



County of Fresno

Hall of Records, Rm. 301
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Fresno, California
93721-2198

Legislation Text

File #: 20-1065, **Version:** 1

DATE: November 3, 2020

TO: Board of Supervisors

SUBMITTED BY: Lisa A. Smittcamp, District Attorney

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 (CDI) for continuation of the Disability and Healthcare Insurance Fraud program for the period of July 1, 2020 through June 30, 2021 (\$319,164); and**
- 2. Adopt a Resolution authorizing the District Attorney to execute retroactive Grant Award Agreement, including any extensions or amendments, for continued funding of the Disability and Healthcare Insurance Fraud program with the CDI, for the period July 1, 2020 through June 30, 2021 (\$174,470).**

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, 2021. To meet the grant filing deadline, the application was submitted to the CDI contingent on your Board's approval. The CDI requires the District Attorney to be the designated official authorized to sign the Grant Award Agreement, including any extensions or amendments, so recommended Action Item 2 authorizes the District Attorney to sign the recommended grant agreement. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, this program will not be funded for FY 2020-21. The loss of this grant will result in the elimination of one Senior District Attorney Investigator position unless an alternative funding source is found.

RETROACTIVE AGREEMENT:

The request to approve and accept the CDI grant award is retroactive, because the District Attorney did not receive the recommended grant award agreement until September 22, 2020, after the effective date of the recommended grant agreement, which precluded 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 CDI awarded \$174,470 to Fresno County for the Disability and Healthcare Insurance Fraud program, which, when combined with budgeted Net County Cost of \$34,107, provides \$208,577 for FY 2020-21. This total amount is \$9,183 less revenue than the \$217,760 that is included in the FY 2020-21 Adopted Budget for the District Attorney - Grants Org 2862. The Department will absorb the difference with salary savings.

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 CDI first approved Fresno County to receive funds pursuant to the program implemented by this legislation in FY 2013-14.

The proposed resolution in the second recommended action is required by the CDI 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 #24, October 22, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

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

CAO ANALYST:

Samantha Buck