



CDSS

JOHN A. WAGNER
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street, MS 19-95, Sacramento, CA 95814



ARNOLD SCHWARZENEGGER
GOVERNOR

July 2, 2010

TO: COUNTY BOARD OF SUPERVISORS

SUBJECT: **PROPOSED FISCAL YEAR 2010-11 FUNDING FOR FRAUD INVESTIGATIONS AND PROGRAM INTEGRITY EFFORTS RELATED TO THE IN-HOME SUPPORTIVE SERVICES PROGRAM**

Honorable Chairman and Board Members:

Governor Schwarzenegger's proposed fiscal year (FY) 2010-11 budget plan includes a \$10 million state fund appropriation for fraud prevention, detection, referral, investigation and additional program integrity efforts related to the In-Home Supportive Services (IHSS) Program. With matching federal funds and required county matching funds the proposed total available statewide would be \$28 million. This letter solicits county plans to use the \$28 million for IHSS program integrity and fraud prevention activities from July 1, 2010 through June 30, 2011. Please be advised that FY 2010-11 funding is contingent upon inclusion of funding for this purpose in the state budget; as well as the enactment of the state budget. As of the date of this letter, please be advised that both the Assembly and Senate have removed this funding from their respective versions of the FY 2010-11 state budget.

Counties seeking to participate in this program must submit a plan and budget and receive approval from the California Department of Social Services (CDSS) to receive a portion of the appropriated funds. Below is a list of the enclosures and the required elements for the county plan.

- A: Proposed County Funding Allocation Guidelines
- B: County Response Cover Sheet
- C: List of Required County Plan Components
- D: Data Reporting Spreadsheet
- E: Budget Template

County plans must address the requirements outlined in Enclosure C and include a budget (Enclosure E) that addresses how the county intends to utilize the funding to enhance the integrity of the IHSS program through the collaborative efforts of the Welfare Director and District Attorney. A proposed funding allocation guideline has been developed for counties to utilize in developing a budget for this purpose and is included in Enclosure A. The county's plan and budget must be coordinated and developed in conjunction with the Welfare Director and District Attorney and approved

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by the County Board of Supervisors prior to submission to CDSS for approval. Counties must submit their plan by September 1, 2010.

In FY 2009-10, 45 counties submitted and received funding for their IHSS program integrity and fraud prevention plans. The actual funds available in FY 2010-11 may vary depending on the number of counties seeking participation. For both new and continuing counties, continued funding is contingent upon the submission and approval of a Board of Supervisors approved plan and budget.

All participating counties must submit their plan by September 1, 2010. Thereafter and to the extent funding is available in the budget, annual plans will be due June 1 of each year for the subsequent fiscal year, and annual reports summarizing prior fiscal year data and outcomes will be due August 1.

In closing, counties choosing to participate must submit Enclosure B, requesting participation; a plan that includes the elements in Enclosure C; data using Enclosure D, the Data Reporting Spreadsheet, and a budget as specified in Enclosure E. The completed proposal should be sent to Debie Scherer, Analyst, QA Monitoring Unit, CDSS, APB, 744 P Street, MS 19-95, Sacramento, California 95814. Plans sent by postal mail must be postmarked by September 1, 2010. You may also send by e-mail to deborah.scherer@dss.ca.gov or fax to (916) 229-3160.

Sincerely,

Original Signed by (Eileen Carroll)

EILEEN CARROLL
Deputy Director
Adult Programs Division

Enclosures

c: County Welfare Directors
County District Attorneys
California Welfare Directors Association
California State Association of Counties

