB) 84 (Statutes of 2007) to work in consultation with the County Welfare Director's Association (CWDA) to develop regulations and processes for identifying, tracking and collecting Aid to Families with Dependent Children-Foster Care (AFDC-FC) overpayments. As a result, emergency regulations implementing the SB 84 requirements became effective July 1, 2009. In addition, the CDSS, in collaboration with CWDA, developed a Notice of Action (NOA), a Notice of Overpayment and Request for Voluntary Repayment to be used by County Welfare Departments in notifying providers of overpayments. The emergency regulations implementing the SB 84 requirements can be found at, <http://www.dss.cahwnet.gov/ord/PG614.htm>. However, please note that upon finalization the regulations will be located at, <http://www.dss.cahwnet.gov/ord/PG618.htm>.

**NOTICE OF OVERPAYMENT AND REQUEST FOR VOLUNTARY REPAYMENT**

Welfare and Institutions Code (W&IC) Section 11466.24 and Manual of Policies and Procedures (MPP) Section 45-304 and 45-305 require county welfare agencies to recoup AFDC-FC overpayments, with certain exceptions. The Notice of Overpayment and Request for Voluntary Repayment Form Number SOC 841 has been developed for the overpayments meeting the following exceptions:

- The foster care overpayment was a result of a county administrative error.

- Both the county welfare department and provider were unaware of information to establish eligibility for AFDC-FC.
- The provider did not have knowledge of and did not contribute to the cause of the overpayment.

This form notifies AFDC-FC providers who are relative caregivers, Non-Related Extended Family Members (NREFM's), foster family homes or nonrelated legal guardians that they have incurred a discovered overpayment and asks for a voluntary repayment of the overpayment as well as gives instructions for remitting the overpayment. The SOC 841 is clear that this is merely a request for the overpayment to be repaid, and that failure to return the overpayment will not result in any adverse action against them or any of the children they may be caring for in their home.

This form is in pdf format and allows counties to input and save the required information directly onto the form. Counties may consider making this form part of their Statewide Automated Welfare System (SAWS) collection system for ease of use.

<http://www.dss.cahwnet.gov/cdssweb/entres/forms/English/SOC841.pdf>

### **NOTICE OF ACTION (NOA) for Overpayments**

This newly designed NOA for overpayments, NA 1261, was developed as a result of specific requirements in SB 84 W&IC Section 11466.235. This form is to be used by counties for notifying AFDC-FC providers of a legally collectable discovered overpayment. A legally collectible overpayment is any amount of aid paid to a foster care provider or adoption assistance recipient for which he/she was not entitled, with the exception of the overpayments listed in the section above, as well as the following exceptions listed in W&IC Section 11466.23:

- The cost of collection exceeds the overpayment.
- The foster family agency or group home is no longer in business or licensed by the Community Care Licensing Division of CDSS.

This form is in pdf format which allows counties to input and save the necessary information, such as the child's name, the amount of the overpayment, the date the overpayment was discovered as well as the reason for the overpayment directly onto the form. Page two of this form advises the AFDC-FC provider of their hearing rights and the steps necessary to request a hearing. A toll free number has also been provided on page two for any questions the provider may have regarding the hearing process. Counties may consider making this form part of their SAWS system for ease of use.

<http://www.dss.cahwnet.gov/cdssweb/entres/forms/English/NA1261.pdf>

### **ASSISTANCE CLAIMING INSTRUCTIONS**

Counties will continue to report federal AFDC-FC and federal Adoption Assistance Program (AAP) identified overpayments for which due process has been completed on either the CA 800

All County Letter No. 09-64  
Page Three

OVERPAYMENTS FED or the CA 800 WAIVER OVERPAYMENTS FED claim form. Beginning with the January 2010 claiming month, the claims will be revised to reflect SB 84 provisions for the federal share of identified overpayments based on a 40 percent state and 60 percent county sharing ratio. Counties are responsible for 60 percent of the federal share of identified collectible overpayments pursuant to MPP 45-304.53, from the effective date of regulations, beginning July 1, 2009. Identified overpayments are defined in MPP 45-304.5 as those in which the administrative appeal process has been exhausted. In accordance with MPP 45-304.54, the county is not required to remit the federal share of legally uncollectible overpayments. However, the claim form will require counties to identify legally uncollectible overpayments on the amended CA 800 claim form.

The counties will be required to provide information to the state for a one time adjustment for the period of July 1, 2009 through December 31, 2009 to recoup the county share of identified overpayments that were not collected or were collected and not reported during this period. Further instructions will be forthcoming in a County Fiscal Letter.

The assistance claim workbook located on the Financial Services Bureau Extranet site, at <http://www.cdsscounties.ca.gov/AAC/aac.htm> will be revised to reflect the 40 percent state and 60 percent county sharing ratios for the federal share of overpayments, effective with the January 2010 claiming month.

For assistance with claiming questions please use the [assistance.claims@dss.ca.gov](mailto:assistance.claims@dss.ca.gov) email address, or contact Kathy Berreth at (916) 324-1631.

If you have any questions regarding the information in this All County Letter, please contact the Foster Care Rates Bureau at (916) 324-4857.

Sincerely,

***Original Document Signed By:***

GREGORY E. ROSE  
Deputy Director  
Children and Family Services Division