



127th MAINE LEGISLATURE

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Legislative Document

No. 421

H.P. 288

House of Representatives, February 12, 2015

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

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;

