

AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF ST. LOUIS COUNTY, MINNESOTA



Tuesday, January 14, 2014, 9:30 A.M.

**County Board Room, Second Floor
St. Louis County Courthouse
100 N. 5th Avenue West
Duluth, Minnesota**

**MIKE FORSMAN, Chair
Fourth District**

**FRANK JEWELL
First District**

**ANGIE MILLER
Second District**

**CHRIS DAHLBERG
Fourth District**

**PETE STAUBER, Vice-Chair
Fifth District**

**KEITH NELSON
Sixth District**

**STEVE RAUKAR
Seventh District**

County Auditor
Donald Dicklich

County Administrator
Kevin Gray

County Attorney
Mark Rubin

Clerk of the Board
Phil Chapman

The St. Louis County Board of Commissioners welcomes you to this meeting. This agenda contains a brief description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, you will be allowed to address the Board when a motion is on the floor. If you wish to speak on a matter that does not appear on the agenda, you may do so during the public comment period at the beginning of the meeting. Except as otherwise provided by the Standing Rules of the County Board, no action shall be taken on any item not appearing in the agenda.

When addressing the Board, please sign in at the podium and state your name and address for the record. Please address the Board as a whole through the Chair. Comments to individual Commissioners or staff are not permitted. The St. Louis County Board promotes adherence to civility in conducting the business of the County. Civility will provide increased opportunities for civil discourse in order to find positive resolutions to the issue before the Board. Tools of civility include: pay attention, listen, be inclusive, do not gossip, show respect, be agreeable, apologize, give constructive criticism and take responsibility [County Board Resolution No. 560, adopted on September 9, 2003]. Speakers will be limited to five (5) minutes.

****In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify Property Management 72 hours prior to the meeting at (218)725-5085.****

All supporting documentation is available for public review in the County Auditor's Office, 100 North 5th Avenue West - Room No. 214, St. Louis County Courthouse, Duluth, MN, during regular business hours 8:00 A.M. - 4:30 P.M., Monday through Friday. Agenda is also available on our website at <http://www.stlouiscountymn.gov/GOVERNMENT/BoardofCommissioners.aspx>

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9:30 A.M. Moment of Silence
 Pledge of Allegiance
 Roll Call

Presentation: Nathan Bentley, founder of “Bentleyville”

AT THIS TIME CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD ON ITEMS NOT ON THE AGENDA. [Speakers will be limited to 5 minutes each.]

FOR ITEMS LISTED ON THE BOARD AGENDA OR COMMITTEE OF THE WHOLE AGENDA, CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD AT THE TIME A MOTION IS ON THE FLOOR.

CONSENT AGENDA

Approval of business submitted on the consent agenda.

REGULAR AGENDA

Health & Human Services Committee – Commissioner Stauber, Chair

1. Implementation of a pilot fraud prevention initiative in the Public Health and Human Services Department. {14-15} **[Without recommendation.]**

ADJOURNED:

BOARD LETTER NO. 14 - 15

HEALTH AND HUMAN SERVICES COMMITTEE NO. 2

JANUARY 14, 2014 BOARD AGENDA NO. 1

DATE: January 7, 2014 **RE:** Pilot Fraud Prevention Initiative

FROM: Kevin Z. Gray
County Administrator

Ann M. Busche
Director-Public Health and Human Services

RELATED DEPARTMENT GOAL:

Adults will be self-sufficient, providing for their own welfare and that of their children.

ACTION REQUESTED:

The St. Louis County Board is requested to approve a pilot fraud prevention initiative for Calendar Year 2014 and authorize the hiring of one (1) FTE Eligibility Investigator and one (1) Financial Worker for this fraud prevention initiative.

BACKGROUND:

As a part of the 2014 budget discussions, the County Board expressed interest in providing more prevention services, particularly in the area of fraud prevention. Staff within the Public Health and Human Services Department (PHHS) developed a proposal for a pilot fraud prevention initiative that would involve an Eligibility Investigator (EI) and Financial Worker (FW) team.

The FW would have two main functions:

- Provide referral and follow up activities on fraud cases. There must be a clear distinction between the duties of the FW (who are restricted by federal regulation 7 CFR 273.2(f)) and the EI; a dedicated FW will ensure expedited corrective actions on individual cases.
- Focus on those cases reported to PHHS under Minn. Stat. § 256.01, subd. 18c; individuals convicted of a felony under Minn. Stat. Chapter 152 and assure the county is compliant with its responsibility to follow Minn. Stat. § 256D.024 and 256J.26 for random drug testing and/or vendoring of payments for clients as appropriate.

