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Testimony of the Office of Child and Family Services
Maine Department of Health and Human Services

Before the Joint Standing Committee on Health and Human Services

In opposition to LD 1191, *An Act to Ensure Timely Reimbursement for Providers of Child Care Services for Children in Foster Care*

Sponsor: Senator Baldacci
Hearing Date: April 4, 2025

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, my name is Bobbi Johnson, and I serve as the Director of the Office of Child and Family Services (OCFS) in the Maine Department of Health and Human Services. I am here today to testify in opposition to LD 1191, *An Act to Ensure Timely Reimbursement for Providers of Child Care Services for Children in Foster Care*.

This bill would require the Department to pay an invoice "for child care services rendered to a family foster home" within 15 days of receiving a complete and accurate invoice for those services. This bill requires the Department to establish procedures to ensure timely processing of invoices and to produce an annual report to the Governor and Legislature on compliance with these provisions.

OCFS is not opposed to providing timely reimbursement to service providers, including child care providers who care for children in the Department's custody, but we believe this bill uses language that may negate its intended effect, is duplicative of existing Office of the State Controller's rules, and fails to address one of the most common issues around delayed payments.

The language of this bill appears to be inaccurate as OCFS does not pay for child care services rendered to a family foster home, instead we pay for the provision of child care services for a child in the Department's care and custody. Furthermore, all payments made by the state are already subject to the State Controller's State Administrative Accounting Manual (SAAM), which requires that payments be made no more than 25 working days from the date an agency receives a proper invoice. OCFS strongly believes that SAAM should continue to control the requirements for all payments instead of making piecemeal changes to timelines and other requirements.

Finally, it has been OCFS' experience that one of the primary drivers of delayed payments is not addressed in this bill. While the invoice itself may be accurate and complete, there are sometimes issues between the provider and the Office of the State Controller regarding additional

paperwork required for payment, particularly the provider's vendor information with the State. This can be due to changes in address, name, bank information, etc. Those issues will continue to create instances of delayed payments even if this bill is enacted as they are out of OCFS' control. Whenever one of these issues is identified we work diligently to communicate this with the provider and assist them, to the greatest extent possible, in coordinating a solution with the Controller's Office.

While there has been much discussion regarding delayed payments for child care providers, the data supports that the vast majority of these payments are made timely. Currently the average number of days from the entry of the invoice in Katahdin to payment being made via the Advantage system is 5 days and 99% of all payments are made within 15 days. There are, as always, outliers, but whenever concerns about delays are brought to our attention OCFS immediately seeks to review the information and, when possible, address the issue. When addressing the issue within OCFS is not possible because the issue is outside of OCFS, our staff are committed to assisting providers in understanding and addressing the source of the delay.

Child care providers who care for children in state custody are a critical part of OCFS' ability to meet its statutory obligation to protect children. Often child care is a key component for resource parents or kinship parents to be able to accept a placement as many of them work or attend educational programs. It is in OCFS' best interest to ensure these providers are paid timely and accurately so they continue to accept children in care. That has been and will continue to be the driving force behind our commitment to addressing any and all payment issues brought to our attention.

Thank you for your time and attention. I would be happy to answer any questions you may have and to make myself available for questions at the work session.