



Yolanda Baldovinos
Agency Director

Thomas L. Berkley Square
2000 San Pablo Avenue, Oakland, CA 94612
510-271-9100 / Fax: 510-271-9108
ybaldovi2@co.alameda.ca.us
www.alamedasocialservices.org

November 10, 2009

Honorable Board of Supervisors
Administration Building
Oakland, CA 94612

Dear Board Members:

SUBJECT: Approval of Plan and Budget for Funding Fraud Investigations and Integrity Efforts Related to the In-Home Supportive Services Program for FY 2009/2010

RECOMMENDATION:

Submitted at this time for your Board's approval is a plan to be submitted to the California Department of Social Services to participate in the State's fraud prevention program related to In-Home Supportive Services (IHSS) program.

- Approve the attached Alameda County Plan to improve fraud prevention, detection, referral, investigation, and additional program integrity in the In-Home Supportive Services Program (IHSS).

SUMMARY/DISCUSSION:

This letter requests action by your Board to approve the attached plan that was developed by the Social Service Agency in conjunction with the District Attorney's Office. The State Department of Social Services requires your approval of this plan prior to submission to the State in order to receive a portion of the funding for fraud investigations and enhanced program integrity efforts in the In-Home Supportive Program pursuant to the California State Budget Act of 2009.

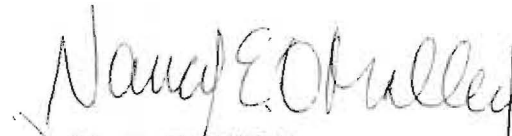
The plan includes enhanced efforts by Social Service staff to detect fraud and overpayments through the use of 4 additional Welfare Fraud Investigators who will focus solely on the In-Home Supportive Services Program, 2 additional Social Workers who will work with the Appeals Officer to ensure compliance, continuing cooperation with the District Attorney Office, enhanced training of Social Service staff in the early detection of fraud, and fraud prevention, and expanded use of data reports generated by the Social Service Information Retrieval System (SSIRS) and other sources.

FINANCING:

Upon approval of our plan, financing will come from Federal and State revenue with no change in net county costs.

Sincerely,


Yolanda Baldovinos
Agency Director


Nancy E. O'Malley
District Attorney

c: County Administrator
County Counsel
Auditor-Controller

Attachment

V:\BoardLetters\2009\Fraud

Alameda County Plan For Increased Fraud Prevention and Program Integrity Activities in the In-Home Supportive Services Program (IHSS)

Introduction

In Alameda County the In-Home Supportive Services Program (IHSS) is housed within the Department of Adult and Aging Services of the Social Services Agency (SSA). Other programs in the Department of Adult and Aging Services include Adult Protective Services, the Area Agency on Aging, Veterans Services, the Public Guardians Office and Medi-Cal Eligibility services for Aged, Blind and Disabled.

IHSS serves approximately 17,500 Alameda County residents and employs nearly 18,000 homecare workers. We have averaged more than 1.7 million paid hours per month over the last 12 months. The average caseload per Social Worker is about 240.

Fraud detection and program integrity efforts are coordinated within IHSS through the coordination of four distinctive departments. IHSS Payroll, Quality Control (QC), Program Integrity Division (PID), and the District Attorney's Office.

- IHSS Payroll currently processes all timecards, researches underpayments and makes payroll corrections. Payroll is also responsible for enrolling providers.
- QC monitors the delivery of supportive services in the county to detect and prevent potential fraud by providers, recipients, and others. QC is responsible for tracking and monitoring all fraud referrals on suspected fraud in the In Home Supportive Services (IHSS) programs.
- The Program Integrity Division investigates applications for public assistance to ensure those who are not eligible for public assistance are denied access to funds.
- The District Attorney's Office is responsible for the investigation of crimes committed in the County of Alameda and prosecution of those who violate the law.

Alameda County SSA has received the Memorandum dated September 25, 2009 from the State Department of Social Services regarding funding for fraud investigations and program integrity efforts related to the in-home supportive services program pursuant to the California State Budget Act of 2009. SSA submits the following information to address the Required County Plan Components set forth in the Memorandum.