Enclosure A

COUNTIES	IHSS Anti-Fraud Activities 2010-11 Proposed Allocation			
	Federal Funds	State Share	County Share	Total
	\$13,799,000	\$10,000,000	\$4,286,000	\$28,085,000
ALAMEDA	\$630,394	\$456,840	\$195,802	\$1,283,036
ALPINE	\$4,678	\$3,390	\$1,453	\$9,521
AMADOR	\$10,404	\$7,540	\$3,232	\$21,176
BUTTE	\$103,451	\$74,970	\$32,132	\$210,553
CALAVERAS	\$14,489	\$10,500	\$4,500	\$29,489
COLUSA	\$15,952	\$11,560	\$4,955	\$32,467
CONTRA COSTA	\$312,051	\$226,140	\$96,924	\$635,115
DEL NORTE	\$9,328	\$6,760	\$2,897	\$18,985
EL DORADO	\$28,053	\$20,330	\$8,713	\$57,096
FRESNO	\$385,020	\$279,020	\$119,588	\$783,628
GLENN	\$23,072	\$16,720	\$7,166	\$46,958
HUMBOLDT	\$86,589	\$62,750	\$26,895	\$176,234
IMPERIAL	\$114,642	\$83,080	\$35,608	\$233,330
INYO	\$10,680	\$7,740	\$3,317	\$21,737
KERN	\$163,201	\$118,270	\$50,691	\$332,162
KINGS	\$39,645	\$28,730	\$12,314	\$80,689
LAKE	\$38,113	\$27,620	\$11,838	\$77,571
LASSEN	\$12,350	\$8,950	\$3,836	\$25,136
LOS ANGELES	\$4,922,460	\$3,567,260	\$1,528,926	\$10,018,646
MADERA	\$37,506	\$27,180	\$11,649	\$76,335
MARIN	\$93,750	\$67,940	\$29,119	\$190,809
MARIPOSA	\$18,974	\$13,750	\$5,893	\$38,617
MENDOCINO	\$102,899	\$74,570	\$31,961	\$209,430
MERCED	\$79,606	\$57,690	\$24,726	\$162,022
MODOC	\$8,224	\$5,960	\$2,554	\$16,738
MONO	\$7,562	\$5,480	\$2,349	\$15,391
MONTEREY	\$142,240	\$103,080	\$44,180	\$289,500
NAPA	\$40,693	\$29,490	\$12,639	\$82,822
NEVADA	\$34,925	\$25,310	\$10,848	\$71,083
ORANGE	\$465,164	\$337,100	\$144,481	\$946,745
PLACER	\$57,211	\$41,460	\$17,770	\$116,441
PLUMAS	\$13,675	\$9,910	\$4,247	\$27,832
RIVERSIDE	\$450,855	\$326,730	\$140,036	\$917,621
SACRAMENTO	\$886,793	\$642,650	\$275,440	\$1,804,883
SAN BENITO	\$15,965	\$11,570	\$4,959	\$32,494
SAN BERNARDINO	\$698,768	\$506,390	\$217,039	\$1,422,197
SAN DIEGO	\$710,248	\$514,710	\$220,605	\$1,445,563
SAN FRANCISCO	\$740,247	\$536,450	\$229,922	\$1,506,619
SAN JOAQUIN	\$209,593	\$151,890	\$65,100	\$426,583
SAN LUIS OBISPO	\$93,916	\$68,060	\$29,171	\$191,147
SAN MATEO	\$150,630	\$109,160	\$46,786	\$306,576
SANTA BARBARA	\$89,721	\$65,020	\$27,868	\$182,609
SANTA CLARA	\$546,592	\$396,110	\$169,773	\$1,112,475
SANTA CRUZ	\$118,175	\$85,640	\$36,705	\$240,520
SHASTA	\$78,434	\$56,840	\$24,362	\$159,636
SIERRA	\$5,354	\$3,880	\$1,663	\$10,897
SISKIYOU	\$18,063	\$13,090	\$5,610	\$36,763
SOLANO	\$157,792	\$114,350	\$49,010	\$321,152
SONOMA	\$190,192	\$137,830	\$59,074	\$387,096
STANSLAUS	\$206,875	\$149,920	\$64,256	\$421,051
SUTTER	\$19,015	\$13,780	\$5,906	\$38,701
TEHAMA	\$32,497	\$23,550	\$10,094	\$66,141
TRINITY	\$11,053	\$8,010	\$3,433	\$22,496
TULARE	\$79,468	\$57,590	\$24,683	\$161,741
TUOLUMNE	\$28,674	\$20,780	\$8,906	\$58,360
VENTURA	\$133,630	\$96,840	\$41,506	\$271,976
YOLO	\$61,833	\$44,810	\$19,206	\$125,849
YUBA	\$37,616	\$27,260	\$11,684	\$76,560

*** Proposed funding is tentative pending budget approval and enactment.***

Enclosure B

COUNTY RESPONSE COVER PAGE
MUST BE FULLY COMPLETED AND SUBMITTED WITH PLAN AND DATA

_____ County is requesting participation in the IHSS Fraud Prevention Program and will submit a Plan and data as described above, by September 1, 2010.

