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Good morning, Senator Hickman, Representative Mastraccio and members of the Government Oversight Committee. I am Sara Gagné-Holmes, the Commissioner of the Maine Department of Health and Human Services.

Thank you for the invitation to appear before you today to share information and insight into the Department's long-standing, multi-faceted approach to oversight and accountability of taxpayer funds.

We are here today because DHHS takes its duty to safeguard public resources seriously. I am joined by the Department's three Deputy Commissioners, along with our subject matter experts.

I want to begin by underscoring the importance that the Department places on program compliance and integrity.

This morning you will hear about three units within the Department that play a central role in identifying and responding to noncompliance issues that may rise to the level of a credible allegation of fraud, and that serve as our primary mechanisms for oversight and internal control. In addition, every office that works with MaineCare providers has processes to take corrective action when program or contract requirements are violated, to refer concerns to the MaineCare Program Integrity Unit, and to meet regularly with the Program Integrity staff to ensure information is shared between offices regarding noncompliance.

This enables the following units to have awareness of issues across the Department:

- The **DHHS Division of Audit**, which sits in the Commissioner's Office and supports the entire Department, manages compliance reviews of expenditures across contracts and MaineCare, including cost-settled payments;
- The **Fraud Investigation and Recovery Unit** within the Office for Family Independence, which investigates and acts primarily on allegations and instances of fraud by recipients of benefits; and
- The **MaineCare Program Integrity Unit**, within the Office of MaineCare Services, which manages surveillance, review, and when appropriate, referrals to the Healthcare Crimes Unit at the Office of the Attorney General, the State's Medicaid Fraud Control Unit – which happens when program reviews identify noncompliance that meets the legal threshold of a credible allegation of fraud.

It is our hope that the Committee finds today's presentation helpful in illustrating the processes DHHS staff follow to identify and address fraud, noncompliance, overpayments and, when appropriate, to refer matters to the Office of the Attorney General or appropriate law enforcement agencies.

Delivering today's presentations are:

- **Todd Haber**, Acting Deputy Commissioner of Finance, who will provide a brief overview of the Division of Audit;
- **Tom Roth**, Director of the Fraud Investigation and Recovery Unit within the Office for Family Independence; and
- **Bill Logan**, who oversees the Program Integrity Unit within the Office of MaineCare Services.

Before we begin, I would like to offer a brief overview of the Department's approach and why this work is so important.

The Maine Department of Health and Human Services provides essential health and social services to Maine residents while safeguarding the public resources entrusted to our care.

Every dollar we manage represents a commitment to ensure funds are used lawfully, effectively, and in direct support of the programs and people they are intended to serve.

Given recent public interest in the handling of fraud allegations within publicly funded programs, including high-profile matters reported in other states, the heightened national scrutiny makes public understanding about the Department's legal authority and established procedures essential.

Maine DHHS operates under a framework of continuous audit, claims review, and compliance monitoring grounded in State and Federal law. These processes are designed to identify billing errors, detect noncompliance, address documentation gaps, and ensure public funds are used appropriately. When issues are identified, the Department acts through mandatory corrective action plans and recovery of overpayments. When concerns meet the legal standard of a credible allegation of fraud, the Department – as required by law – refers those matters to the Office of the Attorney General or appropriate law enforcement agencies.

This division of responsibility is intentional. DHHS administers programs, provides oversight, and conducts audits to ensure compliance. Law enforcement investigates potential criminal wrongdoing. That separation protects taxpayers, preserves the integrity of investigations, and safeguards due process.

State and Federal law also require the Department to take specific actions when a credible allegation of fraud is identified. Under federal regulation 42 C.F.R. § 455.23, Maine law 22 M.R.S. § 1714-E, and MaineCare rules, the Department must impose a payment suspension unless “good cause” criteria are met to delay that action.

Those exceptions are narrow and purposeful, such as when law enforcement requests a delay to avoid compromising an active investigation, or when immediate action would jeopardize access to critical patient services.

Taken together, this means that the Department's work in this area is not driven by discretion, public opinion, or informal judgment. It is dictated by law, grounded in statutory requirements and documented processes, and reinforced through independent review and external enforcement.

It bears repeating: the Department's role is to identify, document, investigate compliance, act, and refer. Law enforcement's role is to establish criminal intent and prosecute. The courts' role is to determine culpability. Each function is distinct by design, and each is essential for accountability.

Let me be clear: the Department takes allegations of fraud very seriously. Our unwavering commitment is demonstrated through consistent oversight, established processes, and close coordination with law enforcement and federal partners. When concerns are identified and referrals occur, it is evidence that these safeguards are functioning as designed.

Ultimately, trust is not built through rhetoric. It is earned through consistent, lawful, and disciplined action. Accountability depends on strict adherence to the law, and that is the standard we apply every day on behalf of the people of Maine. That is the standard we hold ourselves to at the Department, and it is the standard that the people of Maine deserve.

Thank you again for the opportunity to brief the Committee on the Department's compliance and accountability processes. I will now turn it over to Acting Deputy Commissioner Haber to begin the presentation, starting with an overview of the Division of Audit. Thank you.