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DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street, MS 8-17-12, Sacramento, CA 95814



ARNOLD SCHWARZENEGGER
GOVERNOR

September 25, 2009

COUNTY BOARD OF SUPERVISORS

SUBJECT: FUNDING FOR FRAUD INVESTIGATIONS AND PROGRAM INTEGRITY EFFORTS RELATED TO THE IN-HOME SUPPORTIVE SERVICES PROGRAM PURSUANT TO THE CALIFORNIA STATE BUDGET ACT OF 2009

Honorable Chairman and Board Members:

The State's Budget Act of 2009 appropriated \$10 million of state funds for the purpose of fraud prevention, detection, referral, investigation, and additional program integrity efforts related to the In-Home Supportive Services (IHSS) Program. These funds are not available for prosecutions consistent with federal fund matching rules. With matching federal funds and required county matching funds, the total available statewide is \$26.4 million. This letter solicits county proposals to use the \$26.4 million for these IHSS program integrity activities through June 30, 2010.

If your county chooses to participate in this program, you must submit a plan as specified below and receive approval to receive a portion of the appropriated funds. Participating counties must certify that program integrity efforts outlined in their plan can commence within 60 days of receipt of funding. The California Department of Social Services (CDSS) requests that the plan be coordinated and developed in conjunction with your District Attorney and Welfare Department. The plan, and budget for implementation, must be approved by the County Board of Supervisors, prior to submission to CDSS for approval. A County may partner with one or more counties to submit a joint proposal.

Your county plan should address the requirements described below, and explained more fully in Enclosure C, and should also include a budget that addresses how the county intends to utilize the funding provided to enhance the integrity of the IHSS program through the efforts of your District Attorney and Welfare Department. Enclosure A represents a funding allocation guideline for counties based upon their IHSS Basic Allocation and was used to develop a budget for this purpose. The actual funds available may vary, depending on the number of participating counties. *Participating counties must submit their plan by November 1, 2009.* 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.

Any funding available from counties that do not submit plans will be reallocated to one or more counties that are implementing a proven model to combat fraud and ensure program integrity, demonstrate an ability to commit and effectively spend the dollars in the remainder of the fiscal year, and who submit the most robust and promising plans.

Below is a list of the enclosures and the required elements for each county plan. A description of the elements is included herein as Enclosure C.

- A: Funding Allocation Guidelines
 - B: County Response Cover Sheet
 - C: List of Required County Plan Components
 - D: Data Reporting Spreadsheet, including data from 2004 to present
- IHSS Overpayments/Underpayments Activities and Data
 - IHSS Fraud Referrals/Outcomes Activities and Data
 - Collaboration and Partnerships between the District Attorney, the County Welfare Department and any other local entity related to the IHSS Program
 - County Collaboration and Partnerships with California Department of Health Care Services and the CDSS related to the IHSS Program
 - Mechanism for Tracking/Reporting IHSS Fraud Data and Activities
 - County's Current and Proposed Anti-Fraud Activities related to the IHSS Program
 - County Proposed Budget for Utilization of Funds
 - Description of how the County will Integrate other Program Integrity Efforts into the Plan
 - Commitment to produce an Annual Outcomes Report (due August 1 each year)

Fresno County is an example of a county that has operated a successful IHSS program integrity effort for several years and we have included a sample staffing configuration that is scalable as well as a sample IHSS Suspected Fraud Referral Form.

County Board of Supervisors
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Counties choosing to participate must submit Enclosure B, requesting participation; a plan that includes the elements in Enclosure C; and data using Enclosure D, the Data Reporting Spreadsheet, to Carrie Stone, Manager, QA Monitoring Unit, CDSS, APB, 744 P Street, MS 19-96, postmarked, e-mailed to (carrie.stone@dss.ca.gov) or faxed to **(916) 229-3160** on or before November 1, 2009.

