

# 2020216000—DA-Workers' Compensation Insurance Fraud

## Law & Justice

Tori Verber Salazar, District Attorney

General Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
<b>Expenditures</b>					
Services & Supplies	\$489,776	\$498,773	\$497,176	\$497,176	(\$1,597)
Centrally-Budgeted Expenses	661	557	2,154	2,154	1,597
<b>Total Appropriations</b>	<b>\$490,437</b>	<b>\$499,330</b>	<b>\$499,330</b>	<b>\$499,330</b>	<b>\$0</b>
<b>Earned Revenues By Source</b>					
Aid From Other Governments	\$475,000	\$499,330	\$499,330	\$499,330	\$0
<b>Total Revenues</b>	<b>\$475,000</b>	<b>\$499,330</b>	<b>\$499,330</b>	<b>\$499,330</b>	<b>\$0</b>
<b>Net County Cost</b>	<b>\$15,437</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Purpose

The Workers' Compensation Insurance Fraud Prosecution program allows the District Attorney to expand the investigation and prosecution of those who commit workers' compensation insurance fraud, including applicant fraud, premium fraud, medical provider fraud, and uninsured employer fraud.

Funds are provided through a special assessment collected by the State Insurance Commission on workers' compensation insurance policies. Funding levels are based on the number of workers and the County's proportion of suspected fraudulent workers' compensation claims reported.

## Major Budget Changes

### Services and Supplies

- \$20,015 Increase in costs for witness fees.
- (\$19,270) Decrease in administrative fees.

### Centrally-Budgeted Expenses

- \$1,876 Cost Allocation Plan adjustment.

## Program Discussion

The 2019-2020 recommended Workers' Compensation Insurance Fraud Prosecution budget totals \$499,330. This will provide funding for 70% of a Deputy District Attorney, 75% of a District Attorney Investigator, 30% of a District Attorney Investigative Assistant, and 30% of a Paralegal, all of whom are allocated in the District Attorney's main budget. Also included in this budget are the cost of office supplies, communications, trainings, vehicle usage, audit expenses, and administrative charges.

Fighting insurance fraud, particularly medical provider fraud, continues to be an important priority for the California Department of Insurance and the District Attorney's Office. Medical provider fraud in the workers' compensation system has monetary losses that significantly surpass the losses seen in other types of insurance fraud. However, the cost associated with investigation and prosecution of medical provider fraud is costly due to the requirement of medical experts, billing experts, and forensic analysis of computers and financial documents. Therefore, the 2019-2020 recommended budget includes \$25,000 to be utilized for expert witness costs. With the partnership of the California Department of Insurance, the District Attorney will make sustained efforts to investigate and root out medical provider fraud in San Joaquin County, while still maintaining a commitment to the other types of workers' compensation fraud.

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**Workload Data**

	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
<b><i>Workers' Compensation Cases</i></b>					
<i>Referrals</i>	41	55	63	70	65
<i>Convictions</i>	8	13	2	2	5
<i>Declined</i>	5	5	5	15	10
<i>Still Investigating</i>	3	5	5	9	6