Component No. 1: IHSS Overpayments/Underpayments

Alameda County maintains a Welfare Fraud Tip Line (1.888.991.TIPS) and web site (https://alamedasocialservices.org/staff/departments_and_projects/pid/fred/index.cfm) where consumers and the general public can report suspected fraud. In addition to the tip line, fraud referrals come from IHSS social workers, payroll staff, eligibility staff, and adult protective services staff. Additional information may result from internal complaint investigations by our client advocate or the Quality Control team who are engaged in an internal case review process.

The District Attorney and Quality Control team examine reports that may identify fraudulent activity including:

- Quarterly Death Match Report
- Over 300 Hour Report (Case Management Information Payroll System - CMIPS)
- Out of State Warrant Report

Once overpayments are verified and fraudulent activity is suspected, QC forwards these cases to the District Attorney's office for further investigation. Investigation may include the review of the facts, gathering evidence, and interviews with the relevant parties. At the completion of the investigation the DA makes a determination whether to file criminal charges.

The DA's Office takes several factors into consideration in this decision. These factors include the type of fraud involved, the amount of loss involved and the criminal history, if any, of the suspect, including current probation or parole. If an evaluation of these factors result in the decision not to file a criminal case but the DA's Office believes that the facts justify holding the suspect responsible for an overpayment, then the case is referred for a civil restitution action, normally pursued by the County Central Collections agency in small claims court.

Underpayments are identified and resolved by the IHSS payroll department. Generally a chore provider may be underpaid when a second provider working for the same client submits excess hours. The chore provider who submitted the excess hours is notified of their overpayment via – "In-Home Supportive Services Payroll Overpayment Letter". If the chore provider no longer works for IHSS, the chore provider is given a demand for payment to pay back the funds. If the chore provider is still employed with IHSS, an overpayment collection action is taken in the form of payroll deduction.

If the chore provider does not return the funds, the payroll staff members complete and submit a fraud referral to QC and the DA Fraud Investigation Unit, which can lead to a Central Collections transaction. IHSS QC does not currently collect data on the underpayments corrected by payroll. This lack of data is reflected in Enclosure D.

The most common types of overpayment or fraud include reports that the chore provider is not providing service but continues to submit timesheets, that the provider and client are splitting the check, that timesheets are forged or that timesheets continue to be submitted even though the client is out of the home (hospitalized, incarcerated or deceased).

Under our enhanced plan Alameda County is proposing to modify the current program to increase activity on fraud cases that fall below the DA prosecution threshold. The prosecution threshold decision is based on the fraudulent claim, prior convictions, existing probation and cases where the recipient has died. Currently, these cases once identified may wait an extended period of time in the District Attorney's queue for investigation –and risk reaching the four-year statute of limitations or the inability to contact or locate the accused.

The County's plan includes:

- Re-tooling the existing payroll department for early detection of overpayments and aggressive collections of funds.
- Implementing several collections and sanction approaches that are available to IHSS at the early fraud stages.
- Improving internal fraud detection activities through examination of additional data.
- Expanding the use of the Social Service Information Retrieval System (SSIRS) database to generate specific data reports in coordination with other county welfare programs to assure that fraudulent activity can be prevented across county departments.
- Reducing overpayments and underpayments by strengthening appeals compliance and tracking.

This will be accomplished by hiring one additional Welfare Fraud Investigator who will focus exclusively on In-Home Supportive Services. We plan to hire one additional Appeals Officer for IHSS and two additional Social Workers who will work exclusively on Appeals Compliance attending hearings and performing follow-up to ensure enforcement. Also, we will increase the training to IHSS Payroll and QC staff in the early detection of overpayments and underpayments. We believe that these efforts will greatly improve our County's performance on overpayment collection and fraud referral outcomes as noted on Enclosure D.

Component No. 2: Fraud Referral/Outcomes

Quality Control (QC) performs routine scheduled and targeted reviews of the In Home Supportive Services (IHSS) cases and makes home visits to the recipients' home to verify delivery of services. The reviews consist of reviewing the entire case for accuracy and completeness, checking for procedural or content errors, omissions, improper calculations and related details. Included is performing secondary computations on the authorized hours given to recipients for IHSS for correctness and documentation. QC completes Review Findings Summaries to identify any deficiencies in the reviews.

