



Board Agenda Item 28

DATE: October 17, 2017

TO: Board of Supervisors

SUBMITTED BY: Lisa A. Smittcamp, District Attorney-Public Administrator

SUBJECT: Retroactive Disability and Healthcare Insurance Fraud Program Grant Application and Agreement

RECOMMENDED ACTION(S):

- 1. Retroactively authorize the District Attorney's previous submittal of a grant application to the State of California, Department of Insurance (DOI) for continuation of the Disability and Healthcare Insurance Fraud program for the period of July 1, 2017 through June 30, 2018 (\$349,191); and**
- 2. Adopt a Resolution authorizing the District Attorney to execute retroactive Grant Award Agreement for continued funding of the Disability and Healthcare Insurance Fraud program with the State of California, DOI for the period July 1, 2017 through June 30, 2018 (\$183,653).**

There is no increase in Net County Cost associated with these actions, which will allow for the continuation of the Disability and Healthcare Insurance Fraud program through June 30, 2018. To meet the grant filing deadline, the application was submitted to the DOI contingent on your Board's approval. It should be noted that the DOI requires the District Attorney to be the designated official authorized to sign the Grant Award Agreement.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, this program will not be funded for FY 2017-18. The loss of this grant will result in the elimination of a Senior District Attorney Investigator position.

RETROACTIVE AGREEMENT:

The request to approve and accept the DOI grant award is retroactive because the District Attorney-Public Administrator did not receive grant award notification until September 5, 2017 precluding placement of this item on an earlier Board date.

FISCAL IMPACT:

There is no increase in Net County Cost associated with these actions. There is no match requirement for the receipt of funds. The DOI awarded \$183,653 to Fresno County for the Disability and Healthcare Insurance Fraud program and, when combined with Net County Cost of \$22,033, provides \$205,686 for FY 2017-18. This amount is included in the FY 2017-18 Adopted Budget for the District Attorney - Grants Org 2862.

DISCUSSION:

According to Section 1871(h) of the California Insurance Code, health insurance fraud is a particular problem for health insurance policyholders. Health care fraud causes losses in premium dollars and increases health care costs unnecessarily.

As mandated by California Insurance Code Section 1872.85(a), funding for the Disability and Healthcare Insurance Fraud program is derived from an annual special purpose assessment for each insured under an individual or group insurance policy issued in the state. This funding supports criminal investigations statewide and prosecution by the District Attorney of suspected fraud involving disability and healthcare. The DOI first approved Fresno County to receive funds pursuant to the program implemented by that legislation in FY 2013-14.

The proposed resolution in the second recommended action is required by the DOI for acceptance of grant funds. This program is currently staffed with one Senior District Attorney Investigator to investigate disability and healthcare insurance fraud in Fresno County.

If the grant funding is discontinued, the associated position will be deleted.

REFERENCE MATERIAL:

BAI#17, November 1, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Disability and Healthcare Fraud Application / Agreement

On file with Clerk - Resolution

CAO ANALYST:

Jeannie Z. Figueroa