

**TESTIMONY OF**  
**Pola Buckley, CPA, CISA, State Auditor, Maine**  
**Office of the State Auditor**

Before the Joint Standing Committee on Health and Human Services

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

Hearing Date – March 25, 2014

Senate Chairwoman Craven, House Chairman Farnsworth and members of the Joint Standing Committee on Health and Human Services, I am Pola Buckley, State Auditor and I am here to support 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.

Billions of State and federal dollars are spent annually to fund these important programs, specifically MaineCare, TANF, and SNAP. Responsibility for ensuring these programs are properly managed, and that procedures are in place to prevent, detect, and correct situations of fraud and abuse are the responsibility of the Department of Health and Human Services. Because management of these programs has a significant impact on the General Fund and the State's economy overall, it only makes sense that DHHS program integrity activities be monitored by this Committee. A system of checks and balances is the American way in government; and the way it should be when managing the financial processes that underlie government.

If this reporting process had been in place during the last ten years and if the information reported to the legislature was objective, clear, direct, complete, and accurate, the likelihood (my experience suggests to me), is that expenditures for these programs could have been reduced by \$100 million or even \$200 to \$300 million within this ten year period; assuming of course there was an appropriate response by all parties. It takes money to make money. Administrative costs must be funded and agencies must have effective succession plans. If this annual reporting process had been in place, Cost of Care would likely not have been a gushing faucet of overpayments to nursing homes and private non-medical institutions. The agency would have been required to report the problem annually to the Legislature when it was detected, with an estimate of the money being lost.

LD 1829 states that "The department shall design a comprehensive and well-coordinated system to ensure that public funds are well managed ... and deliver the best value for the people they serve." This makes good money sense and good public policy sense, the LD says it in plain English. It also meets the legal requirements of the Code of Federal Regulations. DHHS must not only take action and report complaints from the public about potential fraud and abuse; but must surveil expenditures to detect anomalies that must be investigated. There is a significant difference between reactive and proactive investigations.

My experience tells me that passage of this LD will make a difference to Maine – not only in money saved, but in the fulfillment of some other initiatives that are now being foregone due to a lack of funding. An example would be improving our roads.

Thank you. If you have any questions, I would be happy to answer them for you.