

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** SB439

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Obenshain

**3. Committee:** Senate Finance

**4. Title:** Medical Fraud Control Unit; appointment of investigators.

**5. Summary:** SB 439 authorizes the Attorney General to appoint unit investigators to investigate fraud, abuse, or neglect in the provision of care under the plan for medical assistance. Such investigators would be considered law-enforcement officers and would be sworn to enforce the laws of the Commonwealth through the investigation of medical fraud and abuse. Such investigators would also be authorized to carry a concealed handgun while in the discharge of their official duties.

**6. Budget Amendment Necessary:** No, see Item 8.

**7. Fiscal Impact Estimates:** Tentative, see Item 8.

**8. Fiscal Implications:** The Office of the Attorney General (OAG) reports that any cost attributed to this bill has already been funded in Item 60 of the Governor's recommended budget shown in SB 30. Item 60 appropriates dollars and positions for the OAG's Medicaid Fraud Control Unit, which is funded by the federal grant entitled, "State Medicaid Fraud Control Units" and a 25 percent matching funds from the OAG's nongeneral fund entitled, "Medicaid Fraud Control Unit Purdue Settlement Fund."

The OAG plans to swear in eight investigators in FY 2013 and approximately five each year thereafter until a full complement of 40 officers is acquired. For the 2012-14 Biennium, there is sufficient staff authorized to allow this to occur.

The cost attributed to this bill ranges from \$14,400 in FY 2013 to \$26,200 in FY 2020, with the premiums for the Commonwealth's Line of Duty program being the major cost. In FY 2013, Line of Duty is estimated to cost \$3,800 for eight law officers, which is 26 percent of the costs; and in FY 2020 the cost is estimated to be \$24,800 for forty officers, or 95 percent of the costs. The remaining costs are attributed to hand guns and other necessary law enforcement items.

No additional costs are attributed to training and certification of the officers. The federal grant requires these actions for the investigators already.

**9. Specific Agency or Political Subdivisions Affected:** Office of the Attorney General

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 2/3/2012