Sincerely,



for JOHN A. WAGNER
Director

Enclosures

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

County	ANTI-FRAUD PLANNING PROPOSAL			
	TOTAL Funds	Federal Funds	State Share	County Share
ALAMEDA	\$1,206,202	\$554,618	\$456,100	\$195,484
ALPINE	\$9,019	\$4,147	\$3,410	\$1,462
AMADOR	\$20,046	\$9,217	\$7,580	\$3,249
BUTTE	\$198,954	\$91,480	\$75,230	\$32,244
CALAVERAS	\$27,901	\$12,829	\$10,550	\$4,522
COLUSA	\$30,730	\$14,130	\$11,620	\$4,980
CONTRA COSTA	\$599,980	\$275,874	\$226,870	\$97,236
DEL NORTE	\$17,957	\$8,257	\$6,790	\$2,910
EL DORADO	\$53,923	\$24,794	\$20,390	\$8,739
FRESNO	\$740,277	\$340,383	\$279,920	\$119,974
GLENN	\$44,403	\$20,417	\$16,790	\$7,196
HUMBOLDT	\$166,689	\$76,644	\$63,030	\$27,015
IMPERIAL	\$220,269	\$101,281	\$83,290	\$35,698
INYO	\$20,575	\$9,460	\$7,780	\$3,335
KERN	\$313,888	\$144,327	\$118,690	\$50,871
KINGS	\$76,244	\$35,057	\$28,830	\$12,357
LAKE	\$73,282	\$33,695	\$27,710	\$11,877
LASSEN	\$23,775	\$10,932	\$8,990	\$3,853
LOS ANGELES	\$9,460,396	\$4,349,938	\$3,577,250	\$1,533,208
MADERA	\$72,118	\$33,160	\$27,270	\$11,688
MARIN	\$180,388	\$82,943	\$68,210	\$29,235
MARIPOSA	\$36,548	\$16,805	\$13,820	\$5,923
MENDOCINO	\$198,107	\$91,091	\$74,910	\$32,106
MERCED	\$153,043	\$70,370	\$57,870	\$24,803
MODOC	\$15,815	\$7,272	\$5,980	\$2,563
MONO	\$14,572	\$6,700	\$5,510	\$2,362
MONTEREY	\$269,167	\$123,764	\$101,780	\$43,623
NAPA	\$78,307	\$36,006	\$29,610	\$12,691
NEVADA	\$67,226	\$30,911	\$25,420	\$10,895
ORANGE	\$868,962	\$399,553	\$328,580	\$140,829
PLACER	\$109,962	\$50,561	\$41,580	\$17,821
PLUMAS	\$26,314	\$12,099	\$9,950	\$4,265
RIVERSIDE	\$854,232	\$392,780	\$323,010	\$138,442
SACRAMENTO	\$1,704,075	\$783,542	\$644,360	\$276,173
SAN BENITO	\$30,704	\$14,118	\$11,610	\$4,976
SAN BERNARDINO	\$1,340,230	\$616,244	\$506,780	\$217,206
SAN DIEGO	\$1,365,381	\$627,809	\$516,290	\$221,282
SAN FRANCISCO	\$1,413,036	\$649,721	\$534,310	\$229,005
SAN JOAQUIN	\$402,878	\$185,245	\$152,340	\$65,293
SAN LUIS OBISPO	\$180,705	\$83,089	\$68,330	\$29,286
SAN MATEO	\$289,795	\$133,249	\$109,580	\$46,966
SANTA BARBARA	\$172,428	\$79,283	\$65,200	\$27,945
SANTA CLARA	\$1,034,435	\$475,638	\$391,150	\$167,647
SANTA CRUZ	\$227,383	\$104,552	\$85,980	\$36,851
SHASTA	\$150,768	\$69,324	\$57,010	\$24,434
SIERRA	\$10,314	\$4,742	\$3,900	\$1,672
SISKIYOU	\$34,776	\$15,990	\$13,150	\$5,636
SOLANO	\$303,600	\$139,597	\$114,800	\$49,203
SONOMA	\$361,728	\$166,324	\$136,780	\$58,624
STANSLAUS	\$397,775	\$182,899	\$150,410	\$64,466
SUTTER	\$36,548	\$16,805	\$13,820	\$5,923
TEHAMA	\$62,518	\$28,746	\$23,640	\$10,132
TRINITY	\$21,263	\$9,777	\$8,040	\$3,446
TULARE	\$152,832	\$70,273	\$57,790	\$24,769
TUOLUMNE	\$55,245	\$25,402	\$20,890	\$8,953
VENTURA	\$256,976	\$118,159	\$97,170	\$41,647
YOLO	\$118,901	\$54,671	\$44,960	\$19,270
YUBA	\$72,435	\$33,306	\$27,390	\$11,739
Total	\$26,446,000	\$12,160,000	\$10,000,000	\$4,286,000

