

MAINE STATE LEGISLATURE

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INTERIM REPORT
of the
JOINT SELECT COMMITTEE
STUDYING THE
DEPARTMENT OF HEALTH AND WELFARE

TO THE 105TH LEGISLATURE
FIRST SPECIAL SESSION

February 14, 1972

STATE OF MAINE

In Senate January 26, 1971

~~Ordered~~

WHEREAS, the Part I budget recommendation under the Current Services Appropriation Act for the Department of Health and Welfare is over \$58 million for the coming biennium; and

WHEREAS, the number of eligible persons needing health and family assistance increased significantly beyond estimates for 18 consecutive months during the current 1970-1971 biennium and is expected to continue to increase at the rate of 450 cases per month resulting in the necessity to appropriate on an emergency basis \$5,000,000 to provide for department commitments for the balance of the biennium ending June 30, 1971 and the Department of Health and Welfare estimates that an additional minimum of \$7,258,799 will be necessary in the Part II budget to meet this need and to permit limited expansion of other programs; and

WHEREAS, it now appears virtually impossible to fund more fully the badly needed medicare program or to increase appreciably monthly payments to welfare recipients; and

WHEREAS, the Legislature is seriously concerned over the current role of the Department of Health and Welfare and the projected funds to be expended which far exceed all budgetary expectations and limitations of the State; now, therefore, be it

ORDERED, the House concurring, that a Special Joint Select Committee of Inquiry be appointed to study, review and analyze the operations, rules, regulations, procedures and programs of the Department of Health and Welfare to ascertain that department

appropriations are being administered in an effective and productive manner for the welfare of the citizens of Maine; and be it further

ORDERED, that said committee shall consist of 3 members of the Senate appointed by the President of the Senate and 7 members of the House appointed by the Speaker of the House of Representatives who shall serve without compensation, but shall be reimbursed for their actual expenses incurred in the performance of their duties under this order; such sums to be paid out of the Legislative Appropriation; and said committee shall elect its own chairman and such other officers as it deems desirable; and be it further

ORDERED, that this special committee report its findings and recommendations forthwith to the 105th Legislature; and be it further

ORDERED, that all departments and agencies of State Government shall cooperate with the committee and are directed to provide such technical and other assistance as the committee deems necessary or desirable to carry out the purposes of this order, including but not limited to personnel and staff as a part of their regular employment; and be it further

ORDERED, that there is allocated to this special committee from the Legislative Appropriation the sum of \$5,000 to carry out the purposes of this order; and be it further

ORDERED, that the special committee shall have the authority to employ professional and clerical assistance as they deem necessary within the limits of funds provided; and be it further

ORDERED, that in the discharge of its duties, this special committee shall have the authority to administer oaths, issue subpoenas, compel the attendance of witnesses and the production of any papers, books, accounts, documents and testimony, and to cause the deposition

of witnesses, either residing within or without the State, to be taken in the manner prescribed by law for taking depositions in civil actions in the Superior Court. In case of disobedience on the part of any person to comply with any subpoena issued in behalf of the committee, or on the refusal of any witness to testify to any matters regarding which he may be lawfully interrogated, it shall be the duty of the Superior Court of any county, on application of a member of the committee, to compel obedience by proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from such court or a refusal to testify therein. Each witness who appears before the committee by its order, other than a state officer or employee, shall receive for his attendance the fees and mileage provided for witnesses in civil cases in courts of record, which shall be audited and paid upon the presentation of proper vouchers sworn to by such witness and approved by the chairman of the committee.

IN SENATE CHAMBER

JAN 26 1971

READ AND PASSED

IN CONCURRENCE
 HARRY W. STARNER, JR., SECRETARY

HOUSE OF REPRESENTATIVES

READ AND PASSED

JAN 27 1971

IN CONCURRENCE

Bertie W. Johnson
 CLERK

THE SPEAKER APPOINTED

*Wesley M. Hight of Newport
 Lewis H. Bristol
 Collins of Carboe
 Vincent of West River
 Bennett of East River
 Weston of Portland
 Smith of West River*

SP 107

James Berry
 (Berry)

NAME:

COUNTY: Cumberland

STATE OF MAINE

In House June 24, 1971

Ordered, the senate concurring, that the Special Joint Select Committee of Inquiry, created by Joint Legislative Order, Senate Paper 107, of the 105th Legislature, to examine and analyze operations, procedures and programs of the State Department of Health and Welfare be directed to extend such inquiry into the biennium for the purpose of collecting such facts by public hearing or otherwise and to make such further investigation with respect thereto as will enable said committee to report more fully thereon at the next special or regular session of the Legislature and the study of any subject or matter adjudged by said committee to be relevant or germane to the subject of its investigation or helpful to it in the consumation of its work as ordered, shall be deemed within the scope of the committee's inquiry hereunder; and be it further

ORDERED, that the members of this committee shall be compensated at the rate of \$20 per day while engaged in the performance of its duties and shall be reimbursed for all reasonable expenses actually incurred; and be it further

ORDERED, that \$10,000 be appropriated from the Legislative Account to carry out the purposes of this Order.

HOUSE OF REPRESENTATIVES
READ AND PASSED

ADA/AR

JUN 24 1971

SENT UP FOR CONCURRENCE ORDERED SENT FORTHWITH

IN SENATE CHAMBER

Bertie W. Johnson
CLERK

JUN 24 1971

READ AND PASSED

(Millett)

Name: *H. Aaron Millett*

Town: Dixmont

INTERIM REPORT
OF THE
JOINT SELECT COMMITTEE
STUDYING THE DEPARTMENT OF HEALTH AND WELFARE

The Committee held its first meeting, following adjournment of the 105th Legislature, in Augusta on July 15, 1971. At this meeting, the Committee agreed to pursue three basic courses of action in the time available prior to the anticipated "Special Session" in January of 1972:

1. Voted to retain the services of Mrs. Patricia A. Rollins as secretary and of Mr. Samuel A. Hinds as a special research assistant to the Committee.
2. Identified three major areas of concern upon which future activities of the Committee should focus attention:
 - a) Analysis of the application procedure for Public Assistance programs, including the self-declaration form and the related incidence of fraudulent applications.
 - b) Evaluation of program eligibility requirements and comparison of budgeting standards.
 - c) Analysis of administrative efficiency and related program policies of the department.
3. Agreed to hold a series of regional meetings in selected Health and Welfare districts throughout the State in an effort to obtain constructive criticisms and suggestions relative to the Department of Health and Welfare's operations and policies from those people who are most directly involved with welfare programs.

In line with the regional meeting plan, a meeting was held at the University of Maine at Portland on August 4, 1971. At this meeting, the Committee had an opportunity to meet with concerned people in a variety of capacities, including welfare recipients, selectmen and town managers, municipal welfare directors,

and Department personnel. At this meeting, the Committee learned of the new "Social Services Delivery System" which has now been implemented in all districts. This system stresses accountability, decentralization, and a move toward specialization of social workers. The one feature of this new system which seemed to draw the most criticism from those employees involved was that it removed the social workers from regular contact with recipients and resulted in a procedure whereby caseworkers became "specialists" and responded only to client requests for assistance in their area of specialization.

The suggestions which were received at the Portland meeting were considered to be of such value that subsequent meetings were held at the Health and Welfare District Offices in Bangor on August 25, 1971, and later in Caribou on September 28, 1971. After the meeting in Caribou, it was felt that the Committee had compiled sufficient information, suggestions, and expressions of opinion that a meeting with the administrative and legal staff of the Department of Health and Welfare in Augusta would be advisable in order to get their reaction to the variety of suggestions which had been gathered from the regional meetings.

Two such meetings were held in Augusta, on November 10, 1971 and on December 8, 1971, and were attended by Dr. Dean Fisher, Mr. Robert Wylie and Mr. Edson Labrack of the Department of Health and Welfare. During the course of these two meetings several questions were asked and suggestions made as to possible changes in the policies, regulations and statutory provisions governing welfare programs.

Based on the information collected at the different meetings around the State, and the discussions with the Department staff in Augusta, the Committee has several recommendations to make, some of which are already in one stage or another of being carried out by the department:

i. Several changes were recommended in the application form and are in the process of being incorporated into a revised form which will be implemented in the near future.

(a) The form will specifically state that assistance may be received only for those children who are living in the home.

(b) Applicant parents who are divorced, separated or have deserted children for whom assistance is requested must be referred to the Support Enforcement and Location Unit for contact and possible court action to obtain contributions unless they are meeting a court order in full.

(c) The applicant must state that he has read the application, or that it has been read to him, and that the information given is true and correct to the best of his knowledge and belief. The applicant must also authorize the department to verify any information given in the form and agree to report any changes in financial status and living arrangements. Failure to report such true facts could lead to recovery or court action by the department. The present application does not require applicants to swear to the information they provide. The Committee recommends that applications be notarized by a Justice of the Peace or a Notary Public, whenever possible. The Committee recognizes that a Notary or a Justice might not always be available in many rural areas of the State. It was the feeling of the Attorney General's Office that they are unable to prosecute cases at the present time and that a sworn statement of this type would enable them to prosecute an individual who falsifies his or her application.

2. The Committee recommended to the Department that it consider not forwarding payment checks for welfare, especially in the Aid to Dependent Children program. It was the feeling of the Committee that the only way the Department could actually find out when some of their recipients move or relocate in another city or state is to not forward the checks. It is a requirement that recipients notify the Department when they move, but this is not always done. The Department agreed to this and checks have already been mailed in envelopes printed "This check is not to be forwarded". This has resulted in a number of returned checks and the Department is in the process of analyzing this at the present time. Of the approximately 32,000 checks mailed in December, about 1400 were returned. The department is in the process of evaluating how many of these cases will result in terminations.

3. The Committee recommends that an appropriation request for five positions and \$51,679 for the State's share to investigate and prosecute fraud in public assistance programs and also to work at locating absent AFDC fathers for the purpose of developing additional support payments be funded at the Special Session. We would like to see the Department do this with their present staff, but because of the increased caseloads in the last year or two, we feel that this should be a separate unit and that the Legislature probably will have to fund this unit in order for it to be most effective. It is the feeling of the committee that such a "fraud unit" would be most effective if it were not under the direct supervision of the Department of Health and Welfare. It is also the Committee's feeling that although perhaps a small percentage of Welfare recipients submit fraudulent information to the State, this practice will be widespread in a matter of a few years unless the State pursues and prosecutes the offenders.

It is also the feeling of the Committee that absent fathers who are employed and making a decent wage should contribute to the support of their family, and at the present time the Department is unable to trace many of these people down and make them pay their fair share.

4. The Committee also recommends that the Department make better use of non-professional people including ex-welfare recipients who can better relate to the poor. The Committee does not recommend an increase in staff for this purpose, but thinks that the Department can, within its present complement of people, find positions available to put a few more non-professional people on the payroll in the District offices.

5. The Committee was also made aware of two problem areas in relation to the monthly timetable for mailing checks and medical ID cards to recipients.

a) In the past, the monthly medical ID card, used by a recipient to authorize medical assistance, was not received until approximately two weeks after its effective date. As a result of this suggestion the Department is considering a remedy which should correct the problem by January.

b) A suggestion was passed along that if each district office made a concerted effort to notify the Augusta office of case terminations by the 20th of the month, the possibilities of checks being mailed out following the termination of a case might be avoided more often. The Department informed the Committee that "under the new decentralization plan, each District office will have its own computer which will be of considerable help in correcting this situation."

The Committee has had very little opportunity to examine the Department's appropriation request which will be under consideration at the Special Session.

However, inasmuch as a large part of this request is related to an ever increasing case load, particularly in the AFDC program, we have on several occasions asked Commissioner Fisher for his advice as to how the case load levels might be stabilized. Dr. Fisher's response to this difficult question is here quoted: "Other than chipping away at the case load by various means (fraud prosecutions, etc.), the only major reduction that can be accomplished is the removal of the 'step-father' cases by legislative action. This would probably be met by some delaying court action, as would grant reductions." It is interesting to note that this point of view is widely shared by a number of people who appeared before the Committee in our regional meeting. Perhaps the most widely criticized program has been the "step-parent" qualification for AFDC eligibility.

The Committee has been very pleased with the cooperation we have received in all of our regional meetings. We feel we have made significant progress in those areas which are covered by the recommendations outlined in this report. However, we are aware that much remains to be done before Maine citizens can feel, with any degree of confidence, that their welfare tax dollars are being effectively and efficiently utilized.

We are particularly concerned with the ever increasing case load levels in the AFDC program. A recent study showed that during the three year period 1968-1971 Maine had the eighth highest percent of increase in the cost of benefit payments of all the fifty states in the nation. True "welfare reform" can be achieved in Maine only if and when the Department of Health and Welfare, along with all concerned citizens, cooperate in a comprehensive program designed to identify and subsequently eliminate, to the maximum extent possible, those underlying social factors which motivate people to seek welfare assistance when they are legitimately able to help themselves.

