



SEN. ROGER J. KATZ, CHAIR  
REP. DAVID C. BURNS, CHAIR

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SEN. BILL DIAMOND  
SEN. EARLE L. MCCORMICK  
SEN. NANCY B. SULLIVAN  
SEN. GARRETT P. MASON  
REP. DONALD E. PILON  
REP. ANDREA M. BOLAND  
REP. JOYCE A. FITZPATRICK  
REP. LESLIE T. FOSSEL  
REP. CHUCK KRUGER

MAINE STATE LEGISLATURE  
GOVERNMENT OVERSIGHT COMMITTEE

**MEETING SUMMARY**  
**August 14, 2012**  
**Accepted September 20, 2012**

**CALL TO ORDER**

The Chair, Sen. Katz, called the Government Oversight Committee to order at 10:02 a.m. in the Burton Cross Building.

**ATTENDANCE**

Senators: Sen. Katz, Sen. Craven, Sen. Mason, Sen. McCormick and Sen. Sullivan  
Joining the meeting in progress: Sen. Diamond

Representatives: Rep. Burns, Rep. Pilon, Rep. Fitzpatrick, Rep. Boland, and Rep. Kruger  
Joining the meeting in progress: Rep. Fossel

Legislative Officers and Staff: Beth Ashcroft, Director of OPEGA  
Wendy Cherubini, Senior Analyst, OPEGA  
Scott Farwell, Analyst, OPEGA  
Matthew Kruk, Analyst, OPEGA  
Etta Connors, Adm. Secretary, OPEGA

Executive Branch Officers and Staff Providing Information to the Committee: Stephen L. Bowen, Commissioner, Department of Education  
Cindy Brown, Director Child Development Services, Department of Education  
Pamela Grimshaw, Child Development Services, Site Accountant, Department of Education  
Jaci Holmes, Federal Liaison, Department of Education

**INTRODUCTION OF GOVERNMENT OVERSIGHT COMMITTEE MEMBERS**

The members of the Government Oversight Committee introduced themselves for the benefit of the listening audience.

## SUMMARY OF THE JULY 19, 2012 GOC MEETING

The Meeting Summary of July 19, 2012 was accepted as written.

### NEW BUSINESS

- **Report on Child Development Services**

- **Public Comment Period**

Chair Katz recognized Commissioner Bowen.

Commissioner Bowen said the Maine Department of Education's (MDOE) response and plan is included in OPEGA's Child Development Services Report. With the legislation passed during the last session, MDOE's role has been strengthened and a lot of work is being done, including work on the data system. They are also using OPEGA's Report as a guide. Commissioner Bowen said MDOE can report their progress to the GOC at any future meeting.

Sen. Craven asked the Commissioner what CDS' response was to the Report and to MDOE's work. Commissioner Bowen referred to Cindy Brown. Ms. Brown said CDS has been working closely with MDOE in looking at the statutory provisions and CDS' and MDOE's functional responsibilities for finance, data, human resources and policy. They have looked at reorganization, upgrading and improving the data system, upgrading the finance and accounting capabilities and how they are monitoring staff and programs.

Sen. Craven noted that a complaint she has heard for a long time from providers is the fragmentation between CDS, MDOE and the Maine Department of Health and Human Services (DHHS). She asked what partnerships were intended to address these issues. Ms. Brown said CDS has recently been engaged with their colleagues in DHHS, especially the Medicaid Office, to discuss how they can interface, work together and streamline the system so it is less cumbersome and confusing to providers. She is working on outreach with the CDS regional sites regarding how they are engaging with their contracted individuals, as well as their employees. The upgrades to the financial systems that MDOE has completed will allow for a higher level of efficiency for billing and invoices are now being processed more smoothly, and providers are getting paid in a timely fashion. MDOE is working with both CDS and public schools on how to collaborate with the Medicaid program in a more cohesive and meaningful way.

Sen. Sullivan asked how many of MDOE's structural and/or program changes will be in place for the fall school semester and whether the computers will be speaking back and forth to DHHS. Ms. Brown noted that MDOE was not yet to the capability alluded to by Commissioner Bowen, but the data system in general is MDOE's next item to look at in terms of where the entire State is heading, how they make systems interface, etc. Also evident is that the federal government and its Office of Special Education Programs is raising their expectations and requirement, not just for program monitoring, but also fiscal monitoring. CDS' accounting software upgrades will now allow MDOE to export CDS' financial data and put it in a format that the Legislature is familiar with so they can report their financial information in a way that makes sense to legislators.