In addition to internal reviews, IHSS staff refers all suspected fraud cases to the QC team for targeted review. In addition, all fraud cases over \$400 are referred to the District Attorneys Office. The District Attorney's Office is responsible for the investigation of crimes committed in the County of Alameda and prosecution of those who violate the law. Divisions of the Office include Criminal, Juvenile, Consumer & Welfare Fraud, Victim/Witness and Grand Jury. The DA's Office maintains records of all referrals and initiates an initial investigation, then ultimately decides whether the case should result in criminal prosecution or referral for civil restitution.

These activities have resulted in the submission of over 700 cases for fraud investigation since 2004/2005. Of those referrals, the majority of cases are "quick closed" or closed without charges due to lack of evidence, unfounded accusations, statute of limitations or the flight of those accused. The remaining cases result in criminal prosecution, referral for civil restitution or request for further investigation.

Component No. 3: Collaboration and Partnerships with District Attorney's Office

The Social Service Agency maintains a Memorandum of Understanding (MOU) with the D.A.'s Office for the investigation of fraud cases and identification of possible fraud cases through internal reports. The MOU is renewed on an annual basis.

IHSS Staff members refer all cases of suspected fraud over \$400 to the Special Investigations Unit of the District Attorney's Office (DA/SIU). A lieutenant of inspectors in the DA/SIU reviews each referral and assigns it to one of the DA/SIU staff inspectors. Like the lieutenant, these inspectors are sworn California peace officers who have worked as police detectives and patrol officers. The lieutenant and the inspectors also have experience with case investigation and trial preparation in the D.A.'s Office

The inspectors work closely with IHSS staff to assemble documentary evidence and to obtain witness statements, as well as to learn the operational details necessary to understand the suspected fraudulent conduct. The inspectors also talk with the prosecutors in DA/SIU to analyze factual and legal issues in the case.

When the inspector has completed the investigation and written a report, including an overpayment calculation to determine the final amount of loss, the inspector submits that report to the lieutenant. If the inspector concludes that there is proof of fraudulent intent but the amount of loss is low or that there is not sufficient proof of fraudulent intent, then the lieutenant may recommend referring the case to the County's Central Collection Bureau for civil action to collect restitution. If, however, the inspector concludes that there is fraudulent intent and significant loss, then the lieutenant refers the case to a prosecutor for charging a criminal case. The prosecutors in DA/SIU make the final decision whether or not there is sufficient evidence to file a criminal complaint and to obtain a conviction.

IHSS Staff members refer between 130 and 170 suspected fraud cases each year to the DA/SIU. The large volume of cases referred requires some system of prioritization. Cases in which the recipient has died but the care provider continues to submit timesheets claiming work (commonly known as a "Death Match" case) receive a high priority. Cases in which the provider or the recipient is hospitalized or incarcerated also receive a high priority. Due to the large number of referrals annually, there have been cases which have not been investigated before the expiration of the statute of limitations.

Component No. 4: Collaboration and Partnerships with California Department of Health Care Services and the California Department of Social Services

The DA/SIU and the Program Integrity Division work cooperatively with the California Department of Health Care Services and the California Department of Social Services on cases under investigation. Alameda currently submits the Report of Suspected Fraud and the DPA 266- Monthly Report of Fraud Investigation to these departments. Conversely, DHCS and CDSS will work cooperatively with county investigators in evidence discovery, and report outcomes back to the county. Both departments assist with training of the QC and other IHSS staff on fraud detection and case documentation.

To support the investigative collaboration the DA, PID and IHSS QC maintain workspace so that state inspectors may work side by side within our three departments.

Our enhanced plan is to provide more detailed reports to the California Department of Health Care Services and the California Department of Social Services that will be provided by our enhanced use of our data system and other reports.

Component No. 5: Mechanism for Tracking /Reporting IHSS Fraud Data and Activities

The District Attorney maintains prosecution data and reports to IHSS QC Manager on a monthly basis and completes a portion of the DPA 266 Monthly Report of Fraud Investigation to the state. PID also submits to the state, the DPA 266 but does not directly investigate IHSS. Additionally, QC submits the Quarterly Report of Suspected Fraud to CDSS.

