

PROGRAM DESCRIPTION

Department of Labor and Industrial Relations

HB Section(s): 7.840

Fraud and Non-Compliance

Program is found in the following core budget(s): Division of Workers' Compensation

1a. What strategic priority does this program address?

Growth: Foster a business environment to support economic development.

Works to reduce workers' compensation fraud and non-compliance through investigation and increased prevention and awareness; thereby fostering a business environment that supports economic development.

1b. What does this program do?

- Preserves the integrity of Missouri's Workers' Compensation Law by investigating allegations of workers' compensation fraud and non-compliance.
- Provides education and awareness of Missouri's Workers' Compensation Law and its requirements.

2a. Provide an activity measure(s) for the program.

	FY 2018 Actual	FY 2019		FY 2020		FY 2021 Projected	FY 2022 Projected	FY 2023 Projected
		Projected	Actual	Projected	Actual			
Number of Cases Investigated ^{1,3}	637	600	446	600	339	550	500	500
Percentage of Cases Investigated that were for Fraud	29%	50%	47%	50%	47%	50%	50%	50%
Percentage of Cases Investigated that were for Non-Compliance	71%	50%	53%	50%	52%	50%	50%	50%
Average Number of Cases by Each Investigator ¹	63	60	48	55	38	50	45	45
No. of Prevention/Outreach/Education Programs Presented ^{1,2,3}	10	20	26	20	11	15	10	10
No. of Citizens Served during Outreach and Awareness Programs ²	319	400	1,818	1,000	1,098	750	500	400

¹ Current and projected measures address efforts to promote growth, safety and opportunity for workers and businesses by investigating both fraud and noncompliance complaints. The Unit's investigations and outreach programs are projected as these goals more accurately measure the effectiveness of the unit's efforts in decreasing the complaints of allegations for fraud and noncompliance under the Law.

² The Division presented at several large conferences and seminars during FY 2019, resulting in a significant increase in the number of citizens served. Attendance at the seminars and conferences is voluntary and not within the Unit's control. The outreach efforts would result in educating the stakeholders of the requirements under the law in order to achieve overall compliance.

³ The pandemic in 2020 has had obvious effects on the quantity of intakes reported to the FNU, and the ability to present outreach programs for stakeholders. Staff from FNU had been required to provide 50% of their work hours to assist the DES with unemployment verifications.

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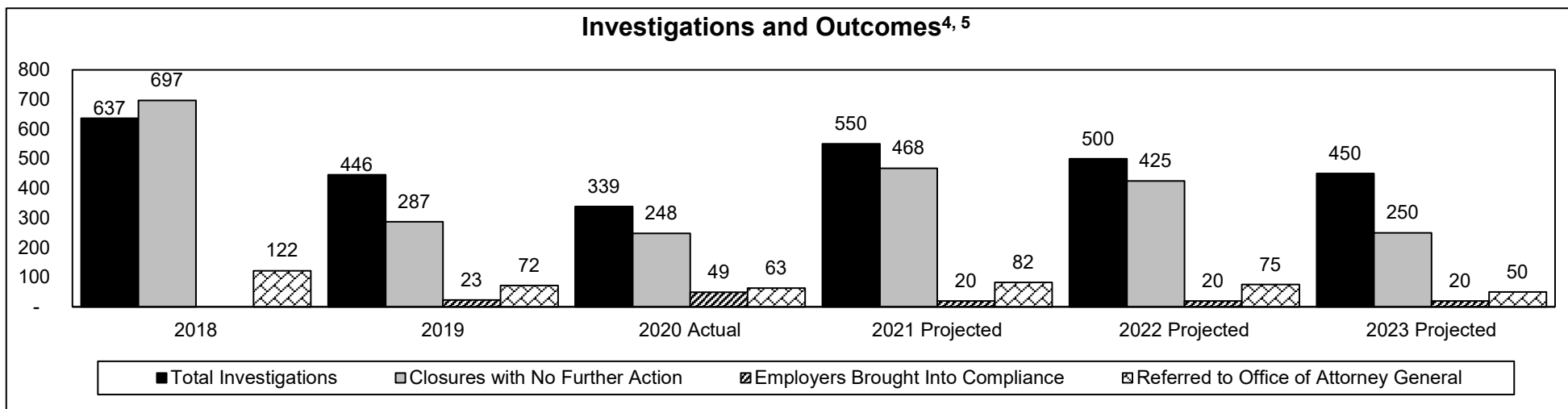
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2b. Provide a measure(s) of the program's quality.



