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HB1003

ASSISTANT ATTORNEYS GENERAL COST – BENEFIT ANALYSIS

Medicaid Fraud Control attorneys are a net gain for the state.

The 3 other new attorney FTEs save the state between \$2.15 million and \$9.21 million per biennium.

Background Data

- On average, Assistant Attorneys General in each legal division worked between 2126 and 2902 hours for FY 2023-2024.
 - Looking at only “billable” hours, Assistant Attorneys General in each legal division worked between 1802 and 2790 hours for FY 2023-2024. The average for all divisions was 1929 hours.
- Even with this work being performed in the Office of Attorney General, there is still a need for contract attorneys – also known as Special Assistant Attorneys General or SAAGs – to assist in some matters.
- Even after factoring in the discounts that some SAAGs provide to government entities, SAAGs charge the state between \$290 and \$900 per hour.
- Occasionally, the state negotiates a flat fee for legal work. For example, one brief for the United States Supreme Court can cost more than \$200,000 if a flat fee can be negotiated. Having FTEs available to do more of this work results in tremendous cost savings.

Medicaid Fraud Control Unit FTE

- Not all legal work can be performed by SAAGs. MFCU cannot contract with SAAGs for prosecutions, even though there are many dozens of cases the unit does not have the resources to investigate, charge, or prosecute.
- MFCU attorneys recover Medicaid funds for the state and federal government, prosecute entities that abuse Medicaid patients, and deter fraud that can cost the Medicaid program millions of dollars.
- The federal government covers 75% of MFCU costs. The state share of appropriations for the new attorney (salary and operating costs) was \$40,570 per year.
- MFCU has collected approximately \$364,000 for the state this biennium through January 2025.
 - Only one attorney worked for the unit until September 2024, when the second attorney could be recruited to begin.
- Each additional MFCU attorney increases the number of cases the unit can take, stops ongoing fraud and abuse, provides deterrence, and results in additional financial recoveries and restitution for the state.

Other AAG FTEs

- The appropriation for the 3 other new attorneys (salaries and operating costs) is \$200,410 per year per FTE.
- At 1929 hours per year, the cost of a SAAG is \$559,410 - \$1,736,100 per year, depending on the SAAG’s billing rate. At these rates, each of the FTEs saves the state \$359,000 - \$1,535,690 per year. For a full biennium, this will amount to \$2,154,000 - \$9,214,140, in state savings for the 3 FTEs.