Joint Committee on Ways and Means   Carrier – House: **Rep. Nathanson**
                                                                   Carrier – Senate: **Sen. Bates**

Revenue:	**No revenue impact**
Fiscal:	**No fiscal impact**

Action: Do Pass
Vote: 19 – 0 – 2
 House – Yeas: D. Edwards, Galizio, Garrard, Jenson, Morgan, Nathanson, Nolan, Shields
        – Nays:
        – Exc: Hanna
 Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett
        – Nays:
        – Exc: Winters
Prepared By: Sheila Baker, Legislative Fiscal Office
Meeting Date: 5/11/07

WHAT THE MEASURE DOES: Allows the Department of Human Services to offset payments or refunds to providers or clients against liquidated debts they owe to the agency.

ISSUES DISCUSSED:
•   Operational efficiencies the agency would put in place
•   No effect on otherwise unclaimed funds at Department of State Lands that would go to the Common School Fund
•   Inefficiency of current garnishment process to recover liquidated debts

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Department of Human Services (DHS) currently collects payments against liquidated debts of providers or clients for overpayments or other recoveries. Liquidated debts are those where billing has been sent, no payment has been made, and all appeal rights have expired. In some cases, uncashed payment checks can be used to offset liquidated debts, but current law requires cancellation of the checks, referral to the Department of State Lands, and subsequent DHS request for the funds to be returned to be applied to the debt. Where current funds are due a program provider or client in one DHS program but the provider or client has outstanding liquidated debts in another DHS program, the agency must now issue a garnishment to the DHS program area issuing the current payment before collecting the funds. DHS reports that cross program offsets are already allowed in other agencies, such as the Department of Revenue.