

**COUNTY OF SACRAMENTO
CALIFORNIA**

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For the Agenda of:
June 17, 2009

To: Board of Supervisors

From: County Executive

Subject: Report Back On Proposal To Augment The District Attorney's
Proposed Budget For Fiscal Year 2009-10 To Enhance The
IHSS Fraud Investigation/Prosecution Program

Supervisory
District: All

Contact: Karyl Marsh: 874-5244
Sue Elliott: 874-5126; Daniel Kim: 875-3744

BACKGROUND

During the Proposed Budget Hearing on June 15, 2009, Supervisor Roger Dickinson requested information regarding the District Attorney's proposal of last week for the IHSS Fraud Investigation program now housed with the Department of Health and Human Services. The new concept was priced at approximately \$1 million. This is a "team" approach with staff from the departments of Human Assistance, Health and Human Services and the District Attorney.

DISCUSSION

This report back responds to Supervisor Dickinson's questions relating to: what was the source of the \$1 million funding for the original DA proposal and is the entire program, including all three (3) departments, funded without fiscal impact to DHA or DHHS?

What has happened to the \$1 million dollars that was going to fund the original proposal?

The DA's original proposal which totaled approximately \$1,164,000 included \$905,000 for enhanced program costs based upon the DA taking over the fraud investigation program, and the existing funding (\$259,000) the DA receives from DHHS as reimbursement for attorney time spent on fraud prosecution. The DA's Office did not identify a source for funding because everything was subject to further discussions between the DA, DHHS, DHA, and the County Executive's Office. It was always understood that any funding recommendation would have to be approved by DHHS and the County Executive's Office and that only the Board could approve the amount of the funding.

The additional program costs included 4.0 FTE positions (2.0 Criminal Investigators, 1.0 Investigative Assistant, and 1.0 Paralegal) costed out at their productive billing rate. There was no source of funding identified (other than the \$259,000 from DHHS).

The Current Proposal:

Both the DHA and the DA's Proposed Fiscal Year 2009-10 budgets continue to reflect funding from DHHS for positions in each department associated with IHSS fraud investigation and prosecution (\$700,000 to DHA for its fraud investigators and \$259,000 to the DA for fraud prosecution activities). However, in addition to the existing funding for fraud investigation and prosecution, DHHS is proposing to enhance and strengthen these efforts (along the lines of DA Scully's presentation to the Board on June 15, 2009) by providing an additional \$420,000 to the DA's Office to fund 4.0 FTE positions with emphasis upon preventing and/or detecting fraud prior to contracting with IHSS providers. The \$420,000 will only cover salaries and benefits for the staff. The initial proposal by the DA included full cost recovery, including applied overhead, for these positions, but the DA will now absorb the overhead costs until the efforts generate savings in the IHSS treatment account by successful detection and/or recovery of fraud by IHSS providers and recipients.

The source of this funding is the IHSS treatment account which will transfer \$420,000 to the administrative account for funding of the MOU with the District Attorney. If approved by the Board, the District Attorney's budget will be modified to reflect additional financing of \$420,000.

All three departments will be funded without fiscal impact to DHA or DHHS other than the increased funding from the IHSS treatment account. It is anticipated that this will be replenished with savings resulting from the enhanced investigative/prosecution efforts of all three departments.

Respectfully submitted,

NAV GILL
Chief Operations Officer

Cc: Jan Scully, District Attorney
Ann Edwards-Buckley
Jim Hunt
Bruce Wagstaff,