

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

(2351)



**FROM:** District Attorney

**SUBMITTAL DATE:**  
09/02/16

**SUBJECT:** Acceptance of the FY 2016-17 Department of Insurance Disability and Healthcare and Disability and Healthcare Supplemental Fraud Program Grant Awards with Budget Adjustment and Adoption of Resolution No. 2016 – 209. All Districts [\$512,695; State of California 100%]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve acceptance of the Department of Insurance Disability and Healthcare and Disability and Healthcare Supplemental Fraud Program Grant Awards from the State of California Department of Insurance in the amount of \$512,695 for the grant period July 1, 2016 through June 30, 2017.
2. Adopt Resolution 2016-209 authorizing the District Attorney and/or his designee to sign the Grant Award Agreement on behalf of the Board.
3. Approve and direct the Auditor-Controller to make the budget adjustments as specified on the attached Schedule A.

**BACKGROUND:**

Summary

The Insurance Commissioner of the State of California has renewed awarded funding under the Disability and Healthcare and the Disability and Healthcare Supplemental Insurance Fraud Program to the District Attorney's Office.

(Background cont. on page 2)

*Elaina Bentley*  
Elaina Bentley, Assistant District Attorney for;  
Michael Hestrin, District Attorney

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 512,695	\$ 0	\$ 512,695	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** State of California 100%  
Budget Adjustment: Yes  
For Fiscal Year: 16/17,17/18,18/19

**C.E.O. RECOMMENDATION:**

**APPROVE**

BY: *Doug Cady*  
Doug Cady

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
Nays: None  
Absent: None  
Date: October 4, 2016  
xc: DA, Auditor

Kecia Harper-Ihem  
Clerk of the Board  
By: *Kecia Harper-Ihem*  
Deputy

Prev. Agn. Ref.: 10/22/13 3-13 | District: ALL | Agenda Number:

MT 2351

FORM APPROVED COUNTY COUNSEL  
 BY: *Karin L. Watts-Bazan* 9/13/16  
 KARIN L. WATTS-BAZAN  
 DATE: 9/13/16  
 FISCAL PROCEDURES APPROVED  
 PAUL ANGILO, CPA, AUDITOR-CONTROLLER  
 BY: *Tanya S. Harris* 9/15/16  
 TANYA S. HARRIS, CPA  
 Departmental Concurrence

- A-30
- 4/5 Vote
- Positions Added
- Change Order
- 4/5 Vote

RCED SEP15/16 AM11:12

RECEIVED

BY \_\_\_\_\_

RECEIVED RIVERSIDE COUNTY  
CLERK / BOARD OF SUPERVISORS  
2016 SEP 27 PM 2:16

M2351

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Acceptance of the FY 2016-17 Department of Insurance Disability and Healthcare and Disability and Healthcare Supplemental Fraud Program Grant Awards with Budget Adjustment and Adoption of Resolution No. 2016 – 209. All Districts [\$512,695; State of California 100%]

**DATE:** 09/02/16

**PAGE:** Page 2 of 3

**BACKGROUND:**

**Summary**

The grant awards funding under the provision of Section 1872.85 of the California Insurance Code and is to be used by the District Attorney solely for the purpose of enhanced investigation and prosecution of disability and healthcare insurance fraud cases.

The Disability and Healthcare Insurance Fraud Program awarded the DA's Office \$376,264; with an additional \$136,431 in funding for the Disability and Healthcare Supplemental Program. Total funding awarded under this program is \$512,695 for FY16-17.

Based on an estimated award, the DA's Office budgeted \$496,921 for FY16-17 in this revenue category. We are requesting a budget adjustment of \$15,774 to bring the budgeted revenue to \$512,695.

The attached grant award and resolution have been reviewed and approved as to form by County Counsel.

**Impact on Citizens and Businesses**

All costs under this program will be recovered through grant funding.

**Attachments:**

Grant Award Letters

Schedule A Budget Adjustment

Resolution #2016-209

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Acceptance of the FY 2016-17 Department of Insurance Disability and Healthcare and Disability and Healthcare Supplemental Fraud Program Grant Awards with Budget Adjustment and Adoption of Resolution No. 2016 – 209. All Districts [\$512,695; State of California 100%]

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**PAGE:** Page 3 of 3

**Schedule A**

**Increase Appropriations:**

10000-2200100000-510040 Regular Salaries	\$15,774
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**Increase Estimated Revenues:**

10000-2200100000-755650 CA-Disability Healthcare Fraud	\$15,774
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2  
3 RESOLUTION NO. 2016-209

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
5 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, REGARDING  
6 THE DISABILITY AND HEALTHCARE INSURANCE FRAUD PROGRAM  
7

