

SUMMARY OF RECOMMENDED CHANGES

BOARD OF SUPERVISORS POLICY B-4 COLLECTIONS—RECOVERY OF PUBLIC FUNDS

Significant organizational and operational changes have occurred since Board of Supervisors Policy B-4, Collections – Recovery of Public Funds, was last revised in September 2002. This Executive Summary document highlights the proposed revisions necessary to reflect the current organizational assignment of the Revenue Recovery Division and provide better guidelines for processes related to revenue recovery activities.

From July 2004 until October 2008, the Treasurer/Tax Collector's Office managed the Revenue Recovery Division. In October 2008, the Board transferred management of the Revenue Recovery Division to Child Support. The current Policy B-4 was last updated in 2002 when the Revenue Recovery Division was under the management of County Counsel. The proposed policy update reflects the current organizational assignment of the Revenue Recovery Division, defines the current role of County Counsel in the revenue recovery process, and provides additional guidelines to departments regarding the referral and handling of cases to the Revenue Recovery Division, including the specific requirements for the Discharge of Accountability process.

The following is a summary of the proposed changes by Section, as well as proposed additions to the current policy:

Current Policy Section 4

The billing and collection processes for Health and Human Services debts are generally determined by State and Federal regulations. The current policy contains significant detail about the various payer types (Medi-Cal, Medicare, Worker's Comp, etc.) associated with ambulance billing. That level of detail is more appropriately contained in departmental procedures as opposed to Board policy therefore those details have been removed from the proposed policy revision. The detail has been replaced by a more comprehensive description of the uniqueness of collecting Health and Human services debts along with a requirement for departmental policies and procedures related to external guidelines and requirements that more specifically apply to the unique types of debts in Health and Human Services.

Current Policy Sections 6 & 8

The revised policy deletes Section 6, Liens, and Section 8, Periodic Payment Agreements, which placed responsibility on individual departments for the processing of liens and periodic payment agreements. These functions are now the responsibility of the Revenue Recovery Division. The specific procedures for these two processes are incorporated in the Revenue Recovery Division's Procedures Manual.

The recommendation to remove the periodic payment agreement portion of the current policy was done to expedite the referral of debt to Revenue Recovery. Statistics show that the probability of collection is 30% less once the debt has reached 91 days old. The longer the debts remain with the individual departments, the more difficult it will be to collect.

Current Policy Section 12

Section 12 of the current policy, Probation "In Re Gerald C" Matters, refers specifically to collection on juvenile probation cases where parental reimbursement has been charged under WIC 903. The current policy states that in circumstances where there is no court order, the statute of limitations for collection will be three years, or as may otherwise be provided by law. When enforcement is prohibited by statute, the juvenile debt is to be administratively discharged.

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This section is removed from the proposed policy as the collection of debt, and when appropriate the subsequent discharge of debt, for all county departments is set by statute and is not unique to juvenile probation cases. In the absence of a court order, it is the policy of the Revenue Recovery Division to collect for three or four years, depending on the type of debt. Prior to the expiration of the statute, Revenue Recovery obtains a judgment or, based on the circumstances of the account, discharges the debt administratively.

Additions to the Policy

This proposed policy provides:

- Clarification and additional detail on the responsibility of departments after referring debts to the Revenue Recovery Division
- Specific guidelines for debts that meet the criteria for Discharge of Accountability
- A provision for the option of assigning or selling certain accounts receivable with Board approval.