



126 Sewall St.
Augusta, Maine 04330
(207) 626-7058

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Testimony of Christine Hastedt, Maine Equal Justice Partners in *support* of LD 1829, An Act to Require the Department of Health and Human Services to Report Annually on Investigations and Prosecutions of False Claims Made under the MaineCare, Temporary Assistance for Needy Families and Food Supplement Programs

Good afternoon Senator Craven, Representative Farnsworth and honorable members of the Joint Standing Committee on Health and Human Services, my name is Chris Hastedt and I work for Maine Equal Justice Partners. I am speaking today in support of LD 1829, An Act to Require the Department of Health and Human Services to Report Annually on Investigations and Prosecutions of False Claims Made under the MaineCare, Temporary Assistance for Needy Families and Food Supplement Programs. I offer this testimony on behalf of the Maine Association of Interdependent Neighborhoods (MAIN). MAIN is a coalition of people with low income and their allies that have been working together to improve the economic security of Maine people since 1981.

We support LD 1829 for three reasons.

First, as we have said to this committee on numerous occasions we do not condone fraud in any public program. Fraud undermines public confidence in these vitally important programs and weakens public support for them. As a result it invites proposals for overzealous “reform” that hurt the great majority of families using these programs lawfully and properly as intended.

Second, we want program funds to be spent as they are intended to be spent. We understand all too well that when resources are improperly diverted from public programs budget shortfalls result. These shortfalls are difficult to restore particularly when budgets are tight as they have been over the last several years. This can lead to cuts to critical programs supported by the General Fund. This is why for years we have supported more aggressive efforts at third party recovery in the MaineCare Program and more effective use of the Private Health Insurance

Purchase Program when appropriate. Increasingly states and private contractors are developing more effective tools to avoid inappropriate costs in their Medicaid programs. Promising new strategies involve using a variety of analytics and predictive modeling to identify and prevent payment of suspect claims *before they are made*. Gaining a comprehensive understanding of the full extent of the MaineCare program's current integrity efforts as LD 1829 would require will allow policy makers to determine whether or not, when taken together current efforts truly maximize return on investment and are as effective as they can be.

The final reason that we support LD 1829 is that it is a breath of fresh air in what has become a highly sensationalized and stereotype-driven debate about "fraud". This bill puts forward a proposal to address this issue—an issue that we agree deserves public review—in a manner that is data driven and evidence based. Before making sweeping changes to a program based on a purported problem we should know what the problem is and the extent to which it exists. This approach will provide policy makers with a more thoughtful and constructive context for this discussion that has been sadly missing in this debate.

Today the term "welfare" has been so maligned in the popularized debate that it has become a pejorative that has shaped and overwhelmed the dialogue about poverty in Maine and throughout the nation. This egregious stigmatization—now broadly applied to all who need this help is both unfair and inconsistent with what we actually know about the extent of levels of recipient fraud and abuse in these programs.

For example, according the United States Department of Agriculture Maine's rate of recipient fraud in the SNAP program in 2012 (the most recent year for which data is available) was less than 2/10ths of 1%--nearly 3 times lower than in neighboring New Hampshire.¹ Yet, the anecdotes surrounding this Program would have one believe this number was far higher.

This legislation will create a fair and transparent structure that will far better inform the discussion around this important policy issue while at the same time providing a base from which we can make needed improvements in program integrity efforts.

¹ http://www.fns.usda.gov/sites/default/files/2012_state_activity.pdf

Thank you for the opportunity to provide testimony supporting this important piece of legislation and I would be glad to try to answer any questions that Committee members may have.