The department recognizes that the data tracking and reporting is currently not coordinated between these units and some cases are not actively investigated. In addition to the plans outlined above, Alameda County is seeking to coordinate data reporting by including IHSS data in the PID submissions of the DPA 266.

Under the new plan, SSIRS will generate monthly management reports designed to identify specific risk characteristics (excessive hours, multiple chore providers, multiple changes in address etc.). This will enable county staff to begin targeting unannounced home visits, internal audits and investigations on those high-risk cases and to target educational and outreach materials to these groups. SSIRS will generate customized management reports to IHSS and PID from the following reports:

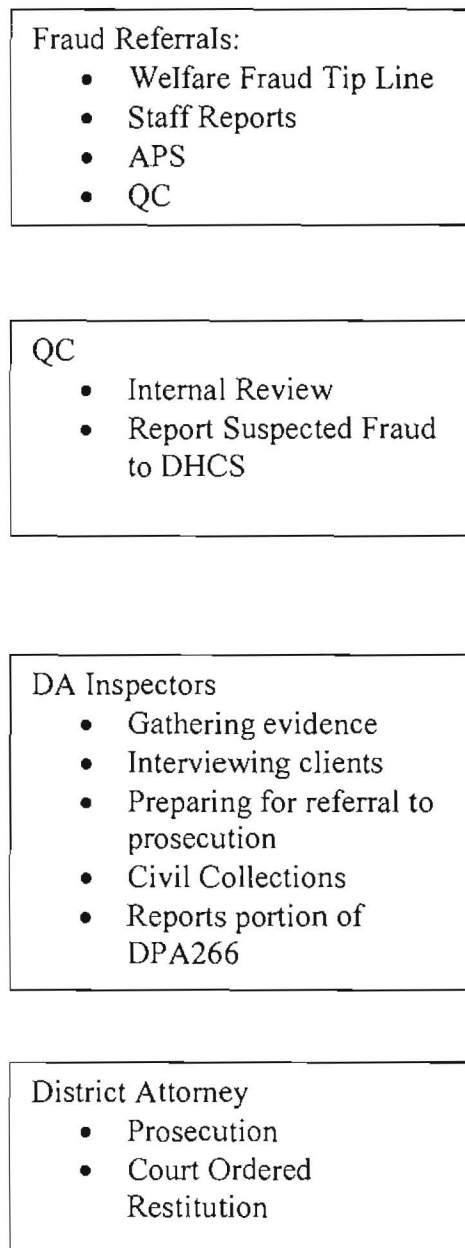
- 300 Hour Report
- Chore Provider/ Client Match
- Quarterly Death Match
- Monthly Renewals Exceptions Report
- Out Of State Warrant Report
- SSI/SSP Termination Report
- No Timesheet Activity For 60 Days Report

Alameda County is committed to working collaboratively with DSS and DHCS to coordinate data reporting to the state.

