

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
JOINT INTERIM LEGISLATIVE COMMITTEE  
TO STUDY THE  
DEPARTMENT OF HEALTH AND WELFARE**

**REPORT  
to the  
106TH MAINE LEGISLATURE**

**December, 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

SENT DOWN FOR CONCURRENCE  
HARRY N. STARBRANCH, Secretary

HOUSE OF REPRESENTATIVES

READ and PASSED

JAN 27 1971

IN CONCURRENCE

*Berta W. Johnson*  
CLERK

THE SPEAKER APPOINTED

*Messrs Mellett & Simpson  
Lawyers of Bristol  
Collier & Gardner  
Solicitors of West Paris  
Bennett & Bell  
Sellers of Portland  
Smith & Assoc - Topcroft*

SP 107

*Jordan 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

HP1116

JUN 24 1971  
SENT UP FOR CONCURRENCE ORDERED SENT FORTHWITH

IN SENATE CHAMBER

Bertie W. Johnson  
CLERK

JUN 24 1971

READ AND PASSED

IN CONCURRENCE

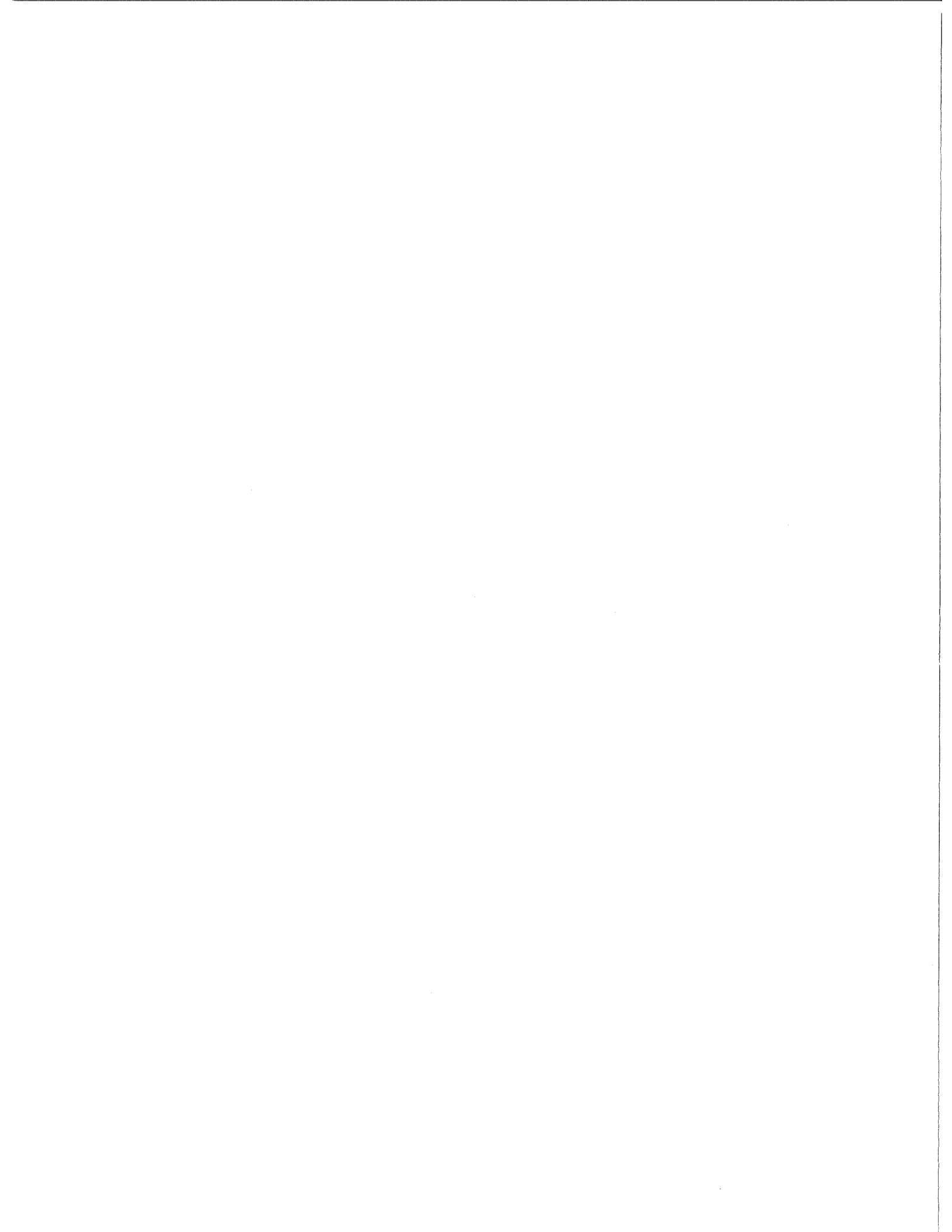
HARRY N. STARBRANCH, Secretary

(Millétt)

Name: H. Sawin Millétt

Town: Dixmont





## CREATION OF THE COMMITTEE

The Special Joint Select Committee of Inquiry was created by Senate Paper 107 of the 105th Legislature in order to examine and analyze operations, procedures and programs of the State Department of Health and Welfare. A request from the Commissioner of Health and Welfare, Dr. Dean Fisher, for an emergency appropriation of \$5,000,000 to provide for department commitments for the balance of the biennium ending June 30, 1971 was the immediate reason for the creation of the Committee. The Committee was ordered to continue its activities and to make a report to the 106th Legislature by the terms of House Paper 1446, dated June 24, 1971.

### COMMITTEE PERSONNEL

Representative H. Sawin Millett, Jr., CHAIRMAN  
Senator Richard N. Berry, VICE-CHAIRMAN  
Senator George H. Chick  
Senator David L. Graham  
Representative Joseph E. Binette  
Representative Donald F. Collins  
Representative Jacob J. Immonen  
Representative Edward B. Lewis  
Representative Domenico A. Santoro  
Representative Douglas M. Smith

Special research assistants employed by the Committee have been William L. Otterbein, Samuel Hinds, Jr., and Donald F. Brown. Secretaries to the Committee have been Mrs. Patricia Rollins and Mrs. Rosa Prime. Mrs. Gerry Dubord of the Legislative Finance Office has also been of great assistance.

### ACKNOWLEDGEMENTS

The Committee wishes to thank the many State employees, as well as private citizens, who have given of their time and effort to make known to the Committee facts and points of view which have assisted it in coming to certain conclusions as outlined below.

