

Janet T. Mills
Governor

Sara Gagné-Holmes
Commissioner



Maine Department of Health and Human Services
11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011
Tel: (207) 287-3707; Fax: (207) 287-3005
TTY: Dial 711 (Maine Relay)

Good afternoon, Senator Ingwersen, Representative Meyer and members of the Joint Standing Committee for Health and Human Services. I am Sara Gagné-Holmes, the Commissioner of the Maine Department of Health and Human Services.

Thank you for the opportunity to be before you today to share information and insight into how the Department ensures accountability for the expenditure of taxpayer funds.

We are here today because DHHS takes its responsibility to safeguard public resources seriously. I am joined by the Department's three Deputy Commissioners, along with our subject matter experts. While I am unable to remain for the full hearing, I wanted to begin by underscoring the importance that the Department places on program compliance and integrity.

This afternoon you will hear from three units within the Department that play a central role in identifying and responding to issues that may rise to the level of a credible allegation of fraud. While this is not the full extent of the Department's oversight and internal controls, these units represent our primary mechanisms for this work:

- The **DHHS Division of Audit**, which sits in the Commissioner's Office and supports the entire Department, manages compliance reviews of expenditures across contracts and MaineCare, including cost-settled payments;
- The **Fraud Investigation and Recovery Unit** within the Office for Family Independence, which investigates and acts primarily on allegations and instances of fraud by recipients of benefits; and
- The **MaineCare Program Integrity Unit**, within the Office of MaineCare Services, which manages surveillance, review, and when appropriate, referrals to the Healthcare Crimes Unit at the Office of the Attorney General, the State's Medicaid Fraud Control Unit – which happens when program reviews identify noncompliance that meets the legal threshold of a credible allegation of fraud.

It is our hope that the Committee finds today's presentation helpful in illustrating the processes staff follow to identify and address fraud, overpayments and, when appropriate, to refer matters to the Office of the Attorney General or appropriate law enforcement agencies.

Delivering today's presentations are:

- **Tony Madden**, Deputy Director of the Division of Audit;
- **Tom Roth**, Director of the Fraud Investigation and Recovery Unit within the Office for Family Independence; and
- **Bill Logan**, who oversees the Program Integrity Unit within the Office of MaineCare Services.

Before we begin, I would like to offer a brief overview of the Department's approach and why this work is so important.

The Maine Department of Health and Human Services provides essential health and social services to Maine residents while safeguarding the public resources entrusted to our care.

Every dollar we manage represents a commitment to ensure funds are used lawfully, effectively, and in direct support of the programs and people they are intended to serve.

Given recent public interest in the handling of fraud allegations within publicly funded programs, it is important to share information about the actions that the Department takes in service to its critical role and responsibility for oversight, compliance, and accountability.

Maine DHHS operates under a framework of continuous audit, claims review, and compliance monitoring grounded in State and Federal law. These processes are designed to identify billing errors, detect noncompliance, address documentation gaps, and ensure public funds are used appropriately. When issues are identified, the Department acts through mandatory corrective action plans, recovery of overpayments, or referrals to appropriate law enforcement entities.

When we encounter credible allegations of fraud, the Department is required by law to refer those matters to the Office of the Attorney General or appropriate law enforcement agencies.

This division of responsibility is intentional. DHHS administers and oversees programs and ensures compliance. Law enforcement investigates potential criminal wrongdoing. That separation protects due process, preserves investigative integrity, and ensures accountability is pursued through the proper channels.

State and Federal law also require the Department to take specific actions when a credible allegation of fraud is identified. Under federal regulation 42 C.F.R. § 455.23, Maine law 22 M.R.S. § 1714-E, and MaineCare rules, the Department must impose a payment suspension unless “good cause” criteria are met to delay that action.

Those exceptions are narrow and purposeful – such as when law enforcement requests a delay to avoid compromising an active investigation, or when patient access to essential services could be harmed.

Taken together, this means that the Department’s work in this area is not driven by discretion or informal judgment. It is grounded in statutory requirements, documented processes, independent review, and external enforcement.

The Department’s role is to identify, document, act, and refer. Law enforcement’s role is to investigate and prosecute. The courts’ role is to determine culpability. Each function is distinct by design, and each is essential to accountability.

This structure is intended to protect taxpayers, preserve program integrity, and ensure misuse of public funds is addressed – while also safeguarding due process and access to essential services for the people of Maine.

Let me be clear: the Department takes allegations of fraud very seriously. Our unwavering commitment is reflected in rigorous oversight, transparency, and coordination with law enforcement and providers to ensure these systems remain worthy of public trust.

As we have recently experienced, public awareness of fraud typically follows the identification of concerns and the initiation of formal enforcement or investigative processes – which is evidence that these oversight systems are functioning as intended.

Ultimately, trust is not built through rhetoric. It is built through consistent, lawful, and disciplined action. That is the standard we hold ourselves to at the Department, and it is the standard that the people of Maine deserve.

Thank you again for the opportunity to walk the Committee through the Department’s compliance and accountability processes. I now invite Tony Madden to please come forward. Thank you.