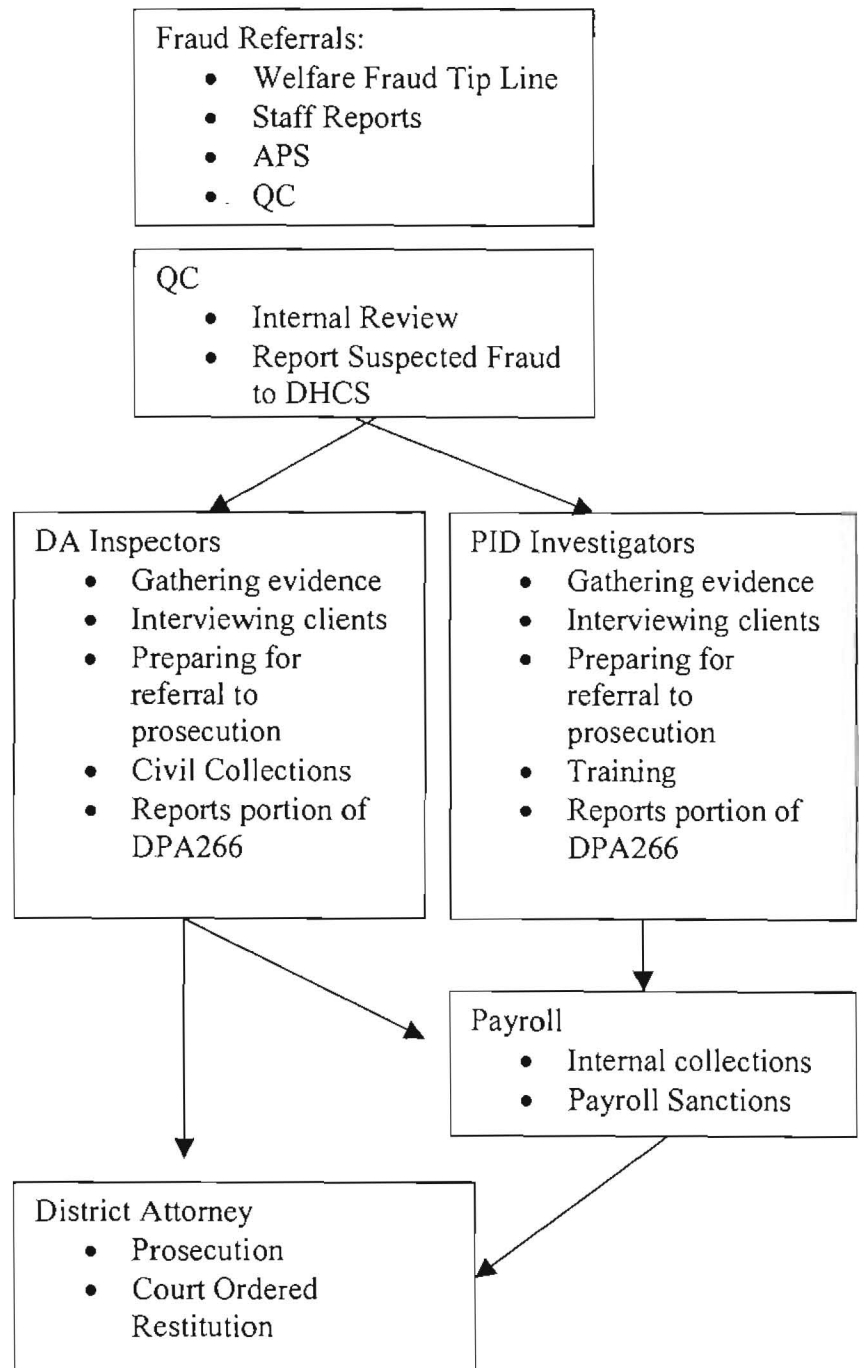
Component No. 6: Alameda County's Current and Proposed Anti-Fraud Activities Related to IHSS

The comparison chart below depicts how the County's proposed efforts will be integrated into our present efforts.

Current Fraud Detection Activities



Proposed Fraud Detection Activities



Component No. 7: Alameda County's Proposed Budget for Utilization of Funds

Welfare Fraud Investigators (4)	\$ 364,252
Social Worker III (2)	\$ 157,417
Appeals Officer (1)	\$ 93,546
DA (for Investigation only) (4)	\$ 638,295
Staff Development	\$ 49,280
Data Warehouse	\$ 97,650
	\$1,400,439

Program Components	TOTAL	WFI	SW	AO	DA	SD	DW
Overpayments/Underpayments	\$ 366,438	\$ 91,063	\$157,417	\$93,546	\$ -	\$ -	\$24,413
Fraud Referrals Outcomes	\$ 241,171	\$182,126	\$ -	\$ -	\$ -	\$49,280	\$ 9,765
Collaboration with DA	\$ 734,240	\$ 91,063	\$ -	\$ -	\$638,295	\$ -	\$ 4,883
Collaboration with CDHCS	\$ 9,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,765
Mechanism for Tracking and Reporting	\$ 48,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$48,825
	\$1,400,439	\$364,252	\$157,417	\$93,546	\$638,295	\$49,280	\$97,650

Component No. 8: Alameda County's Plan to Integrate Other Program Integrity Efforts