### THE COMMITTEE AND THE 105TH LEGISLATURE

During the regular and special sessions of the 105th Legislature, the Committee was able to effect positive action on the following items:

1. Abandonment of the Unemployed Fathers section of the AFDC program.
2. Creation of the Fraud Unit within the Department of Audit. This unit is empowered to investigate instances of fraud in all State operations. Actual prosecutions are to be handled by the Attorney

General's Office. By November, 1972, over 150 cases were being actively investigated by this Unit, almost all of them within the caseload of the Bureau of Social Welfare. None, however, have as yet been brought into court, although four have been referred to the Attorney General for such action.

3. The use of non-forwardable mailing envelopes for welfare checks in order to better control delivery of such checks. This resulted in the closing of 73 cases in the first month of operation. The system is still in operation and serves as a useful tool to the Department in the task of keeping files up-to-date.

4. A statute (section 4496 Title 22 RS) which requires the Department to send to municipalities lists of applicants for and recipients of public assistance grants. Legal complications with the federal Department of Health, Education and Welfare have delayed implementation of this act. Subsequent research has indicated that it may be necessary and advisable to repeal this statute. (See under recommendations to the 106th Legislature, No. 1.)

5. The Bureau of Social Welfare was urged to make certain changes in its form of application for public assistance grants. These changes point up client responsibility to the Bureau in sharper language than hitherto. The new form is now being tested in the field.

6. An active interest in remedying poor physical working conditions in the Bangor Office of the Department resulted in amelioration of efficiency-blocking conditions.

7. Revitalization of the early-closing procedure to avoid the payment of no longer eligible persons. Investigation showed that after certain persons were declared by social workers to be ineligible to continue as recipients of a cash grant as many as two months could go by before their payments were halted. This resulted in extra expense to the State and the Federal government, to say nothing of the frustration experienced by the workers in question. In the first two months that this process was revitalized \$18,000 worth of checks were intercepted with a saving to the State of about \$6000 (the remainder was Federal money). The annual savings will obviously be considerable.

8. Under Committee urging the Bureau of Social Welfare now includes on letters concerning money grants the following paragraph:

"The willing acceptance and/or use of any State and/or Federal funds under the Public Assistance Programs for which a person knowingly is not eligible may constitute fraud and may subject the user to either criminal or civil court action."

9. Passage of Public Law 466 which authorized a fee to be collected by the Department for testing private water supplies. The purpose of this Act is to place the cost of the service where it belongs and to create a fund for added personnel.

LEGISLATION RECOMMENDED TO THE 106TH LEGISLATURE

1. Creation of a non-paid Board of Health and Welfare, analagous to the State Board of Education which would assist the Commissioner in making policy as well as in other aspects of governance of the Department. This Board would also provide the Governor with a slate of three candidates whenever a Commissioner of Health and Welfare is to be appointed. The purpose of this statute is to provide some degree of broadly representative civilian control over Departmental activities. This Department is responsible for the disbursement of over \$200,000,000 biennially, the performance of over 1200 employees, and social contacts with over 80,000 disadvantaged citizens. A properly empowered and constituted Board will be of immense value in guiding this huge and expensive Department.

Note: On this one recommendation, the Committee were not in unanimous agreement. Senator Graham and Representative Smith ask that they be recorded as not favoring a State Board of Health and Welfare.

2. Creation of a permanent inspector-general-like position, to be filled by legislative appointment, the holder of which will continuously study the various operations and activities of the Department. He will serve as Research Assistant for the Board in No. 1 above, as well as for any Legislative Committees set up to study Departmental activity. The advantages of having a permanent inspector-general are obvious, since the Department is so complex that a person will need considerable time to become sufficiently well acquainted with it to be able to offer the correct kind of advice to legislative personnel. We have suggested a legislative appointee in order to remove the person from executive or departmental pressures and at the same time to have him responsive to legislative wishes.

3. The repeal of all settlement laws. They will be replaced by a financial formula establishing percentages of participation by the State and by municipalities for all General Assistance situations within the various political units of the State. At the present time

the State and the municipalities spend considerable money and time in establishing legal settlement which determines who will pay the bill. With the ever-increasing mobility of our population the number of so-called non-settled or State cases is growing. It is estimated that during the biennium General Assistance payments will reach \$4,000,000 annually of which 50% will be the State's share. A study of numerous town reports of 1971 has shown that the average local expenditure for local General Assistance is about 1% of total tax revenues. An equitable formula might have the State take over payments above that figure. We have been assured that no more employees will be needed by the State Division of General Assistance to check payments than they now have (eight field workers).

4. A change in the wording of paragraphs 481 and 482 of Title 19 RS concerning criminal nonsupport, which would allow the court to place a convicted person on probation to the Department of Health and Welfare as an alternative to regular probation. This would allow a more efficient handling of such cases when a welfare (AFDC) family was concerned. The Support Unit of the Bureau of Social Welfare is currently involved with over 5000 nonsupport cases. The ability to bring a delinquent parent into court as a probation violator is desired by the Unit as an efficiency move.

5. Repeal of section 4496 Title 22 RS which requires the Department of Health and Welfare to send municipalities certain lists of names of applicants for and grantees of Public Assistance. The Bureau of Administration has estimated that such an operation would cost in the vicinity of \$9,600 to initiate and would entail a monthly cost of \$3,900 to maintain. Correspondence with the Federal Department of Health, Education and Welfare has produced grave doubts as to the legality of these lists under the Jenner Amendment which concerns Public Assistance confidentiality. Furthermore, local welfare officials, when polled, indicated that the lists were not necessary to them provided that they could get information on public assistance cases when necessary. The Department has assured them of this circumstance. The statute, therefore, seems contrary to the best interests of the State.

6. In order to improve relations between municipalities and the Bureau of Social Welfare, the Committee believes that the Bureau should be required by statute to ask for information from local welfare officials on any person seeking categorical assistance. This statute reinforces paragraph 3745 Title 22 RS.