Board of Supervisors Approval

Approved on _____, 2010, by the County Board of Supervisors

Name of Approver: _____ Title: _____

Signature _____

Board of Supervisors

Name of Representative: _____ Title: _____

Telephone #: _____

Email Address: _____

County Welfare Department

Name of Representative: _____ Title: _____

Telephone #: _____

Email Address: _____

County District Attorney Office

Name of Representative: _____ Title: _____

Telephone #: _____

Email Address: _____

Enclosure C

LIST OF REQUIRED COUNTY PLAN COMPONENTS

County's Current and Proposed Anti-Fraud Activities

The plan must briefly describe the county's current fraud detection/prevention activities as well as future fraud detection/prevention activities, including:

- Where the proposed program/activities will be placed within the county
- The proposed core activities (taskforces, outreach, etc.)
- Timeline for proposed activities

Please note that fraud funding cannot be used for prosecution activities.

County Proposed Budget for Utilization of Funds

The plan must include a budget that outlines use of funding by activity and agency.

- The proposed staffing, including titles and FTEs
- The proposed operating expenses/equipment within their budget
- Major equipment or other one-time purchases

Counties may use Enclosure A as a guideline for developing a budget; however the amount of funding may vary depending on the number of counties participating.

Collaboration and Partnerships with District Attorney's Office (DAO)

The plan should address how the county will collaborate and partner with the DAO and how collaboration will improve IHSS fraud prevention/detection/referral/investigation activities in FY 2010-11. Any examples of past efforts that produced successful outcomes could be included in the description of this section.

Fraud Referrals/Outcomes

The plan should include the county's methodology for determining the appropriate agency for referral/investigation. In addition, Enclosure D must be completed to include the number of suspected fraud referrals to the state Department of Health Care Services (DHCS), the number of suspected fraud cases handled locally, the number of convictions for fraud, the amount of funds involved in the convictions, the amount recovered, the basis for the conviction, and the individuals responsible (i.e., provider, recipient, county worker, etc.). The data is requested for the period since enactment of the QA Initiative in 2004 to the present to establish a county baseline for outcome comparison post July 1, 2010. For continuing counties, the data is requested for activities conducted in FY 2009-10.

IHSS Overpayments/Underpayments

The plan must address how the county will identify overpayments/underpayments and set forth a plan to reduce the occurrence of each. In addition, Enclosure D must be completed to include the number of instances, amounts, and causes of overpayments and underpayments identified by County Quality Assurance (QA) activities since

Enclosure C
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2004/05 to the present to establish a county baseline for outcome comparison post July 1, 2010. Counties with approved fraud funding plans for the FY 2009/10 who submitted this data with last year's funding request, should provide only 09/10 data.

Collaboration and Partnerships with California Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS)

The plan should address how the county will collaborate with DHCS and CDSS on such issues as referrals, joint investigations, prosecutions, etc. The plan should include how referrals to DHCS will be handled and tracked.

Mechanism for Tracking/Reporting

Each county must commit to track and report outcomes of its efforts to CDSS.

Prosecution data must be tracked separately from other fraud activities because prosecutions are not eligible for federal financial participation. Participating counties will be required to submit final data for FY 2010-11 by August 1, 2011, in a format that will be shared later with participating counties. Counties will be required to submit a plan each year on June 1st in order to be considered for continued funding for this program. The plan should include any updates to the previous year's plan, as well as an agreement to continue tracking, reporting, and submitting final data for the previous fiscal year to CDSS by August 1.

County's Current and Proposed Anti-Fraud Activities

The plan must briefly describe the county's current fraud detection/prevention activities as well as proposals for future fraud detection/prevention activities, including possible error rate studies.