Our proposed plan is to better utilize the Program Integrity Division in fraud prevention and collection activities. Currently, PID does not investigate IHSS fraud cases, which results in a gap in fraud prevention and collection services. This gap includes all cases below the DA prosecution threshold. We plan to:

- Create an internal fraud unit to identify and pursue collection on cases below the DA prosecuting threshold.
- Support investigations staff by developing a fraud detection and collections unit from the existing staff of Specialist Clerks (currently processing payroll). Their duties will be enhanced to include auditing, fraud detection and revenue collections.
- Improve the clearing of fraud referrals that cannot be prosecuted for "statute of limitations" and "lack of evidence" – refer these directly to internal collections in coordination with PID.

This plan will be accomplished by the hiring of three additional Welfare Fraud Investigators and additional training on fraud prevention/detection to IHSS Payroll, QC, and Program Integrity staff.

We intend to improve the collaboration with the DA's Office by:

- Improving the screening and internal collections activity of referrals prior to forwarding to the DA for investigation for prosecution.
- Fund Program Integrity Division (PID) for all cases between \$400 and \$5,000 for aggressive early collections.
- Improving documentation of investigation and collection outcomes by establishing a reporting system shared across Payroll, QC, PID and DA.

This goal will be accomplished by the hiring of one additional Welfare Fraud Investigator and improved use of our Social Services Information Retrieval System.

Component No. 9: Commitment To Produce An Annual Outcomes Report

Alameda County is committed to providing an annual outcomes report to the State that summarizes those recovery outcomes and the impact of early and intensive intervention on fraud cases. This report will be provided by First of August each year.

Alameda County is confident that the strengthening of the fraud prevention efforts will produce a significant increase in revenues generated by collection activity as well as curtail future efforts by program participants to commit fraud.

Component No. 10: Data Reporting Spreadsheet (Memorandum Enclosure D)

Enclosure D, Page 1

County: Alameda County

Overpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Total Amount per Fiscal Year:			61	122	151	156
Number of instances:			61	122	151	156
Breakdown of Causes	Provider:		59	115	146	153
	Recipient:		2	5	4	3
	County Error:		0	0	0	0
	Unknown:			2		
	Other:					

Underpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Total Amount per Fiscal Year:						
Number of instances:						
Breakdown of Causes	Provider:					
	Recipient:					
	County Error:					
	Unknown:					
	Other:					

Fraud Referrals/Outcomes		04/05	05/06	06/07	07/08	08/09
Number of referrals to DHCS:			61	122	151	
Number handled locally by DA:		174	210	143	125	106
Number of convictions:		0	5	19	15	17
Court Ordered Restitution:		22	30	26	11	19
Amount of funds involved in the convictions:		248,608	54,116	175,945	306,897	112,175
Amount of funds recovered:		26,870	23,795	82,266	47,362	27,760
Amount of funds pending recovery:		221,738	30,321	93,679	259,535	84,415
Basis for the Conviction:						
Individuals Responsible	Recipient:					
	Provider:		1	13	7	16
	County Staff:	1	4	6	8	1
	Other:					
	Unknown:					

Enclosure D, Page 2

Utilization of County DA for Fraud		04/05	05/06	06/07	07/08	08/09
Documented referrals to DA*		90	197	167	119	129
Outcomes	Accepted:	85	189	164	119	129
	Rejected:	5	8	3		0
	Pending:			2		0
	Completed Investigation					
	No Fraud:	66	74	120	21	55
	Restitution Action:	13	41	28	9	15
	Referred for Prosecution:	22	35	21	23	16
	Criminal Charges Filed:	18	30	17	18	13
	No Charged Filed:	3	9	4	4	3
	Convictions:	13	5	19	15	17
	Acquittals:					
	Dismissals:	6	12	6	5	7
	Pending investigation:	49	43	59	72	63
	Restitution					
	Court Ordered:	16	23	15	8	9
	Restitution Action:	13	41	28	9	15
	Fines					
	Prosecutions Completed					
	Convictions		5	19	15	17
	Misdemeanor	2	2	5	7	9
	Felony	9	10	22	12	10