

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES**

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Health Officer and Director of Health & Human Services

Bradford R. Fenocchio
District Attorney

DATE: August 24, 2010

SUBJECT: In-Home Supportive Services (IHSS) Fraud Investigations Plan

ACTION REQUESTED:

Approve the attached In-Home Supportive Services Fraud Investigations Plan and authorize its submission to the California Department of Social Services (CDSS). The County is requesting \$253,963 which would include a required County General Fund match of \$41,142. These funds are not included in the Department's FY 2010-11 CEO Recommended Budget. Once the Plan and funding are approved by the State, a budget revision will be required.

BACKGROUND:

Governor Schwarzenegger's proposed fiscal year 2010-11 budget plan includes a \$10 million State fund appropriation for fraud prevention, detection, referral, investigation and program integrity efforts related to In-Home Supportive Services. Along with matching Federal funds and required County matching funds, the total available statewide is \$28 million. These funds are contingent upon inclusion in, and enactment of, the State budget. While CDSS has preliminarily allocated \$116,441 of the statewide funding to Placer County, the plan before the Board would seek significantly more funding based on the County's proven model to combat fraud and ensure program integrity, and demonstrated ability to commit and effectively spend funding for this purpose.

Health and Human Services (HHS) and the District Attorney's office have collaborated to create the attached County Plan and associated budget. The County is prepared to begin implementation of the Plan upon Plan approval and receipt of funding. The Plan must be approved by the Board and submitted to the State no later than September 1, 2010.

Placer County has consistently demonstrated success in IHSS quality assurance and anti-fraud efforts coordinated with the IHSS Public Authority, IHSS Quality Assurance Unit, Human Services welfare fraud investigations and the District Attorney. Since implementing the IHSS Fraud Investigations Plan in January 2010, HHS investigators have received 14 referrals, four of which have been closed due to insufficient evidence, four which resulted in identifying overpayments under \$1,000 each, and five which remain under investigation. Consistent with Placer County's early intervention, prevention and detection approach, HHS fraud investigation staff have met with all 1,800 IHSS providers and have monitored in excess of 2,000 IHSS cases in the County.

As yet neither the State nor counties have succeeded in capturing a definitive formula that accurately reflects cost avoidance for IHSS fraud detection and prevention efforts. However, it is apparent that early intervention, prevention and detection of fraudulent activity safeguards public tax dollars. In Placer County, cost avoidance savings and collection of IHSS overpayments (either voluntarily or through prosecution) saves and recoups significant County resources.

FISCAL IMPACT:

Placer County is requesting total funds of \$253,963 which include a required County General Fund match of \$41,142. The required County General Funds are not included in the Department's FY 2010-11 CEO Recommended Budget and, should the plan be funded by the State, would be met by reprioritizing funds within the Department. Once Placer's plan and funding are approved by the State, a budget revision will be required.

The complete Plan and attachments are on file with the Clerk of the Board for review.

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