County Proposed Budget for Utilization of Funds

The plan must include a budget that outlines use of funding by activity and agency. Please note if funds are being used for prosecution (versus prevention, detection, or investigation) no federal matching can be requested. Counties may use Enclosure A as a guideline for developing a budget; however the amount of funding may vary depending on the number of counties participating. Budgets must be developed using the budget template in Attachment C.

Annual Outcomes Report

All participating counties will be asked to provide an annual outcomes report by August 1 of each year, identifying activities, data and outcomes associated with the county efforts to mitigate, prevent, detect, investigate and prosecute IHSS fraud during the previous fiscal year.

Enclosure D

County: _____

Overpayments identified by County QA		04/05	05/06	06/07	07/08	08/09	09/10
Total Amount per Fiscal Year:							
Number of Instances:							
Breakdown of Causes	Provider:						
	Recipient:						
	County Error:						
	Unknown:						
	Other:						

Underpayments identified by County QA		04/05	05/06	06/07	07/08	08/09	09/10
Total Amount per Fiscal Year:							
Number of Instances:							
Breakdown of Causes	Provider:						
	Recipient:						
	County Error:						
	Unknown:						
	Other:						

Fraud Referrals/Outcomes	04/05	05/06	06/07	07/08	08/09	09/10
Number of referrals to DHCS:						
Number handled locally:						
Number of convictions:						
Amount of funds involved in the convictions:						

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Fraud Referrals/Outcomes		04/05	05/06	06/07	07/08	08/09	09/10
Amount of funds recovered:							
Amount of funds pending recovery:							
Basis for the Conviction:							
Individuals Responsible	Recipient:						
	Provider:						
	County Staff:						
	Other:						
	Unknown:						

Utilization of County DA for Fraud		04/05	05/06	06/07	07/08	08/09	09/10
Number of referrals to DA							
Outcomes	Rejected:						
	Convicted:						
	Acquitted:						
	Pending:						

Enclosure E

**(Sample) Budget Justification
County's Fraud Funding Plan for FY 2010-11**

Budget Section	Total
A. Personnel Costs (includes employee benefits)	
B. Operating Expenses	
C. Equipment Expenses	
D. Travel/Per Diem and Training	
E. Subcontracts and Consultants	
F. Other Costs	
G. Indirect Expenses	
Total Expenses	

A. Personnel Costs (including employee benefits)	Total Budget
Title: Welfare Investigator II 1.0 FTE	\$58,508
Salary Calculation: FY Salary (\$34,363)+ benefits (\$24,145)	
Duties Description: Works in state-of-the art Fraud Unit. Investigates IHSS fraud. Works overtime as needed. Uses connections with Dept of Justice and Homeland Security to identify and record all IHSS fraud. Works side by side with District Attorney and local police to bring fraud suspects to justice. Provides court testimony on behalf of IHSS Fraud Unit. Devotes 100% of time to IHSS Fraud Plan implementation and investigative activities.	
Title:	
Salary Calculation:	
Duties Description:	
Total Personnel Costs:	
B. Operating Expenses	Total Budget
Title:	
Description:	
Title:	
Description:	
Total Operating Expenses:	

Enclosure E
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C. Equipment Expenses	Total Budget
Title:	
Description:	
Title:	
Description:	
Total Equipment Expenses:	
D. Travel/Per Diem and Training	Total Budget
Title:	
Description:	
Total Travel/Per Diem and Training:	
E. Subcontracts and Consultants	Total Budget
Title:	
Description:	
Total Subcontracts and Consultants:	
F. Other Costs	Total Budget
Title:	
Description:	
Total Other Costs:	
G. Indirect Expenses	Total Budget
Title:	
Description:	
Total Other Costs:	

bc:	Director's Office	8-17-11
	APD Files	8-17-12
	APB Files	19-96
	Administration	8-17-10
	O&QAB File	19-95
	M. Huttner, Chief	19-95
	M. Loftin, Manager	19-95
	Orig. D. Scherer	19-95
	Executive Secretariate	8-17-11

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