2011 Program Report Card: Health Care Fraud, Office of the Attorney General

Quality of Life Result: Taxpayer funds are wisely and effectively spent on health care services to those in need.

Contribution to the Result: The health care fraud program will limit or eliminate taxpayer funds that are wasted on fraud or misuse.

Actual SFY 10 Total Program Expenditures:$ *State Funding: $791,500.**
Estimated SFY 11 Total Program Expenditures:$ *State Funding:*$ *$936,982 ($145,482 is located in DSS budget)**

*The state may receive federal revenue associated with health care fraud expenses. The Office submits these expenses as part of the Statewide Cost Allocation Plan to the Comptroller but is not informed as to the amount of federal dollars that state has received into the General Fund that is associated with these expenses.

Partners: Department of Social Services, Division of Criminal Justice, federal agencies including the Department of Justice, the Department of Health and Human Services and the Office of the Inspector General, other law enforcement agencies and health oversight agencies and private relators and their attorneys who bring qui tam actions

Performance Measure 1:
The amount of revenue generated from health care fraud settlements and judgments

Connecticut Civil Recoveries for Health Care Fraud Prior to Enactment of the False Claims Act

FY 09-10	$34.3 million*
FY 08-09	$11.4 million
FY 07-08:	$5.4 million
FY 06-07:	$6.0 million
FY 05-06:	$4.0 million
FY 04-05:	$3.4 million

- Eli Lilly recovery is $25.1 million

Story behind the baseline:

In 2009, the General Assembly approved the state's False Claims Act and provided 10 additional staff positions, of which 8 were placed in the Department of Social Services. Authorization for 2 attorney positions was finally granted in June, 2010

The majority of the previous health care fraud recoveries were based on federal and multi-state litigation and settlements.

The new program will take a year to bring in new dollars because of the lengthy period of time for investigations and for private litigation claims to be filed under the False Claims Act, reviewed by the Attorney General and either prosecuted or settled.

Proposed Actions to turn the curve:

We project to increase the amount of revenue generated from health care fraud settlements by 10% annually for fiscal years 2011-12 and 2012-2013 and 20% for fiscal years 2013-2014 and 2014-2015.

Changing how the state establishes it budget to better link expenses with increased revenue will allow for more resources to be brought to bear on health care fraud, increasing revenue by a multiple of the new expenditures.

Performance Measure 2:

The numbe of civil health care fraud cases initiated by the Office of the Attorney General

Story behind the baseline:

Prior to this year, civil health care fraud cases were primarily federal, multi-state actions. There were zero civil cases initiated by the state. With the passage of the False Claims Act, the state may bring its own civil health care fraud cases.

New civil health care fraud cases will increase revenue and provide additional deterrence to future fraud by sending a message that new state initiated actions will take away all profits from the fraud and impose additional monetary penalties

Proposed actions to turn the curve:

While the False Claims Act provides very real and powerful civil penalties, developing the cases takes months. With new investigation resources and procedures, we should be able to ramp up case initiation steadily over the next few years.

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We project to increase the number of civil cases brought under the False Claims Act by:

2011-2012:	5
2012-2013:	10
2013-2014:	15
2014-2015:	20

Performance Measure 3:

The number of health care fraud cases that result in exclusions

Story behind the baseline:

Exclusion, known as debarment in other types of cases, is a strong deterrent because participation in state health care programs is often a critical source of revenue for health care providers and medical equipment companies.

Currently, the only exclusions occur after a criminal conviction.

Proposed actions to turn the curve:

As civil investigations under the False Claims Act develop strong evidence of wrongdoing, one of the civil remedies should be exclusion from state health care programs.

The AG will develop, with the cooperation of the Department of Social Services, protocols and proper evidence collection to ensure that a solid case is built for exclusion as well as restitution and civil penalties.

Quality of Life Result: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx