

# MAINE STATE LEGISLATURE

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# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

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Legislative Document

No. 421

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H.P. 288

House of Representatives, February 12, 2015

**An Act To Improve Program Integrity Activities within the  
Department of Health and Human Services**

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

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative GATTINE of Westbrook.  
Cosponsored by Senator LIBBY of Androscoggin and  
Representatives: BECK of Waterville, DION of Portland, FARNSWORTH of Portland,  
FOWLE of Vassalboro, GIDEON of Freeport, GOLDEN of Lewiston, SANBORN of Gorham.

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

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

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

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

7 The department shall report annually by February 15th to the joint standing  
8 committee of the Legislature having jurisdiction over health and human services matters  
9 and the joint standing committee of the Legislature having jurisdiction over financial  
10 affairs regarding MaineCare program integrity efforts of the department, including efforts  
11 to investigate and prosecute fraudulent incidents or practices. The report must contain the  
12 following information:

13 **1. MaineCare programs.** The following baseline information for the prior year for  
14 MaineCare programs:

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

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

19 **2. Description of program integrity efforts of department.** A description of the  
20 department's efforts under this section and under chapter 855, including any efforts made  
21 in cooperation with federal agency partners in investigating and prosecuting fraudulent  
22 claims and overpayments to providers, vendors and retailers, including:

23 A. The number of staff investigating cases;

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

25 C. The sources of the cases opened;

26 D. The dispositions of the cases closed;

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

30 F. The amount of recoveries of fraudulent claims reclaimed by the Federal  
31 Government;

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

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

4           I. The amount of fraudulent overpayments determined as uncollectible;

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

6           K. The amount of fraudulent overpayments recovered by a business unit within the  
7           department's audits and program integrity activities group;

8           L. The number of MaineCare providers, retailers or vendors, by type, that are  
9           terminated from participation or otherwise sanctioned from participation in public  
10          programs as a result of program integrity activities;

11          M. The amount of all recoveries of fraudulent overpayments received as a result of  
12          multistate litigation against pharmaceutical companies or other providers; and

13          N. The dollar amount, by provider type, of any overpayment recoveries;

14          **3. Referrals to Attorney General.** The status of cases referred to the Attorney  
15          General's health care crimes or other unit or other law enforcement entities and the  
16          number and disposition of those cases and the amount of overpayments recovered, all  
17          detailed on a per case basis, as long as the information disclosed conforms to the  
18          requirements of Title 16, section 804 and does not compromise the investigation or  
19          prosecution of a case;

20          **4. Performance and activities of vendor, contractor or other program integrity**  
21          **unit used by the department.** If the department uses a vendor, contractor or other  
22          program integrity unit to assist in the identification and recovery of overpayments, a  
23          description of the performance and activities of the vendor, contractor or other program  
24          integrity unit used by the department. The report must include what the scope of the  
25          vendor's, contractor's or other program integrity unit's activity is, what payments have  
26          been made to the vendor, contractor or other program integrity unit, how many cases have  
27          been opened, how many overpayments have been recovered and any other benefits from  
28          the vendor's, contractor's or other program integrity unit's involvement;

29          **5. Department's participation in federally mandated program integrity efforts.**  
30          A description of the department's participation in federally mandated program integrity  
31          efforts, including the federal Centers for Medicare and Medicaid Services Recovery  
32          Audit Program and Payment Error Rate Measurement program, and the impact of this  
33          participation on department resources and money recovered and the number of providers  
34          sanctioned and referrals made as a result of this participation;

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

37          **7. Defects, deficiencies or weaknesses in department systems.** A description of  
38          any known defects, deficiencies or weaknesses in any systems managed or used by the  
39          department that resulted in the improper or inaccurate payment of claims or benefits,  
40          including but not limited to the Medicaid information system, provider enrollment system  
41          and eligibility determination system. The report must include an estimate of the financial

1 impact of these issues and a timeline for remediation and a description of any known  
2 defects, deficiencies or weaknesses in any systems managed or used by the department  
3 that have been corrected and an estimate of the cost of and any savings from these  
4 corrections;

5 **8. Planned investments in technology.** A description of any investments in  
6 technology planned by the department to improve efforts to prevent improper payments;  
7 and

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

11 **§20-A. Report of department's efforts to investigate program integrity made under**  
12 **the Temporary Assistance for Needy Families and food supplement**  
13 **programs**

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

17 The department shall report annually by February 15th to the joint standing  
18 committee of the Legislature having jurisdiction over health and human services matters  
19 and the joint standing committee of the Legislature having jurisdiction over financial  
20 affairs regarding the program integrity efforts of the department in the Temporary  
21 Assistance for Needy Families program and the food supplement program under section  
22 3104, including efforts to investigate and prosecute fraudulent incidents or practices. The  
23 report must contain the following information:

24 **1. Temporary Assistance for Needy Families and food supplement programs.**  
25 The following baseline information for the prior year for the Temporary Assistance for  
26 Needy Families and food supplement programs:

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

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

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

33 **2. Description of program integrity efforts of department.** A description of the  
34 department's efforts under this section and under chapters 851, 1053-B and 1054-A,  
35 including any efforts made in cooperation with federal agency partners in investigating  
36 and prosecuting fraudulent claims in the Temporary Assistance for Needy Families and  
37 food supplement programs, misuse of public benefits instruments investigated pursuant to  
38 Title 17-A, section 905-C and vendor and retailer fraud, including:

39 A. The number of staff investigating cases;

40 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; and
- 16           J. The amount of fraudulent overpayments recovered by type of offender;

17           **3. Referrals to Attorney General.** The status of cases referred to the Attorney  
18           General's health care crimes or other unit or other law enforcement entities and the  
19           number and disposition of those cases and the amount of overpayments recovered, all  
20           detailed on a per case basis, as long as the information disclosed conforms to the  
21           requirements of Title 16, section 804 and does not compromise the investigation or  
22           prosecution of a case;

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

32           **5. Department's participation in federally mandated program integrity efforts.**  
33           A description of the department's participation in federally mandated program integrity  
34           efforts, including the federal Centers for Medicare and Medicaid Services Recovery  
35           Audit Program and Payment Error Rate Measurement program, and the impact of this  
36           participation on department resources and money recovered and the number of providers  
37           sanctioned and referrals made as a result of this participation;

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

