

**DMA ADMINISTRATIVE LETTER NO. 18-02**

**ECONOMIC INDEPENDENCE DSS ADMINISTRATIVE LETTER NO. 06-2002**

**(EPICS)**

**TO:** County Directors of Social Services

**ATTENTION:** Medicaid Supervisors

Food Stamp Supervisors

Program Integrity Supervisors

Work First Supervisors

**DATE:** February 7, 2002

**RE:** NC Debt Setoff Changes in EPICS

**EFFECTIVE**

**DATE:** February 11, 2002

**I. New NC Debt Setoff Appeal Indicator Code and Report FRD 160**

Effective Monday, February 11, 2002, a new NC Debt Setoff appeal indicator code ('O' = Other) will be added to the NC Tax Intercept Indicator Code list. This code has been created to identify debtors who should not have been intercepted and have not requested an administrative hearing. This code is entered on the NC Debt Setoff Pending Intercepts screen in the Appeal Indicator field. When this code is entered, a full refund will be generated for the debtor. On the next workday, EPICS resets the Appeal Indicator field on the NC Debt Setoff Pending Intercepts screen and the NC Debt Setoff field on the Debtor Detail screen to space. This allows the debtor to be reselected for future intercepts.

The 'O' code is intended to work just as the 'Y' code does with the exception that an 'O' will get set back to 'space' the following day. This will allow the debtor to be selected again. A refund will be given to the debtor immediately.

**NOTE:** The 'Y' code, Appeal in favor of Debtor, should **only** be used if a debtor has successfully won an appeal.

For history purposes, all debtor(s) with an appeal indicator of 'O' is displayed on a new report created in NCXPTR entitled, DHRFRD FRD160 O Appeal Ind. This

report is run daily and is not cumulative. This report will not run if an 'O' has not been entered.

## **II. NC DEPARTMENT OF REVENUE (DOR) Automatic Refunds**

Debtors who are due to receive an automatic refund as a result of claims that have been intercepted will appear on a report in NCXPTR entitled, FRD123 Incoming DOR Exception. Currently, refunds occur for the following reasons:

A. Referral status is no longer TE or CO.

B. Claim type is not equal to IHE or IPV.

## **III. Intercept of Multiple Tax Records**

Debtors who have multiple DOR pending tax intercepts for the same social security number and program (Medicaid, Work First, or Food Stamps), usually from a previous year as well as one for the current year, will no longer automatically receive a refund for the older intercept. Instead, multiple intercepts will be merged. The intercepts will be applied to the program's oldest DOR eligible claim first, then to each DOR eligible claim in descending establishment date order, until all claims are paid in full or the total intercepted funds are exhausted.

If, after all DOR eligible claims for the program have been paid in full and there is DOR intercept money remaining, a refund is due to the debtor. The refund is processed using the oldest interest date.

If you have any questions, please contact the EPICS Automation staff at (919) 733-8938.

Sincerely,

Pheon E. Beal, Director

Division of Social Services

Nina M. Yeager, Director

Division of Medical Assistance

AS/DC