

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

2/1/2019

2. Department

State Compensation Insurance Fund

3. Organizational Placement (Division/Branch/Office Name)

Internal Affairs, Special Investigations Unit

4. CEA Position Title

Vice President of Special Investigations

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

State Fund's purpose is to provide fairly priced workers' compensation insurance, make workplaces safe, and restore injured workers. The Special Investigations Unit plays a vital role in protecting and preserving the integrity of the California workers' compensation system by leading anti-fraud efforts and fighting fraud in the workers' compensation system.

6. Reports to: (Class Title/Level)

Chief, Internal Affairs (exempt)

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): Regularly reports to Executive Committee on anti-fraud efforts and initiatives, and high-profile cases and investigations.

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The CEA will oversee a program consisting of two Special Investigator Supervisor IIs that oversee six units of Special Investigator Supervisor Is, with 36 Special investigators; and a data analysis unit overseen by a Staff Services Manager II.

The VP of the Special Investigations Unit oversees the management team and staff in designing fraud prevention strategies, and conducting investigations in fraud-fighting efforts statewide, and contributes to meeting enterprise goals and initiatives. The VP will develop the goals and policy of the program with oversight from the Chief of Internal Affairs and Executive Management. The VP insures State Fund is in compliance with California insurance anti-fraud statutes and regulations, as well as creates an environment where staff are able to develop skills and meet performance objectives.

In the performance of the job, the VP will:

- Provide leadership and direction in the evaluation of the adequacy and effectiveness of State Fund's performance in fighting fraud through case management life cycle.
- Develop and implement a top down approach to monitoring total fraud exposure.
- Develop and implement fraud prevention strategies.
- Build and implement an Outreach policy and program to educate Californian's about what fraud is, how to identify potential fraud, and how to report fraud to carriers and law enforcement.
- Ensure compliance with state and federal anti-fraud statutes and regulations through a continuous monitoring of training efforts, suspect fraud referral protocols and comprehensive investigation activity and reporting.
- Build and maintain collaborative relationships with internal and external partners and business areas, ensuring an understanding of their programs and objectives to achieve success for State Fund's anti-fraud efforts.
- Liaise with law enforcement authorities to foster strong working relationships with law enforcement and other regulatory or industry agencies in support of anti-fraud efforts; obtain feedback on the Special Investigations Unit's quality of investigation and referral of suspect cases.
- Represent State Fund at various anti-fraud conferences, seminars and training and participate as host, speaker or presenter as needed.
- Prepare reports on various aspects of Special Investigations Unit performance; create and maintain Program Metrics for reporting to various business units, Executive and Board of Directors.
- Champion all anti-fraud efforts at State Fund and create initiatives to support anti-fraud identification and prevention activities across the organization.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: State Fund's purpose is to provide fairly priced insurance, help make workplaces safe, and restore injured workers.

Fraud is a costly problem that impacts insurance pricing in a variety ways:

1) In California, workers' compensation insurance is a no-fault system. Injured employees need not prove an injury was someone else's fault in order to receive workers' compensation benefits for an on-the-job injury. In addition to medical expenses being covered for injured employees, some injured workers are entitled to recover a portion of lost wages resulting from injury. Therefore, fraudulent workers' compensation claims can be an enticing target for criminals.

2) Businesses can remain unregistered and do not pay premiums, or under-report worker hours. This negatively impacts businesses that do pay premiums since all of the costs of injuries that occur are charged to businesses that accurately report hours in the same risk classification.

3) Health care providers and attorneys may bill for services not actually provided to injured workers.

Therefore, fraud investigations and prevention are a key piece of insuring the integrity of the workers' compensation market for all parties.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

In 2015 State Fund started using the Special Investigator class series to recruit and retain investigators with expertise conducting investigations. State Fund reorganized the Special Investigations Unit to enable the hiring of well-qualified employees with the relevant experience in law enforcement and investigations. A number of the supervisors and employees hired since 2015 now have the background and skills to excel in investigations work, and the program has grown in scope, and size.

At the time the program was reorganized, State Fund used our own Program Manager, State Compensation Insurance Fund, classification to manage Special Investigations. The minimum qualifications of the classification limit the type of experience outside of insurance-related work that will qualify a candidate. Due to the class restrictions, State Fund has been unable to recruit a leader over the program with the experience and leadership needed for the job. Moving forward State Fund needs a leader that possesses competencies to succeed, including having the relevant background experience in investigations; the expertise to leverage technology to conduct investigations; the ability to design and implement fraud investigation and prevention strategies; and the ability to productively liaise with legal and law enforcement agencies. The need for such experience, management and leadership skills has become evident as the program has grown.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

Investigations policy

Develops and implements the policy on conducting and reporting on investigations into 4 primary channels -- injured workers, policy holders, brokers, and service providers (physicians/attorneys) using methodologies and approaches that are in compliance with state and federal laws, rules and regulations, developing enhancing and managing the approach to investigations. This policy area has the largest impact in uncovering and removing fraud statewide.

Data, analytics, and technology policy

Develops and implements policy for field and in-house investigations for leveraging and using technology to conduct, enhance, and support investigations and investigative efforts, in compliance with laws, rules and regulations.

Fraud prevention policy

Develops and implements comprehensive strategies for preventing fraud within the 4 primary channels of injured workers, policy holders, brokers, and service providers where fraud occurs.

Subrosa policy

Develops and implements subrosa investigations policy to ensure surveillance is warranted, safely and properly conducted, properly documented, and can support legal action.

Interacting with law enforcement

Develops and implements policy that governs how State Fund successfully refers, supports and defends cases of fraud in the criminal justice system.

Outreach Policy

Develops and implements an outreach policy and program to educate Californians on what fraud is, how to identify fraud, and how to report fraud to carriers and law enforcement.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The CEA will have full authority over the program to establish and implement policy, in consultation with the Chief of Internal Affairs.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will develop and implement new policy as described in question 26, as well as review and revise existing policy for the Special Investigations Unit. Efforts for fraud prevention, detection, and investigation are evolving and ongoing. The CEA will ensure that policies remain current and relevant.