8 WHEREAS, the County of Riverside desires to undertake a certain program designated the  
9 Disability and Healthcare Insurance Fraud Program to be funded by funds made available through and  
10 administered by the California Department of Insurance (hereinafter referred to as "DOI"); now therefore,

11 BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside, State  
12 of California, in regular session assembled on October 4, 2016, that District Attorney of  
13 the County of Riverside, State of California and/or his designee is authorized, on its behalf, to submit and  
14 to sign the Grant Award Agreement as well as related contracts, amendments, or extensions with DOI  
15 that do not significantly change the grant or contract. This resolution shall be in effect for a three-year  
16 period beginning July 1, 2016 and ending June 30, 2019.

17 IT IS AGREED that any liability arising out of the performance of this contract, including civil court  
18 actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The  
19 State of California and DOI disclaim responsibility of any such liability.

20 BE IT FURTHER RESOLVED that grant funds received hereunder shall not be used to supplant  
21 local expenditures controlled by this body.

22 ROLL CALL:

23 Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
24 Nays: None  
25 Absent: None

26 The foregoing is certified to be a true copy of a resolution duly  
27 adopted by said Board of Supervisors on the date therein set forth.

28 KECIA HARPER-IHEM, Clerk of said Board

By [Signature]  
Deputy

FOR APPROVED COUNTY COUNSEL 10/3/16  
BY: NEAL R. KIPNIS DATE



**DAVE JONES**  
Insurance Commissioner

August 31, 2016

The Honorable Michael Hestrin  
Riverside County District Attorney's Office  
3960 Orange Street  
Riverside, CA 92501

RE: Grant Award for Disability and Healthcare Insurance Fraud for Fiscal Year 2016-17

Dear District Attorney Hestrin:

I am pleased to report that for Fiscal Year 2016-17, \$5,604,000 will be distributed to eleven District Attorney Offices in California. Riverside County has been awarded **\$376,264** for the Fiscal Year 2016-17 Disability and Healthcare Insurance Fraud Program. This grant award is to be used for the investigation and prosecution of disability and healthcare insurance fraud.

The appropriation is based on projected revenues, including the amount of restitution collected. The grant disbursements are contingent on actual revenues; therefore, if the amount of revenue collected is less than the projected amount, grant disbursements to counties will be adjusted accordingly.

Disability and healthcare insurance fraud is committed by individuals, medical providers, corporations, medical equipment dealers, hospitals, laboratories, nursing homes, pharmacies, and others who prey upon the system. Unfortunately, consumers pay the price for disability and healthcare fraud by paying higher insurance premiums and increased costs for medical services.

The decision to grant these funds was made by my Department after thoroughly reviewing all applications with consideration given to the goals and objectives set by me. Medical provider insurance fraud must continue to be a priority of this program. It is my continuing intent that these funds be used effectively to pursue and investigate fraud across California. It is also important to focus resources in areas of fraud that have a continuing fiscal impact on the disability and healthcare system.

Thank you for your efforts in submitting your application. Together we can make a significant impact in the fight against disability and healthcare insurance fraud in California.

Sincerely,

**DAVE JONES**  
Insurance Commissioner

cc: Vicki Hightower, Chief Deputy District Attorney

300 CAPITOL MALL, SUITE 1700  
SACRAMENTO, CALIFORNIA 95814  
PHONE (916) 492-3500 • FACSIMILE (916) 445-5280

MT 2351



**DAVE JONES**  
Insurance Commissioner

September 2nd, 2016

The Honorable Michael Hestrin  
Riverside County District Attorney's Office  
3960 Orange Street  
Riverside, CA 92501

RE: Grant Award for Disability and Healthcare-Supplemental Insurance Fraud  
for Fiscal Year 2016-17

Dear District Attorney Hestrin:

I am pleased to report that for Fiscal Year 2016-17, \$1,000,000 will be distributed to five District Attorney Offices in California. Riverside County has been awarded **\$136,431** for the Disability and Healthcare-Supplemental Insurance Fraud Program. The program was established for four years as a result of a 'qui tam' settlement and Fiscal Year 2016-17 is the program's third year.

This grant award is to be used specifically for the enhanced investigation and prosecution of healthcare/medical provider fraud, however, Disability and Healthcare Insurance Fraud Program monies may also be used for the supplemental program activities.

Thank you for your efforts in submitting your application. Together we can make a significant impact in the fight against disability and healthcare provider fraud in California.

Sincerely,

**DAVE JONES**  
Insurance Commissioner

cc: Vicki Hightower, Chief Deputy District Attorney

SEP 02 2016 10:12

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