Enclosure B

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

_____ County is requesting participation in the Enhanced Anti-Fraud Program and will submit a Plan and Data as described above, by November 1, 2009.

Board of Supervisor Approval

Approved on _____, 2009, by the County Board of Supervisors

Name of Approver: _____

Signature _____

Name of County District Attorney Representative: _____

County District Attorney Representative Telephone #: _____

Email Address: _____

Name of County Welfare Department Representative: _____

County Welfare Department Representative Telephone #: _____

Email Address: _____

CHECKLIST OF REQUIRED COMPONENTS TO BE INCLUDED IN THE PLAN

NOTE: *Failure to include any of the following required components in the Plan, as outlined in Enclosure C, may result in non-award of funds:*

___ IHSS Overpayments/Underpayments Activities and Data

___ IHSS Fraud Referrals/Outcomes Activities and Data

___ Collaboration and Partnerships with District Attorney's Office (DAO) related to the IHSS Program

___ County Collaboration and Partnerships with California Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS) related to the IHSS Program

___ Mechanism for Tracking/Reporting IHSS Fraud Data and Activities

___ County's Current and Proposed Anti-Fraud Activities related to the IHSS Program

___ County Proposed Budget for Utilization of Funds (use Enclosure A as a guideline)

___ Description of how the County will integrate other Program Integrity Efforts into the Plan

___ Commitment to produce an Annual Outcomes Report (due August 1 of each year)

___ Data Reporting Spreadsheet (Enclosure D – includes data from 2004 to present)

Enclosure C

LIST OF REQUIRED COUNTY PLAN COMPONENTS

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 enactment of the QA Initiative in 2004 to the present to establish a county baseline for outcome comparison post July 1, 2010.

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 that includes 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.

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

The plan should address how the county will improve the integrity of the IHSS program through IHSS fraud detection/prevention/referral activities in SFY 2009-10. Any examples of past efforts that produced successful outcomes could be included in the description of this section.

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 tracked.

Mechanism for Tracking/Reporting

Each county must commit to track and report outcomes of its efforts to CDSS. Participating counties will be required to submit final data for SFY 2009-10 by August 1, 2010, 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. 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.

Description of how the County will Integrate Other Program Integrity Efforts within the Plan

The plan must include a brief statement as to how the County will integrate their plans for use of these funds with other program integrity efforts, including the anti-fraud components provided in the State Budget Act of 2009 for the IHSS program.

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. CDSS will send the format to each participating county in January 2010.

