



PR10:004
For Immediate Release:
2/1/2010

Contact: Jacob Roper
916-445-2636

Controller Questions State and County Oversight of IHSS Payments

SACRAMENTO – State Controller John Chiang today released a review showing lax state and county oversight of In-Home Supportive Service (IHSS) payments involving providers or recipients listed as deceased may have cost the State more than \$11 million in 2008.

As samples, the Controller reviewed Fresno and San Diego counties, where \$464,000 and \$538,700 in questionable payments, respectively, were made that year in cases involving IHSS providers or recipients whose names and Social Security numbers were listed in the Social Security Administration Death Master File or the California Department of Public Health's Vital Statistics Death File.

"This report questions the actions taken by the California Department of Social Services and individual counties to ensure IHSS payments are properly validated and monitored," Chiang said.

The IHSS program is administered by the California Department of Social Services (CDSS). The program provides services such as housecleaning, meal preparation, shopping and personal care to keep eligible individuals in their homes instead of more expensive nursing homes or board-and-care facilities.

Provider timesheets are processed by each county and sent to the CDSS, which submits the claims for payment to the State Controller's Office daily. The Controller's office pays them within one day, but then performs post-payment validation procedures that include running the names of providers and recipients through death files. Inconsistencies are then reported to the CDSS, which forwards the information to each county for verification. Individual counties are responsible for following up on any questionable payments and recouping dollars spent inappropriately.

Surveying case files in San Diego and Fresno counties, the Controller found inadequate documentation showing what action, if any, had been taken by the counties to ensure the validity of payments provided to providers and recipients listed in state and federal death files.

Of the 129 case files surveyed in the two counties, eight (6%) could not be located by the counties; 74 (57%) lacked evidence that the county had checked into the validity of the IHSS payments involving providers or individuals on death lists; and 16 (12%) lacked evidence showing the county took appropriate action to resolve the discrepancies.

The survey also showed counties were slow to take action to stop payment or recoup overpayments even when evidence suggested the payments were fraudulent.

In one case, Fresno County referred a case involving a deceased recipient to the county fraud investigation unit on February 9, 2009. As of June 2009, the county was continuing to submit claims for services provided to this apparently dead recipient.

In discussing the findings with CDSS, the Controller's office was told the department was in the process of drafting a letter to counties addressing how to better handle death match investigations. A new computer system linking various state agencies, the Controller and the Social Security Administration also is expected to reduce the number of payments made to deceased providers and recipients.

The Controller's report recommends that CDSS develop comprehensive policies and procedures for counties to follow to determine the validity of payments and improve case file tracking. In addition, the report recommends the CDSS conduct periodic field visits to ensure county compliance.

A [letter](#) detailing the findings and a list, by county, of \$11.5 million in payments made in 2008 to providers or recipients on death lists is attached.

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