

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)



# 126th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2014

---

Legislative Document

No. 1829

---

H.P. 1317

House of Representatives, March 18, 2014

**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 for  
Needy Families and Food Supplement Programs**

(EMERGENCY)

---

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Health and Human Services suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative GATTINE of Westbrook.  
Cosponsored by Senator LACHOWICZ of Kennebec and  
Representatives: FREY of Bangor, SANBORN of Gorham.

1           **Emergency preamble. Whereas,** acts and resolves of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3           **Whereas,** the discovery and investigation of program integrity issues made under  
4 the MaineCare, Temporary Assistance for Needy Families and food supplement programs  
5 are beneficial to the State and lawful participants in the MaineCare, Temporary  
6 Assistance for Needy Families and food supplement programs; and

7           **Whereas,** decreasing the number of fraudulent claims made under the MaineCare,  
8 Temporary Assistance for Needy Families and food supplement programs is beneficial to  
9 the State and its citizens and should begin as soon as possible; and

10           **Whereas,** in the judgment of the Legislature, these facts create an emergency within  
11 the meaning of the Constitution of Maine and require the following legislation as  
12 immediately necessary for the preservation of the public peace, health and safety; now,  
13 therefore,

14           **Be it enacted by the People of the State of Maine as follows:**

15           **Sec. 1. 22 MRSA §§20 and 20-A** are enacted to read:

16           **§20. Report of department's efforts to investigate MaineCare program integrity**

17           The department shall design a comprehensive and well-coordinated system to ensure  
18 that public funds are well managed and dispensed for the purposes for which they are  
19 appropriated and deliver the best value for the people that they serve.

20           The department shall report annually by February 15th to the joint standing  
21 committee of the Legislature having jurisdiction over health and human services matters  
22 and the joint standing committee of the Legislature having jurisdiction over financial  
23 affairs regarding MaineCare program integrity efforts of the department, including efforts  
24 to investigate and prosecute fraudulent incidents or practices. The report must contain the  
25 following information:

26           **1. MaineCare programs.** The following baseline information for the prior year for  
27 MaineCare programs:

28           A. The total unduplicated number of households, children, persons with disabilities  
29 and seniors receiving assistance under each MaineCare program; and

30           B. The total MaineCare program expenditure in general funds, federal allocations  
31 and any special revenue funds;

32           **2. Description of program integrity efforts of department.** A description of the  
33 department's efforts under this section, including any efforts made in cooperation with  
34 federal agency partners in investigating and prosecuting fraudulent claims and  
35 overpayments and provider, vendor and retailer fraud and overpayment, including:

36           A. The number of staff investigating cases;

37           B. The number of cases opened, investigated and disposed of;

- 1           C. The sources of the cases opened;
- 2           D. The dispositions of the cases closed;
- 3           E. The number and amount of fraudulent overpayments recovered and fines or  
4           penalties actually imposed, expressed in absolute dollar values and as percentages of  
5           all funds spent in each program;
- 6           F. The amount of recoveries of fraudulent claims reclaimed by the Federal  
7           Government;
- 8           G. All costs associated with all activities related to discovering, investigating and  
9           prosecuting cases in which fraud was alleged, whether or not fraud was determined to  
10           exist, for each program, both in absolute dollar values and as percentages of each  
11           program;
- 12           H. The average length of time to recover fraudulent overpayments and fines or  
13           penalties imposed from the time cases are opened until the time overpayments and  
14           fines or penalties are repaid in full;
- 15           I. The amount of fraudulent overpayments determined as uncollectible;
- 16           J. The amount of fraudulent overpayments recovered by type of offender;
- 17           K. The amount of fraudulent overpayments recovered by a business unit within the  
18           department's audits and program integrity activities group;
- 19           L. The number of MaineCare providers, retailers or vendors, by type, that are  
20           terminated from participation or otherwise sanctioned from participation in public  
21           programs as a result of program integrity activities;
- 22           M. The amount of all recoveries of fraudulent overpayments received as a result of  
23           multistate litigation against pharmaceutical companies or other providers; and
- 24           N. The dollar amount, by provider type, of any overpayment recoveries;

25           **3. Referrals to Attorney General.** The status of cases referred to the Attorney  
26           General's health care crimes or other unit or other law enforcement entities and the  
27           number and disposition of those cases and the amount of overpayments recovered, all  
28           detailed on a per case basis;

29           **4. Performance and activities of vendor, contractor or other program integrity**  
30           **unit used by the department.** If the department uses a vendor, contractor or other  
31           program integrity unit to assist in the identification and recovery of overpayments, a  
32           description of the performance and activities of the vendor, contractor or other program  
33           integrity unit used by the department. The report must include what the scope of the  
34           vendor's, contractor's or other program integrity unit's activity is, what payments have  
35           been made to the vendor, contractor or other program integrity unit, how many cases have  
36           been opened, how many overpayments have been recovered and any other benefits from  
37           the vendor's, contractor's or other program integrity unit's involvement;

38           **5. Department's participation in federally mandated program integrity efforts.**  
39           A description of the department's participation in federally mandated program integrity  
40           efforts, including the federal Centers for Medicare and Medicaid Services Recovery

1 Audit Program and Payment Error Rate Measurement program, and the impact of this  
2 participation on department resources and money recovered and the number of providers  
3 sanctioned and referrals made as a result of this participation;

4 **6. Results of federal audits.** The results of any federal audits of the department's  
5 program integrity activities, including weaknesses identified and best practices identified;

6 **7. Defects, deficiencies or weaknesses in department systems.** A description of  
7 any known defects, deficiencies or weaknesses in any systems managed or used by the  
8 department that resulted in the improper or inaccurate payment of claims or benefits,  
9 including but not limited to the Medicaid information system, provider enrollment system  
10 and eligibility determination system. The report must include an estimate of the financial  
11 impact of these issues and a timeline for remediation and a description of any known  
12 defects, deficiencies or weaknesses in any systems managed or used by the department  
13 that have been corrected and an estimate of the cost of and any savings from these  
14 corrections;

15 **8. Planned investments in technology.** A description of any investments in  
16 technology planned by the department to improve efforts to prevent improper payments;  
17 and

18 **9. Policy changes or improvements.** A description of any policy changes or  
19 improvements implemented by the department to improve the accurate payment of claims  
20 and benefits.

21 **§20-A. Report of department's efforts to investigate program integrity made under**  
22 **the Temporary Assistance for Needy Families and food supplement**  
23 **programs**

24 The department shall design comprehensive and well-coordinated systems to ensure  
25 that public funds are well managed and dispensed for the purposes for which they are  
26 appropriated and deliver the best value for the people that they serve.

27 The department shall report annually by February 15th to the joint standing  
28 committee of the Legislature having jurisdiction over health and human services matters  
29 and the joint standing committee of the Legislature having jurisdiction over financial  
30 affairs regarding the program integrity efforts of the department in the Temporary  
31 Assistance for Needy Families program and the food supplement program under section  
32 3104, including efforts to investigate and prosecute fraudulent incidents or practices. The  
33 report must contain the following information:

34 **1. Temporary Assistance for Needy Families and food supplement programs.**  
35 The following baseline information for the prior year for the Temporary Assistance for  
36 Needy Families and food supplement programs:

37 A. The total unduplicated number of households, children, persons with disabilities  
38 and seniors receiving assistance under each program;

39 B. The average monthly benefit for each program in general funds, federal  
40 allocations and any special revenue funds; and

1           C. The total program expenditure in general funds, federal allocations and any  
2           special revenue funds for each program;

3           **2. Description of program integrity efforts of department.** A description of the  
4           department's efforts under this section, including any efforts made in cooperation with  
5           federal agency partners in investigating and prosecuting fraudulent claims in the  
6           Temporary Assistance for Needy Families and food supplement programs, misuse of  
7           public benefits instruments investigated pursuant to Title 17-A, section 905-C and vendor  
8           and retailer fraud, including:

9           A. The number of staff investigating cases;

10          B. The number of cases opened, investigated and disposed of;

11          C. The sources of the cases opened;

12          D. The dispositions of the cases closed;

13          E. The number and amount of fraudulent overpayments recovered and fines or  
14          penalties actually imposed, expressed in absolute dollar values and as percentages of  
15          all funds spent in each program;

16          F. The amount of recoveries of fraudulent claims reclaimed by the Federal  
17          Government;

18          G. All costs associated with all activities related to discovering, investigating and  
19          prosecuting cases in which fraud was alleged, whether or not fraud was determined to  
20          exist, for each program, both in absolute dollar values and as percentages of each  
21          program;

22          H. The average length of time to recover fraudulent overpayments and fines or  
23          penalties imposed from the time cases are opened until the time overpayments and  
24          fines or penalties are repaid in full;

25          I. The amount of fraudulent overpayments determined as uncollectible; and

26          J. The amount of fraudulent overpayments recovered by type of offender;

27          **3. Referrals to Attorney General.** The status of cases referred to the Attorney  
28          General's health care crimes or other unit or other law enforcement entities and the  
29          number and disposition of those cases and the amount of overpayments recovered, all  
30          detailed on a per case basis;

31          **4. Performance and activities of vendor, contractor or other program integrity**  
32          **unit used by the department.** If the department uses a vendor, contractor or other  
33          program integrity unit to assist in the identification and recovery of overpayments, a  
34          description of the performance and activities of the vendor, contractor or other program  
35          integrity unit used by the department. The report must include what the scope of the  
36          vendor's, contractor's or other program integrity unit's activity is, what payments have  
37          been made to the vendor, contractor or other program integrity unit, how many cases have  
38          been opened, how many overpayments have been recovered and any other benefits from  
39          the vendor's, contractor's or other program integrity unit's involvement;

