STEVE COOLEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

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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 CURRECT 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

Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding $100,000

Department: District Attorney

Grant Project Title and Description: **Disability and Healthcare Insurance Fraud Program**

The objective of this program is to enhance the criminal investigation and prosecution of fraudulent disability and healthcare insurance claims in Los Angeles County. These grant funds will allow the District Attorney's Office to successfully implement this program and reduce disability and healthcare insurance fraud through collaborative efforts with the State of California, Department of Insurance (SCDI) and local law enforcement agencies,.

Funding Agency	Program (Fed. Grant # /State Bill or Code #)	Grant Acceptance Deadline
California Department of Insurance	California Insurance Code Section 1872.85	

Total Amount of Grant Funding: $561,500 **County Match:** $0
Grant Period: FY2008-2009 **Begin Date:** July 1, 2008 **End Date:** June 30, 2009
Number of Personnel Hired Under This Grant: 14 **Full Time:** 8 **Part Time:** 6

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ✓ No__

Will all personnel hired for this program be placed on temporary ("N") items? Yes ✓ No __

Is the County obligated to continue this program after the grant expires? Yes __ No ✓

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes __ No ✓

b). Identify other revenue sources Yes __ No ✓
(Describe)_____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ✓ No __

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature J. Fuller for SCE **Date** 12/3/08

BOARD OF SUPERVISORS

COUNTY OF LOS ANGELES

RESOLUTION

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

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

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

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

WHEREAS, the State of California Department of Insurance approved 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.

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

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

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I DO HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of the County of Los Angeles, on this 16TH day of DEC., 2008, the foregoing Resolution was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Board of Supervisors of the County of Los Angeles this 16TH day of DEC., 2008.

County of Los Angeles

By _____
Chairman, Board of Supervisors

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

By _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

RAYMOND G. FORTNER, JR.

By _____
Deputy