

**ATTORNEY GENERAL
DEPARTMENT OF JUSTICE**

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CONCORD, NEW HAMPSHIRE 03301-6397

JOSEPH A. FOSTER
ATTORNEY GENERAL



ANN M. RICE
DEPUTY ATTORNEY GENERAL

December 5, 2014

Her Excellency Governor Margaret Wood Hassan
And the Honorable Council
State House
Concord, NH 03301

Your Excellency and Members of the Council:

REQUESTED ACTION

Authorize the Department of Justice (DOJ) to accept and expend prior year funds in the amount of \$3,716 from the Prosecute Provider Fraud Program for the purpose of allowing the DOJ to provide investigative and litigation support for the Medicaid Fraud Unit effective the date of Governor and Council approval through June 30, 2016. (100% Federal Funds)

Funds are to be budgeted in account #02-20-20-200010-7457, Department of Justice, Prosecute Provider Fraud as follows:

Prosecute Provider Fraud Program 02-20-20-200010-7457				
<u>Class</u>	<u>Description</u>	<u>Budgeted Amount</u>	<u>Change</u>	<u>New Budget</u>
233-500770	Litigation	\$0	\$3,716	\$3,716
Revenue 000-404157		(0)	(\$3,716)	(\$3,716)

EXPLANATION

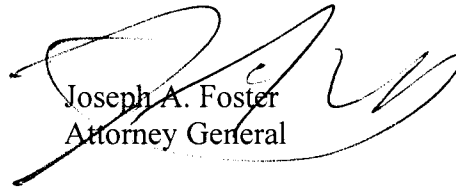
The Medicaid Fraud Unit (Unit) is a grant-funded prosecution program that receives 75% federal funding. In appropriate cases, the Unit seeks to recover certain investigative costs through judgments and settlements. Pursuant to federal regulations that govern the Unit's operations, when investigative costs are recovered, such funds constitute program income of the Unit and the federal portion of program income (75%) is generally applied as a deduction against the federal grant unless the income is used in a manner that directly benefits the Unit. Consequently, audit set aside and indirect costs are not allowed.

In April of 1994, November of 1995, April of 1999, April of 2002, March of 2007, and October 2012, the Governor and Executive Council approved the Department's previous requests to use program income to supplement the Unit's operations. The purpose of this request is to pay litigation costs for cases pursued through the unit.

Please let me know if you have any questions concerning this request.

Your consideration is greatly appreciated.

Respectfully submitted,



Joseph A. Foster
Attorney General

JAF/k
#1109646

FISCAL SITUATION

Fiscal Year 2014 Brought Forward Amount	\$3,716
Budgeted State Fiscal Year 2015	<u>0</u>
Amount remaining to expend SFY 2015	\$3,716