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New Controller's Office Report Overstates Level of IHSS Overpayments to "Deceased Persons"

*Counties Rely On Lists from State; Potential Matches Often Unfounded,
Outdated*

SACRAMENTO – County human services departments today questioned a new State Controller's Office (SCO) report finding that counties are authorizing as much as \$11.5 million a year in payments for In-Home Supportive Services recipients who have died.

"County human services departments take program integrity very seriously and are committed to ensuring that public dollars are spent efficiently and effectively for services to eligible recipients," said Frank Mecca, Executive Director of the County Welfare Directors Association of California (CWDA). "However, the State Controller's report has some methodological flaws that raise questions about its assertions and the amount of funds that are alleged to be misspent."

The findings released yesterday by State Controller John Chiang were accompanied by a county-by-county listing of "potential death match exceptions" for the 2008 calendar year, totaling as much as \$11.5 million. This number appears to reflect the total amount of all payments issued for services to individuals whose Social Security Numbers were potentially matched after the fact by the SCO to the Social Security Administration Death Master File or the California Department of Public Health's Vital Statistics Death File.

"The \$11.5 million figure does not reflect the amount of payments actually determined by either the county or the State Controller's Office to have been made for services provided after someone has died," Mecca said. "Based on the numbers we have received from counties, the actual number of payments made in situations where the consumer was truly no longer living appears to be a very small fraction of the \$11.5 million figure. If a county identifies potentially fraudulent activities related to this small amount of expenditures, it would refer the case to a county investigator or district attorney's office for follow up."

Counties receive lists of the potential matches from the California Department of Social Services for further investigation. Counties report finding that most are unfounded and are the result of data errors. Of those that are found to be related to a client who has died, they often are for cases that have already been closed by the time the match is discovered, or the provider's time sheets were submitted for services legitimately provided up to the point when a recipient died.

As just one example, San Bernardino County identified \$17,290 in overpayments during 2008 based on the death match data, just 3% of the \$533,923 potential amount included in the SCO report.

“The persons who receive services through IHSS include some of the state’s most vulnerable Californians, including the elderly and persons with disabilities, and they sometimes pass away while receiving IHSS services,” said Linda Haugan, President of CWDA and Director of Human Services for San Bernardino County. “We pay providers after services are rendered, so receiving a timesheet for legitimate services provided to someone who has since died is not out of the ordinary, especially given that the SCO match is done after the fact.”

Counties agree with the SCO recommendation that the California Department of Social Services provide more direction regarding how counties are to review and document their findings related to these potential matches. County human services departments have asked the state to automate the matches so they are not delayed in receiving information that could point to potential program fraud or the need to review eligibility for a person who may have died. However, the state’s CMIPS II project – referenced in the State Controller’s report as a potential source for automated data matching that counties could receive directly – has been in planning and development for 11 years and is not scheduled for full deployment until December 2011.

“Figuring out a way to get counties real-time data, rather than having us wait until a match occurs after the fact by the State Controller, filters through the California Department of Social Services, and then finally arrives at the county human services department, would be the ideal,” Haugan said. “Unfortunately, it looks like we will have to wait for the state to finish its CMIPS II project before we can receive those automated matches.”

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The County Welfare Directors Association of California (CWDA) is a nonprofit association representing the human service directors from each of California's 58 counties. The Association's mission is to promote a human services system that encourages self-sufficiency of families and communities, and protects vulnerable children and adults from abuse and neglect.