7. The Committee feels that it is necessary to speak out against what appears to be a particularly wasteful program as far as the State of Maine is concerned. This is the so-called WIN program administered by the Department of Health and Welfare and by the Department of Labor. Federal participation was on a 75% basis until July, 1972 when it was put on a 90% basis. No matter where the dollars come from, the results do not seem to have been commensurate with the

money spent. During fiscal 1972 (July 1971 - June 1972) only forty-three AFDC families were removed from the welfare rolls. The period of time they remained off the rolls is not readily available so that the permanence of the removal is not able to be verified. Through May, 1972, \$202,000 of State funds had already been spent to which must be added the Federal share amounting to approximately \$600,000. In other words, close to a million dollars were spent in one year to remove forty-three families from welfare for an unspecified length of time. This amounts to something better than \$25,000 per family. In July of 1972 the program was changed from a geographically selective one to a State-wide one (with the exception of Washington and Aroostook Counties) and although Federal participation rose to 90% of cost it can be assumed that the State share will be greater in actual dollars.

Our method of speaking out is to urge the 106th Legislature to send a memorial to our Congressional delegation requesting that this program be removed from the mandatory status it now holds.

COMMITTEE RECOMMENDATIONS TO THE COMMISSIONER OF HEALTH AND WELFARE

The Committee, after study and deliberation, believes that certain reforms and actions should be given serious consideration by the Commissioner of the Department of Health and Welfare. We realize that the following suggestions are indeed only suggestions, but they are put forth with the earnest wish that they will be of assistance in removing some of the adverse criticism which has been levied against the Department.

1. Self-declaration for AFDC grants in cases involving separation of husband and wife and in cases involving illegitimate children should be abandoned and replaced by a thorough investigation as outlined in the existing statutes (paragraph 3745 Title 22 RS). It is especially this part of the Public Assistance program which has received the most adverse criticism. Investigations carried out in at least one Regional Office have revealed too high an incidence of cheating by recipients.

2. The Support and Location Unit of the Bureau of Social Welfare should be strengthened in personnel so that it can cope with the vastly increased case load (5000 active cases now) which continue

to increase at a rate of 14 referrals per day. It is estimated that 50% of the AFDC caseload is eventually referred to this unit. An increase of five field workers over the current seven seems more than justified. The Committee pledges itself to work for this expansion. This Unit currently generates about \$800,000 income which is shared with recipients. An income of \$1,500,000 is forecast in the next biennium.

3. The long delays associated with the Aid to the partially and totally disabled are a matter of concern to many municipalities and legislators. We would like to see the Bureau of Social Welfare speedily address itself to this problem. The entire process needs to be reconstructed so that the client and his needs will become more important than the paperwork. There should also be some thought given to the possibility of reimbursing municipalities who have supported persons waiting for an eligibility study to be made when a positive decision is made and a retroactive payment made. At the present time, there seems no way to accomplish this.

4. Executive positions, both in regional and central offices, when not primarily concerned with client contacts should be filled with personnel trained in business administration. The Department must push harder to have old-fashioned job specifications changed. The Committee stands ready to assist in this effort in any way that it can.

5. Top priority should be given to coordinate the Department's activities with those of the many agencies now in existence to aid the disadvantaged which do not use State funds or do so to a minimum degree. Departmental activities found to be duplicated should be dropped and effort and personnel shifted to less well covered areas of help. Overlapping of activities seems to be widespread especially in the fields of employment and rehabilitation.

6. The Committee was seriously concerned to learn that the present internal accounting system of the Department does not permit accurate fiscal information to be readily available on the Regional level. Since decentralization is being actively pursued in other directions it seems that it is only reasonable and efficient to decentralize accounting procedures as well, at least to the point that a regional director can know what his office is costing.

#### COMMITTEE RECOMMENDATION TO THE GOVERNOR OF THE STATE

After considerable study and deliberation, the Committee recommends to the Governor of the State that future Commissioners of the Department of Health and Welfare be persons trained in Business Administration rather than in a profession of any kind which might have a vested interest in certain operations of the Department.