

AS:ty

12/06/2010

1     **AN ACT** *to renumber* 49.195 (3); and *to create* 49.161 (4), 49.195 (3) (b) and (c),  
2           49.497 (6) and 49.793 (3) of the statutes; **relating to:** waiver of recovery of  
3           overpayments.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**JOINT LEGISLATIVE COUNCIL PREFATORY NOTE:** This draft was prepared for the Joint Legislative Council's Special Committee on Public Assistance Program Integrity.

This draft permits the Department of Children and Families (DCF) to waive the recovery of Wisconsin works and aid to families with dependent children overpayments if DCF has made reasonable efforts to recover the overpayment from the individual and determines that it is no longer cost effective to continue overpayment recovery efforts. The draft permits the Department of Health Services (DHS) to waive the recovery of medical assistance and supplemental nutrition assistance program overpayments under the same conditions. In addition, the draft requires DCF to waive recovery of incorrect payments to a child care provider if the child care provider provided services in reliance on information provided to the child care provider due to agency error.

4           **SECTION 1.** 49.161 (4) of the statutes is created to read:  
5           49.161 (4) The department may waive recovery of an overpayment under this section  
6           if the department has made reasonable efforts to recover the overpayment from the individual  
7           and determines that it is no longer cost effective to continue overpayment recovery efforts.

**NOTE:** Permits DCF to waive recover of Wisconsin works overpayments.

8           **SECTION 2.** 49.195 (3) of the statutes is renumbered 49.195 (3) (a).

9           **SECTION 3.** 49.195 (3) (b) and (c) of the statutes are created to read:

10          49.195 (3) (b) The department may waive recovery of an overpayment under this  
11          subsection if the department has made reasonable efforts to recover the overpayment from the

1 individual and determines that it is no longer cost effective to continue overpayment recovery  
2 efforts.

3 (c) The department shall waive recovery of an overpayment under this subsection paid  
4 to a child care provider under s. 49.155 if the overpayment is a result of the child care  
5 provider's reasonable reliance on incorrect information given by the county department or an  
6 agency with which the department contracts under s. 49.155 (1m) regarding the child care  
7 provider's eligibility for payment or a parent's eligibility for a child care subsidy under s.  
8 49.155.

NOTE: Permits DCF to waive recovery of Wisconsin works or aid to families with dependent children overpayments and requires DCF to waive recovery of incorrect payments to a child care provider if the child care provider provided services in reasonable reliance on information provided to the child care provider.

9 **SECTION 4.** 49.497 (6) of the statutes is created to read:

10 49.497 (6) To the extent authorized under federal law, the department may waive  
11 recovery of an overpayment under this section if the department has made reasonable efforts  
12 to recover the overpayment from the individual and determines that it is no longer cost  
13 effective to continue overpayment recovery efforts.

NOTE: Permits DHS to waive recovery of medical assistance overpayments.

14 **SECTION 5.** 49.793 (3) of the statutes is created to read:

15 49.793 (3) To the extent authorized under federal law, the department may waive  
16 recovery of an overpayment under this section if the department has made reasonable efforts  
17 to recover the overpayment from the individual and determines that it is no longer cost  
18 effective to continue overpayment recovery efforts.

**NOTE:** Permits DHS to waive recovery of supplemental nutrition assistance program overpayments.

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(END)