The EI would be an additional resource to the existing fraud prevention unit, with the primary purpose of preventing or ending benefits to ineligible people at a low cost to taxpayers. The EI would perform the following functions:

- Conduct timely and thorough fraud prevention investigations
- Pursue violations through the Administrative Disqualification Hearing (ADH) process
- Undertake desk file reviews
- Provide training to financial workers
- Initiate and pursue collection and recovery of overpayments
- Coordinate adjudication of Fraud Prevention Intervention (FPI) cases with fraud control service providers
- Compile and track FPI data
- Provide community/business education

The expected result of this FW/EI team would be that the number of fraud referrals would increase and be documented more accurately for case follow-up. Also, the drug testing referrals and results would be processed in a timely manner and produce accurate case tracking and follow-through for benefit determinations.

The evaluation of this pilot shall be done through existing standards that are tracked and reported by the Minnesota Department of Human Services Program Integrity Section. PHHS has baseline data and the expectations of the pilot are to increase the following Performance Standards:

- Cost-Benefit Ratio (including savings, overpayments and ADHs)
- Timeliness Performance Standard
- Investigative Caseload
- Number of Fraud Referrals

PHHS uses a monthly report to track these statistical elements; a sample report is attached.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the Public Health and Human Services Department to implement a pilot fraud prevention initiative for Calendar Year 2014 and authorize the hiring of one (1) FTE Eligibility Investigator and one (1) Financial Worker for this fraud prevention initiative. Cost of this initiative is projected to be \$118,362. Expense budget 230-231006-610000 to be increased by \$69,446 and 230-231014-610000 to be increased by \$48,916 with fund balance 230-999999-311405 to be used.

Pilot Fraud Prevention Initiative

BY COMMISSIONER _____

WHEREAS, As a part of the 2014 budget discussions, the St. Louis County Board expressed interest in providing additional prevention services, particularly in the area of fraud prevention; and

WHEREAS, Staff within the Public Health and Human Services Department (PHHS) developed a proposal for a pilot fraud prevention initiative that would involve an Eligibility Investigator (EI) and Financial Worker (FW) team; and

WHEREAS, Evaluation of this pilot fraud prevention initiative shall be done through existing standards that are tracked and reported by the Minnesota Department of Human Services Program Integrity Section; the expectations of the pilot are to increase the following Performance Standards:

- Cost-Benefit Ratio (including savings, overpayments and ADHs)
- Timeliness Performance Standard
- Investigative Caseload
- Number of Fraud Referrals

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Public Health and Human Services Department to implement a pilot fraud prevention initiative for the period January 1, 2014 through December 31, 2014;

RESOLVED FURTHER, That the Board authorizes the increase of the department's authorized FTE by 2.0 to allow for the hiring of one (1) FTE Eligibility Investigator and one (1) Financial Worker for this fraud prevention initiative with the understanding these positions are only authorized for the time frame of the pilot;

RESOLVED FURTHER, That the cost of this pilot fraud prevention initiative is projected to be \$118,362, with Expense Budget 230-231006-610000 to be increased by \$69,446 and 230-231014-610000 to be increased by \$48,916 with fund balance 230-999999-311405 to be used;

RESOLVED FURTHER, That PHHS shall provide the Board with quarterly evaluations of this fraud prevention initiative.

Attachment A

FPI Statistical Reporting Parameters

Periods (Start/End): 1/1/2014 1/1/2014

County ██████████

(If you don't select a County, Report will display All Counties)

Investigator

Sample Report

	Total Cases	Tanf Cash	Food Support	Federal Medical	State Medical	Child Care	Other State
I. Investigations							
Referred	0	0	0	0	0	0	0
Completed	0	0	0	0	0	0	0
Pending	2	1	1	2	0	0	1
II. Discrepancies							
Absent Parent	0	0	0	0	0	0	0
Assets	0	0	0	0	0	0	0
Household Comp.	0	0	0	0	0	0	0
Income	0	0	0	0	0	0	0
Residence	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
No Discrepancy	0	0	0	0	0	0	0
III. Case Actions							
Negative Action/Apps	0	0	0	0	0	0	0
Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Negative Action/Open	0	0	0	0	0	0	0
Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0
No Change	0	0	0	0	0	0	0
Pending	2	0	2	2	0	0	1
IV. Non-ADH Overpayments							
Overpayments	0	0	0	0	0	0	0
Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0
V. ADH Activities							
Waiver Signed	0	0	0	0	0	0	0
Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refer For Hearing	0	0	0	0	0	0	0
Hearing Upheld	0	0	0	0	0	0	0
Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VI. Savings and Overpayment Totals							
Savings Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overpayment Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VII. Criminal Referrals							
Referred To Criminal	0	0	0	0	0	0	0
VIII. Average Days Elapsed - 1 Days							