



STEVE COOLEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

December 16, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT FOURTH YEAR GRANT FUNDS
FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (SCDI)
FOR THE DISABILITY AND HEALTHCARE INSURANCE FRAUD PROGRAM
FOR FISCAL YEAR (FY) 2008-09
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The Disability and Healthcare Insurance Fraud (DHIF) Program provides increased investigation and prosecution of fraudulent disability and healthcare insurance claims. The District Attorney is requesting approval to accept grant funds in the amount of \$561,500 for FY 2008-09 to continue the program for the fourth year.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed Resolution authorizing the District Attorney to accept grant funds for the DHIF Program from SCDI. Funds in the amount of \$561,500 have been awarded for the period of July 1, 2008 to June 30, 2009. There is no required County match for this grant.
2. Authorize the District Attorney to execute the Grant Award Agreement (GAA) on behalf of the County of Los Angeles.
3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as project director and to sign and approve any revisions to the GAA that do not increase the net County cost of the agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 12, 2008, the District Attorney's Office (DA) submitted an application to the SCDI to continue funding for the DHIF Program in FY 2008-09. The DA was awarded \$561,500 for the period of July 1, 2008 to June 30, 2009.

The objective of the DA's DHIF Program is to identify, investigate and prosecute individuals and organized crime rings that fraudulently collect millions of dollars by billing for services not rendered, billing for more expensive services or procedures than actually provided (upcoding), performing medically unnecessary services, and misrepresenting non-covered treatments as medically necessary covered treatments for the purpose of obtaining insurance payments.

Board authorization is requested to accept grant funds and the SCDI requires an approved resolution as part of the GAA. The enclosed resolution has been approved as to form by County Counsel and adoption of the resolution will satisfy County and State requirements.

Implementation of Strategic Plan Goals

This program directly supports the District Attorney's core mission to vigorously prosecute felony crimes throughout the County of Los Angeles. Authorizing the District Attorney to accept DHIF funds supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, by securing an available revenue source at the State level.

FISCAL IMPACT/FINANCING

The department was allocated \$561,500 for the FY 2008-09, which will fully offset program costs.

Funding for this program was included in the department's FY 2008-09 budget.

If funding for this program is terminated, an evaluation would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the provisions of Section 1872.83 of the California Insurance Code, the State Department of Insurance is authorized to award and distribute funds to district attorneys submitting plans approved by the Fraud Division for the increased investigation and prosecution of fraudulent disability and healthcare claims. The District Attorney's Office has been awarded funding for this Program for the last three years.

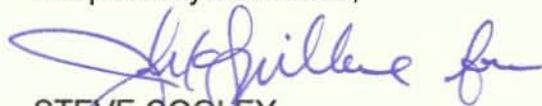
IMPACT ON CURRENT SERVICES (OR PROJECTS)

This program does not propose attorney staff augmentation. Therefore, the District Attorney's Office is not subject to the Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to return two copies of the adopted Board letter and one OES Certification of Assurance of Compliance Form, with a wet signature, to Ms. Patricia Boone, Grants Section, County of Los Angeles District Attorney's Office, 201 N. Figueroa Street, Suite 1300, Los Angeles, California 90012. Any questions may be directed to Ms. Boone at (213) 202-7668 or via e-mail at pboone@da.lacounty.gov.

Respectfully submitted,



STEVE COOLEY
District Attorney

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Attachments

c: Chief Executive Officer
County Counsel

1 **BOARD OF SUPERVISORS**
2 **COUNTY OF LOS ANGELES**

3 **RESOLUTION**

4 Authorization to Accept a Grant Award from the
5 State of California, Department of Insurance
6 Pursuant to California Insurance Code
7 Chapter 12, commencing with Section 1871, et seq.

8 **WHEREAS**, the provisions of Section 1872.85 of the California
9 Insurance Code authorize the State Department of Insurance to award and
10 distribute certain funds to district attorneys submitting plans approved by the
11 Fraud Division for the increased investigation and prosecution of fraudulent
12 disability and healthcare insurance claims; and the District Attorney is charged
13 with providing prosecution of all felony offenses committed within this County;
14 and

15 **WHEREAS**, the Board of Supervisors of Los Angeles County recognizes
16 that fraudulent healthcare and disability insurance claims are costing our citizens
17 millions of dollars annually, as reflected in higher insurance premiums and increased
18 costs for medical services and equipment; and

19 **WHEREAS**, the County of Los Angeles, acting through its Board of
20 Supervisors, desires to combat disability and healthcare insurance fraud by
21 undertaking a certain project designated the "Disability and Healthcare Insurance
22 Fraud Program" by the District Attorney, to be funded pursuant to the Insurance
23 Fraud Prevention Act as provided in California Insurance Code Section 1872.85
24 and administered by the California Department of Insurance; and

25 **WHEREAS**, the State of California Department of Insurance approved
26 the fraud reduction plan submitted by the Los Angeles County District Attorney's Office
for Fiscal Year 2008-2009, for the Disability and Healthcare Insurance Fraud Program.

1 **NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of
2 the County of Los Angeles hereby authorizes and approves acceptance of grant funds
3 from the State of California, Department of Insurance, to be used exclusively for the
4 program designated the "Disability and Healthcare Insurance Fraud Program" for the
5 period covering July 1, 2008 to June 30, 2009;

6 **BE IT FURTHER RESOLVED** that the County of Los Angeles
7 hereby authorizes the District Attorney to serve as Project Director and to perform
8 all further tasks necessary for the completion of the project, including any
9 extensions, execution and submission of amendments, progress reports, and
10 payment requests relating to the Grant Award Agreement;

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1 I DO HEREBY CERTIFY that at a regular meeting of the Board of
2 Supervisors of the County of Los Angeles, on this _____ day of
3 _____, 2008, the foregoing Resolution was adopted.

4 IN WITNESS WHEREOF, I have hereunto set my hand and
5 affixed the seal of the Board of Supervisors of the County of Los Angeles
6 this _____ day of _____, 2008.

8 County of Los Angeles

10 By _____
11 Chairman, Board of Supervisors

12 SACHI A. HAMAI,
13 Executive Officer-Clerk of the
14 Board of Supervisors of the
15 County of Los Angeles

16 By _____
17 Deputy

18 APPROVED AS TO FORM
19 BY COUNTY COUNSEL:

20 RAYMOND G. FORTNER, JR.

21 By  _____
22 Deputy