⁴ New measure for FY 2018; Employers Placed in Compliance with the requirements of Chapter 287 RSMo., measures the unit's ability to preserve the integrity of the Missouri Workers' Compensation Law through quality investigation, even without criminal prosecution. Investigations may be initiated without a complaint through identification of patterns and the use of other analytics. As employers are brought into compliance with Chapter 287, RSMo., it is expected the number of employees affected will drop accordingly.

⁵ Data for 2018 is not available for Employers Brought Into Compliance.

2c. Provide a measure(s) of the program's impact.

	FY 2018 Actual	FY 2019 Projected	FY 2019 Actual	FY 2020 Projected	FY 2020 Actual	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected
Total Employees Affected When Employers are Brought Into Compliance with Statute	418	400	432	432	630	400	400	400

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	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Amount of Penalties Collected from Prosecuted Fraud and Non-Compliance Cases ⁶	\$723,111	\$1,421,206	\$512,047	\$269,622	\$309,602	\$350,428

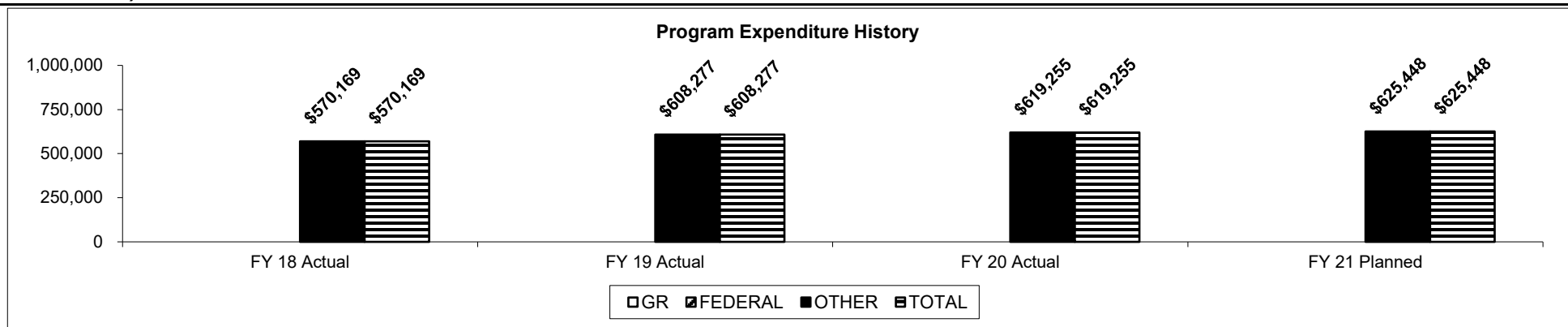
⁶ The projections have been adjusted according to a change in focus for investigations. The Unit will focus equally on fraud and noncompliance, as well as provide better service through the use of enhanced data analytics. There are also several factors that can influence the length of an investigation, so the projection has been adjusted to emphasize quality investigations rather than quantity of investigations.

2d. Provide a measure(s) of the program's efficiency.

	FY 2018 Actual	FY 2019		FY 2020		FY 2021 Projected	FY 2022 Projected	FY 2023 Projected
		Projected	Actual	Projected	Actual			
Average Number of Days to Open a Case for Investigation	11	7	7	7	15	7	7	7
Average Number of Days to Investigate and Close a Case ⁷	53	90	126	120	160	120	120	120

⁷ The projections have been adjusted according to a change in focus for investigations. The Unit will focus equally on fraud and noncompliance as well as improved service through the use of enhanced data analytics that focuses on industries with most injuries and counties with the highest per capita ranking. There are also several factors that can influence the length of an investigation, so the projection has been adjusted to emphasize quality investigations rather than quantity of investigations.

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



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4. What are the sources of the "Other " funds?

Workers' Compensation Administration

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 287.128, RSMo.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No