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Testimony of Representative Drew Gattine

LD 1829 – An Act to Require the Department of Health and Human Services to Report Annually on Investigations and Prosecutions of False Claims Made under the MaineCare, Temporary Assistance to Needy Families and Food Supplement Programs
Before the Joint Standing Committee on Health and Human Services

Senator Craven, Representative Farnsworth and distinguished members of the Joint Standing Committee on Criminal Justice and Public Safety, I am Drew Gattine, and I represent District 126 which is part of the City of Westbrook. I am here today to present LD 1829 - An Act to Require the Department of Health and Human Services to Report Annually on Investigations and Prosecutions of False Claims Made under the MaineCare, Temporary Assistance to Needy Families and Food Supplement Programs.

The purpose of this legislation is to ensure that the state's approach to managing public dollars in our human services programs is comprehensive and well coordinated. We have an obligation as stewards of public funds to take action to make sure that public dollars are well managed, dispensed for the purpose for which they are allocated and deliver the optimal value for the people and programs they serve. The State, through the Department of Human Services, manages multiple programs designed to deliver public support to Maine citizens and the integrity of each of those programs must be maintained through efforts that are comprehensive, fair and based on facts. The public has a right to know that program integrity measures are in effect that ensure that funds that support public programs are spent effectively and appropriately.

Preventing and detecting fraudulent, abusive, and wasteful practices is an essential responsibility of Maine government. Fraud, waste and abuse have a negative impact on everyone involved in the system, including the recipients of services; the taxpayers who pay for them; and providers who work hard in partnership with the state to provide quality care. A failure to maintain program integrity undermines program functioning and diverts scarce and valuable resources from their mission. It can seriously diminish public trust in the ability to deliver taxpayer-funded assistance in an accountable and transparent manner.

Program integrity includes the fight against fraud but is much more than that. A comprehensive and modern program integrity curriculum includes all of the traditional fraud, waste and abuse tools focusing on investigation, recovery and prosecution and recovery but also assures that:

- The Department has clear policies in place to make sure that all stakeholders understand the rules and expectations
- The Department has appropriate, well designed and well functioning systems in place to make sure that funds and benefits are dispensed in accordance with the rules
- The Department's resources deployed to manage, investigate and audit these programs have the best information and tools available to them and are focused on the activities that will have the greatest fiscal and law enforcement impact
- The Department is coordinating to the maximum extent possible with other agencies, including but not limited to the federal government and the Maine Attorney General's office
- The Department is maximizing the use of technology, including technology that has already been purchased and implemented, in its program integrity efforts
- The Department's processes for recovering money and avoiding improper expenditures are effective, efficient and fair to all stakeholders

The states that do the best job in program integrity take a measured and comprehensive approach that begins with a data driven assessment. You cannot solve a problem unless you understand what the problem is, what causes it and how to measure it. In government especially, resources will always have limits and you will always have competing priorities for administrative functions and unless you understand the extent of the problems and what the problem is costing you will not be able to set effective priorities.

This legislation will require an annual report from DHHS to the Joint Standing Committees on Appropriations and Financial Affairs and Health and Human Services that will describe in detail all of the Department's program integrity efforts along with information that will allow the legislature to evaluate and determine the effectiveness of those efforts. We already make a significant investment in these activities and we need to be in a position where we can assess the effectiveness of that investment before we invest more. The report will focus on the MaineCare, TANF and Food Supplement programs. At a minimum the report will contain:

- a. A description of all of the Department's program integrity efforts (including third party liability, estate recovery, casualty recovery and credit balance recoveries), including a description of how the Department's program integrity personnel and resources are organized and deployed within the Department, information about the number of cases opened, the dollars identified and the dollars recovered
- b. Appropriate information regarding fraud cases referred to the Attorney General's Health Care Crimes Unit, understanding that detailed information regarding ongoing criminal investigations cannot be disclosed
- c. An evaluation of the performance of the Department's vendors with respect to the duties they perform. Are we getting good value from them and are they focused on the right things?

- d. Information about the Department's participation in the various national initiatives required by the federal government, such as RAC and PERM and how those initiatives either support or divert resources from other important initiatives
- e. The results of any federal audits of the Department's program integrity activities, including weaknesses identified or best practices identified
- f. A description of any known defects, deficiencies weaknesses in any systems managed or utilized by the Department that result in the improper or inaccurate payment of claims or benefits including but not limited to the Department's Medicaid information system, provider enrollment system or eligibility determination systems. An estimate of the financial impact of these issues and a timeline for when they will be fixed.
- g. A description of any planned investments in technology contemplated by the Department to improve its program integrity activities, including efforts to prevent improper payments before they are made
- h. A description of any policy improvements made by the Department designed to improve correct and accurate payment of claims and benefits

These efforts are critically important. We have talked about them from time to time in this committee as issues and problems have come up. My sense is that in many of these areas the Department is doing very good job but in other areas we don't really have all of the information necessary to know whether or not that is the case. In order for us to do our jobs and provide the proper level of support to the Department we need to see the complete picture and this report would be an important tool leading us in that direction.