We, the undersigned members of the Joint Select Committee Studying the Department of Health and Welfare do hereby make an Interim Report to the 105th First Special Session of the Legislature:

H. Sawin Millett, Jr.
Rep. H. Sawin Millett, Jr., Chairman

George H. Chick
Senator George H. Chick

Domenico A. Santoro
Rep. Domenico A. Santoro

Douglas M. Smith
Rep. Douglas M. Smith

David L. Graham
Senator David L. Graham

Joseph E. Binnette
Rep. Joseph E. Binnette

Edward B. Lewis
Rep. Edward B. Lewis

Richard N. Berry
Senator Richard N. Berry

Donald F. Collins
Rep. Donald F. Collins

Jacob J. Immonen
Rep. Jacob J. Immonen

MINORITY ADDENDUM
TO THE
INTERIM REPORT OF THE JOINT SELECT COMMITTEE
STUDYING THE DEPARTMENT OF HEALTH AND WELFARE

We, the undersigned, agree with the above report.

In addition, we believe that the implicit purposes of the inquiry were: (1) To examine the surge of Maine welfare costs since 1970, and (2) To recommend reforms in the administration of welfare in order to reduce these costs.

The welfare program has come under much criticism. Actually, few welfare claims are fraudulent, around 1 percent of them probably. Several quality control workers (claims investigators) testified before our committee that they had never encountered any cases of outright fraud -- misunderstandings yes, fraud no.

Nevertheless, we are agreed that every effort should be made to stamp out fraud in the welfare system -- not only (1) in order to save taxpayer's money, but (2) to rehabilitate the welfare program by (a) deterring violators and (b) by convincing the general public that welfare is not a haven for loafers and chiselers.

Clearly, the surge in Maine's welfare costs is not due to any explosion of laziness or fraud among our people. It is a direct result of the current recession and the consequent unemployment, nearly 8% in Maine, third highest in the nation. As a result of this recession, welfare costs have skyrocketed from Maine to California. Until the recession fades and full employment returns, many people

will need help and welfare costs will remain heavy. Nevertheless, we should, of course, continue to chip away at these costs by constantly trying to improve the efficiency of the Department of Health and Welfare.

Along with several welfare workers who testified, we regret the elimination of the Unemployed Fathers Program. The chief victims of this "saving" are children, children for whose resulting malnutrition, sicknesses, ignorance, and, in some cases, criminal proclivities society will some day have to pay. Such "economies" are not a saving but payment deferred.

Testimony before our committee has also brought out the fact that from 10% to 18% of those on ADC welfare are there solely because they cannot pay their medical bills. As several welfare workers therefore mentioned, what this country needs is a national health service.

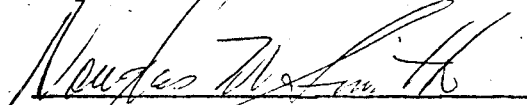
It is true that part of the increasing welfare caseload is the result of information furnished low income families by the National Welfare Rights Association and similar low income agencies. But what is wrong with informing people of their legal rights?

In conclusion, we would remind chronic critics of the welfare system that approximately 68 percent of these programs are funded by Washington. If not spent in Maine, these funds would not be returned to Maine taxpayers but would be diverted elsewhere. This influx of federal money, virtually every penny of which is spent

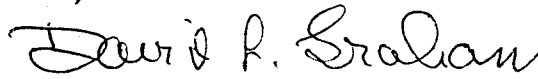
in Maine, is no small contribution to the state's economy. Let us do everything possible to root out fraud, corruption and inefficiency from the welfare system. But let us not vent our recession frustrations on the backs of society's most vulnerable members.



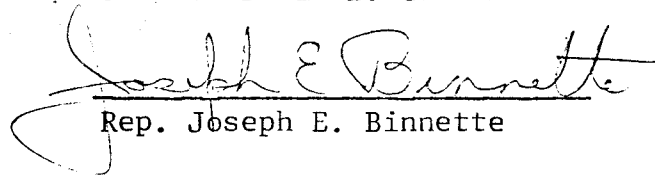
Rep. Domenico A. Santoro



Rep. Douglas M. Smith



Senator David L. Graham



Rep. Joseph E. Binnette
