

Janet T. Mills
Governor

Sara Gagné-Holmes
Commissioner



Maine Department of Health and Human Services
Office for Family Independence
11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011
Tel.: (207) 624-4168; Toll-Free: (800) 442-6003
TTY: Dial 711 (Maine Relay); Fax: (207) 287-3455

Testimony of the Office for Family Independence
Maine Department of Health and Human Services

Before the Joint Standing Committee on Health and Human Services

In opposition to LD 612,
*An Act to Require the Department of Health and Human Services to Review Medicaid,
Supplemental Nutrition Assistance Program and Electronic Benefits Transfer Card Transactions
and Lottery Operations*

Sponsor: Representative Henderson
Hearing Date: April 22, 2025

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, my name is Ian Yaffe, and I serve as the Director of the Office for Family Independence (OFI) in the Maine Department of Health and Human Services. I am here today to testify in opposition to LD 612, *An Act to Require the Department of Health and Human Services to Review Medicaid, Supplemental Nutrition Assistance Program and Electronic Benefits Transfer Card Transactions and Lottery Operations*.

This bill includes two major components — first, this bill will significantly expand the current exchange of participant personal identifiable information (or PII) between the Bureau of Alcoholic Beverages and Lottery Operations (known as BABLO) and the Department to include SNAP and MaineCare benefit participation, amounts and utilization information. Second, this bill will require the Department to investigate all households using their electronic benefits transfer (or EBT) cards exclusively out of state for 90 days or more. Both components may aim towards reducing state expenditures and enhancing program integrity, but the Department believes they will have the opposite effect when resources to administer are taken into account.

Section 1 of this bill (22 MRSA §20-B(1)) is consistent with current statute (22 M.R.S. § 3104(16)) and aligns with current practices and agreements between the Department and BABLO. The Department only objects to this language due to its redundancy.

The Department appreciates that the first section of this bill includes the phrase, “to the extent permissible under federal law” in reference to treating the information shared by BABLO with the Department as verified upon receipt. Since BABLO is the agency that would be issuing the lottery payments their provision of information to the Department is considered verified upon receipt. This is one of the few items in this section that is permissible under federal law.

The proposed language for Section 1 of this bill (22 MRSA §20-B(1)) starts with a requirement for the Department to provide data to the Department of Administrative and Financial Services

(DAFS) regarding SNAP and Medicaid enrollment. The protection of this data is detailed in federal regulations 7 C.F.R. § 272.1(c) and 42 C.F.R. § 431.306 respectively. Each forbids sharing under these circumstances. Even if the matching were done by the Department instead of DAFS, sharing that those individuals were enrolled would not be allowed for this purpose.

The Department has no existing system and mechanism to determine, collect, and appropriately disseminate any collections obtained from BABLO from one's lottery winnings, based on department administrative costs, SNAP benefit receipt and MaineCare provider payments as prescribed in this bill. The resources to develop such a system, including technology enhancements, would be extensive and costly. SNAP and MaineCare applications would also require additional language to include this statutory requirement, and such changes would require federal approval from both the Food and Nutrition Services (FNS) and the Centers for Medicaid and Medicare Services (CMS).

Also, Section 2 of this bill includes language to require the Department to investigate all households who use their EBT cards outside of Maine for 90 consecutive days or more. While it may seem reasonable to assume that most of these households are no longer Maine residents and potentially should be closed off Maine benefits, there are multiple points to consider here. As written this bill includes all benefits issued on Maine's EBT cards. Besides SNAP, there are many cash benefits also issued on these cards for a number of programs administered by the Office for Family Independence under federal and state authority. The Temporary Assistance for Needy Families (TANF) and Parents as Scholars (PaS) programs provide temporary cash assistance to Maine families as they work toward their education goals and self-support. The Additional Support for People in Retraining and Employment (ASPIRE) program provides TANF families with support payments for items needed for education and work activities such as gas, car repairs, child care, and work tools. The Higher Opportunity for Pathways to Employment (HOPE) program provides similar cash support payments to help Maine families reach their education goals. Lastly, State Supplement payments, also issued by OFI are provided to recipients who are eligible for Supplemental Security Income (SSI). Each of these programs have distinct federal and state regulations to consider as well as individual program rules that may impact the permissibility of card usage out of state. For example the TANF program permits temporary absence from the state for a limited amount of time for eligible Maine families. These absences may be due to the need for out of state medical treatment or to provide care to an ailing family member. This provision is specified in Maine's TANF state plan as permitted by Section 408(a)(10)(A) of the Social Security Act and approved by the Administration for Children and Families.

The Department did explore out-of-state EBT usage years ago with the aim towards program integrity. For over a year the Office for Family Independence investigated at least 100 cases per month with out-of-state EBT usage resulting in zero to three individuals being disqualified each month. The Office found that the resources expended on this effort outweighed any savings. Since that time, online SNAP purchases have been authorized specifically to allow purchasing options which are oftentimes critical for SNAP recipients with mobility and transportation needs. One popular example includes the retailer, Walmart, whose grocery purchases made through their online portal (for pick up or delivery in Maine) are out-of-state transactions from Bentonville, Arkansas.

To ensure proper usage of Maine's EBT cards, the OFI Fraud Investigation and Recovery Unit (FIRU) currently utilize several approaches to monitor for potential EBT fraud, and instances of inappropriate use are addressed accordingly by that team of experts. The FIRU team is a team of 17 investigators that examine, investigate, and prosecute allegations of welfare fraud. The team uses a variety of investigative resources to enforce EBT misuse and trafficking statutes to include public reports, law enforcement referrals, referrals from eligibility workers and data analytics. FIRU receives alerts of deceased individual EBT card usages, EBT card usage by incarcerated individuals and has access to the EBT retail transaction tracking system (EPPIC) that enables it to monitor all EBT purchases, to include out-of-state transactions.

While the Department is committed to working with the Committee and other stakeholders to ensure program integrity and the responsible use of taxpayer funds, we find the provisions of this bill as written to be redundant, impermissible, and costly. We look forward to continued work with the Committee to maximize efficiencies to the extent they are permissible under federal regulations.

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.