Enclosure D

County: _____

Overpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
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
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
Number of referrals to DHCS:						
Number handled locally by DA:						
Number of convictions:						
Court Ordered Restitution:						
Amount of funds involved in the convictions:						
Amount of funds recovered:						
Amount of funds pending recovery:						
Basis for the Conviction:						
Individuals Responsible	Recipient:					
	Provider:					
	County Staff:					
	Other:					
	Unknown:					

Enclosure D
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Utilization of County DA for Fraud		04/05	05/06	06/07	07/08	08/09
Documented referrals to DA*						
Outcomes	Accepted:					
	Rejected:					
	Pending:					
	Completed Investigation					
	No Fraud:					
	Restitution Action:					
	Referred for Prosecution:					
	Criminal Charges Filed:					
	No Charged Filed:					
	Convictions:					
	Acquittals:					
	Dismissals:					
	Pending Investigation:					
	Restitution					
	Court Ordered:					
Restitution Action:						
Fines						
Prosecutions Completed						
Convictions						
Misdemeanor						
Felony						

DEFINITIONS

For purposes of program reporting, terms and concepts are defined as follows:

Documented Case Referral means:

Cases received through specified dates that substantially comply with the documented case referral protocol.

Documented Case Referrals* are classified as:

Pending – cases awaiting review/case bank

Accepted – cases that are opened and assigned for investigation

Rejected – no further action will occur

Investigations

Investigation opened means cases in which an investigator or Deputy District Attorney has been assigned to a case.

Completed Investigation

Case is closed by court action or deemed unsubstantiated.

Cases

Multiple defendant cases should be counted as single cases, not a separate case for each defendant unless the number or names of the individual defendants are specified.

Fines

Are defined as fines imposed by the court. Penalty assessments may be included. Do not include booking fees, probation supervision fees or restitution.

Provider fraud

Fraud perpetrated by IHSS services.

Recipient fraud

Fraud perpetrated by the IHSS recipient.

IHSS Fraud Investigations and Program Integrity Staffing Recommendation

In our opinion, after investigating and prosecuting IHSS Fraud over the last six years in Fresno County (900,000 pop.), we currently have and recommend a minimum staffing level of:

- 1 Deputy District Attorney
- 2 DA Investigators
- 1 Clerical Person

Through our experience and evidenced by our 1,300 referrals waiting for investigation, an optimal staffing level would include the above and add:

- 1 DA Investigator
- 1 DCHS Investigator
- 1 Social Worker
- 1 Collections Assistant (optional)



Fresno County Department of Employment & Temporary Assistance
In-Home Supportive Services
Referral for Action on Suspected Fraud

Date:

Aid Type:

Allegation(s):

- | | |
|---|---|
| <input type="checkbox"/> Provider not working the hours | <input type="checkbox"/> Unreported changes in household |
| <input type="checkbox"/> Recipient or Provider incarcerated | <input type="checkbox"/> Recipient demanding provider share check |
| <input type="checkbox"/> Recipient in hospital/nursing home | <input type="checkbox"/> Overstated needs |
| <input type="checkbox"/> Recipient deceased | <input type="checkbox"/> Misrepresented income |
| <input type="checkbox"/> Other (specify): | |

Case Number (10 digit): Funding Source: PCSP IPW Residual

Recipient Information	Name:	SSN:
	Address:	DOB:
	City, Zip:	Gender: Select
	Phone: (

Provider Information	Name:	SSN:
	Address:	DOB:
	<input type="checkbox"/> Same as Recipient	Gender: Select
	City, Zip:	
	Phone:	

COMPLETE ADDITIONAL REFERRAL FORMS IF RECIPIENT HAS MULTIPLE PROVIDERS INVOLVED IN SUSPECTED FRAUD

GROUND'S FOR SUSPECTED FRAUD:

In the present case there are reasonable grounds to suspect that, on the basis of the false statements on the documents listed in the Statement of Reason, or made verbally to the Social Worker and recorded in the case record, recipient/provider attempted to receive or did receive aid and/or payment of IHSS benefits fraudulently for the periods of time, for the specified sums and involving the items noted below.

Suspected Fraud Committed By: Recipient Provider Both

Statement of Reason of Suspected Fraud (include known dates and possible monetary amounts) :

Social Worker Signature: Worker No.: Date: Phone:

Supervisor Approval: Date: Phone: