

Assessing Overpayments

14.1

An overpayment occurs when a family and/or provider receives more child care assistance than they were actually eligible for. An overpayment can occur due to family and/or provider actions or errors, or a combination of agency and family and/or provider actions or errors.

Timeframe for overpayments

Do not assess overpayments that occurred more than six years before the overpayment was determined, unless fraud is established. Fraud overpayments must be assessed and collected regardless of timeframe. See Chapter 13 ([Fraud Disqualifications](#)) for information about establishing fraud and Chapter 14.6 ([Amount of Overpayment](#)).

When not to assess an overpayment

Do not assess an overpayment if a family and/or provider receives more child care assistance than they were actually eligible for if the overpayment occurred solely because of agency error.

Overpayment examples due to agency error

The following are examples of overpayments that resulted solely from agency error that cannot be assessed or collected.

- Family reported a change timely, but the CCAP agency did not act timely.
- Family's eligibility approved with incorrect income.
- Family's service authorization increased without schedule verification.
- Family's copayment reduced without income verification.
- Provider is approved for a higher rate for quality care that they are not eligible for.
- Provider's county of care entered incorrectly resulting in incorrect maximum rates.

When to assess an overpayment

Assess an overpayment if a family and/or provider receives more child care assistance than they were actually eligible for if the overpayment occurred:

- Solely as a result of family and/or provider actions or errors.
- Because of a combination of agency error and family or provider actions or errors.

Overpayment examples due to family error

The following are examples of overpayments that resulted solely from the family's error that can be assessed and collected.

- Family's failure to report at application and redetermination.
- Family's failure to report during the 12-month eligibility period.

Overpayment examples due to provider error

The following are examples of overpayments that resulted from the provider's error that can be assessed and collected.

- Provider is caring for an age outside the terms of their license.
- Provider is operating at days/times outside the terms of their license.

Overpayment example due to a combination of family error and agency error

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The following is an example of an overpayment that resulted from a combination of family and agency error.

- Late reporting by family and failure to act on changes by the CCAP agency

When the agency error portion of the overpayment can be calculated separately, only the family portion of the overpayment can be assessed and collected. See Chapter 14.6 ([Amount of Overpayment](#)).

Overpayment due to a combination of provider error and agency error

The following are examples of overpayments that resulted from a combination of provider and agency error that can be assessed and collected:

- A provider bills for care during a period of time when the license is closed or inactive and the agency approves payment.
- A provider bills for dates and times not covered by their license (weekends or late-nights) and the agency approves payment.
- A provider bills for children whose age rate category is not covered by their license and the agency approves payment.

Legal authority

Minnesota Statutes 142E.01, subd. 23

Minnesota Statutes 142E.14, subds. 2 & 3

Minnesota Statutes 142E.56

Minnesota Statutes 16D.15

Minnesota Statutes 142A.22

Minnesota Statutes 270C.68

Minnesota Statutes 518A.53

Minnesota Statutes 290.92, subd. 26

Minnesota Rules 3400.0020, subp. 33

Minnesota Rules 3400.0187