

LIHEAP - EXPEDITED RECOUPMENT PROCESS FAQ

What happens if I am not going to receive a payment with the upcoming payment cycle but I am enrolled in expedited recoupment and owe a refund to the Commonwealth? Recoupment will take place the next time your company receives a LIHEAP vendor payment.

What if the recouped amount is more than I am expecting to receive in my next payment? If the amount being recouped is more than you are supposed to receive, you will not receive a payment for that week. The overpayment will continue to be recouped from your vendor payments until the overpayment is paid in full.

What if I dispute that a customer's LIHEAP benefit should be refunded? The LIHEAP Vendor Unit will continue to contact vendors by phone or email to request the return of LIHEAP funds. After discussion and approval from the vendor, the LIHEAP Vendor Unit will initiate recoupment which will generate an Expedited Recoupment Letter to the Vendor. Once the letter is generated, it is too late to stop the recoupment from taking place.

What if I change my mind about expedited recoupment? If you no longer wish to participate in expedited recoupment contact the LIHEAP Vendor Helpline at 1-877-537-9517 to revert to the standard refund process of receiving three (3) dunning letters that identify an overpayment and request repayment by paper check. If payment is not received as indicated on the dunning letters, recoupment will be made from your next LIHEAP vendor payment.

What effect does recoupment have on the other payments I receive?

None. The payment amount indicated for other customers is not affected by recoupment. The full amount of the awarded benefit must be credited to each account. See Example #1.

What about the yearly refund of unexpended LIHEAP dollars to the Commonwealth for prior year grants? Are these affected by expedited recoupment? LIHEAP refunds from the prior year's LIHEAP season are initiated by the vendor between June 30 and July 31. Unexpended LIHEAP funds may be refunded by paper check as the season has ended and payments are no longer being sent to the vendor.

What should a vendor do if they become aware of the need to refund a LIHEAP grant or a portion of a grant?

The vendor can contact the LIHEAP Vendor Unit to explain the need to return funds. The Vendor Unit will then initiate a systems-generated request for repayment and send an Expedited Recoupment Letter to the vendor, advising them that recoupment of funds will take place on their next LIHEAP payment voucher. If a vendor identifies an overpayment, they may also choose to return funds with a paper check accompanied by a LIHEAP Refund Form with a full explanation of the repayment.

EXPEDITED RECOUPMENT EXAMPLES

1. A customer, Jane Smith, moved during the heating season after she received her LIHEAP grant and you have a credit of \$200 on her account. Through discussion with the LIHEAP Vendor Unit you are asked by DPW to return a LIHEAP credit of \$200. If your company is enrolled in the expedited recoupment process, the \$200 will be deducted from your next LIHEAP payment that you receive from DPW. If your next LIHEAP payment would be \$1,000 for two customers, (Bob Jones \$500 and Bill Thompson \$500), the payment you will actually receive will be \$800. Your payment will indicate that \$200 – received for customer, Jane Smith, has been subtracted via recoupment from the \$1,000. The recouped funds do not affect the amount of the other LIHEAP grants that are indicated on the voucher. In this scenario, Bob and Bill’s accounts must still be credited for \$500/each - the full amount of their LIHEAP cash or crisis grant.
2. Your company receives an \$800 LIHEAP cash grant for Dave Jackson. You determine that Dave Jackson is not your customer. You’ve contacted the LIHEAP Vendor Unit to confirm that your company received the payment in error. Instead of returning the \$800 to the Commonwealth of PA by check, you may choose to enroll in the expedited recoupment process by signing and returning a LIHEAP Expedited Recoupment Agreement. Once received, the \$800 overpayment will be automatically deducted from your next LIHEAP vendor payment. You may choose to have one specific payment expeditiously recouped or enroll to have all future payments recouped as part of this new process.
3. One of your customers dies before he uses his entire \$289 LIHEAP Cash grant. You contact the LIHEAP Vendor Unit to say that no one else is part of the household and \$100 credit remains in the account. If you are not enrolled in the Expedited Recoupment Process, you could choose to do so by completing an Expedited Recoupment Agreement and the \$100 overpayment will be extracted from your next LIHEAP vendor payment instead of returning the \$100 to the Commonwealth of PA by check. You may choose to have one specific payment expeditiously recouped or enroll to have all future payments recouped as part of this new process.

Please contact the LIHEAP Vendor Helpline at 1-877-537-9517 with any questions.