Chair Katz referred to the past and present budget overruns in the CDS program and asked how it was being done differently for the next biennium. Ms. Brown said CDS is part of the zero-based budgeting process and the Commissioner will be gathering that information shortly. Ms. Grimshaw said they have entered into the process of budgeting from the perspective of need and have worked closely with the 9 regional site directors to be able to make accurate projections on next year's budget. They are using historical actual expenses as a trend to build the budget. Ms. Brown noted that the challenges are more from the direct service area that encompasses contracted and employed services, and hard costs for assistive technology for children. For a

better projection moving forward, she and MDOE have been working with the regional sites to get a better understanding of what those costs are.

Chair Katz noted from previous discussions, and in OPEGA's Report, that perhaps there was not enough attention paid as how to do each child's case most cost effectively. He is not sure CDS would agree that was a fair criticism, but the GOC and the Appropriations and Financial Affairs (AFA) Committee has heard it and asked how the changes in the structure was going to address that. Ms. Brown said for the upcoming new school year MDOE is designating certain staff members at the regional sites as the individuals who can chair the children's Team meetings and be the person to commit the agency's resources and funds. MDOE will provide intensive training and meet with them on a regular basis in hopes of achieving consistency and equity throughout Maine's sixteen counties.

Chair Katz said some individuals in the private provider community think CDS' inclination is to try to build its own staff in-house rather than looking first to whether the services could be provided in a cost effective way by private providers in the community. He asked what CDS' philosophy was regarding that. Ms. Brown said part of her duty and responsibility and CDS' philosophy is to serve the children that are eligible under the Entitlement Program and to serve them appropriately so the State is in compliance with the federal regulations. Evaluations need to be done in a timely manner so children are not sitting there with unmet needs and not being served. How it gets done is less of an issue. There is no expectation or philosophy that kids go to CDS employees first. There are many factors that play into that including where the child lives, the geography, demographics, transportation issues, family needs, etc. There are many factors that come in to play when making decisions of who gets assigned that work.

Chair Katz gave another example of being in a particular regional site and it is known there is going to have to be OT services provided to some of the children being served, and asked if there was any systematic effort made to find out what private OT services are out there and figure out if those are going to cost more or less than providing them in-house by CDS employees. Ms. Brown said their data base has a listing of all contractors statewide. That information can be made into a printed report, and is the regional site director's responsibility to know who their contracting providers are and let their staff know who they have available. CDS' Central Office receives a hire form from the regional site that describes what efforts have been made in the community to secure the services, the providers contacted and their response and this is reviewed before CDS Central gives approval to hire. OPEGA highlighted in their Report the vast numbers of educational technicians or paraprofessionals that CDS has added in recent years. They do employ the case managers and the service coordinators. Educational technicians in Part B, ages 3-5, is where the bulk of CDS staff have come from. Educational technicians need supervision by a certified teacher and CDS feels that is best done in-house.

Rep. Boland asked if the billing information will be specific enough to identify what services were provided so it could be seen whether a child received more services with the money provided than another child might have. Ms. Brown said that is a place they have to move to and is being pointed out to them by the federal agency as well. Maine has to ramp up its monitoring of contracted providers, both productivity and fiscally. They have to make the connection between the services provided, what they got paid and ask what results have been achieved based on what they did. Currently they can determine what services a provider is billing for, but don't know what results are being achieved.

Ms. Brown said the new legislation, LD 1843, requires CDS to go out to bid request for proposals for all of their services. They are currently working on those policies and procedures which have to be in place by December 31<sup>st</sup> and the new system of going through an RFP goes online July 1, 2013.

Sen. Diamond said a fiscal accountability problem has been the Legislature could not find answers to fiscal questions they had and there was never a clear way to know where to get the information. If MDOE could solve those problems when reporting back to the GOC on the upgraded financial system, the problem will have been solved. Ms. Brown said she believes MDOE is going to be in a good place to be able to do that.

Chair Burns asked for clarification of Ms. Brown's comments of CDS paying for services, but not being able to measure the outcomes. Ms. Brown said the federal government is introducing a new focus in how Maine is spending the federal Part B and C money. The feds are now looking at results driven accountability. Compliance is not going away, but they are taking a closer look at the results, are children improving and is the State getting positive outcomes for the children. Chair Burns asked whether the State had been looking for results as opposed to just providing a service. Ms. Brown said they had, but had not been held to that highest accountability standard, but that Maine is no different in that regard than other states across the country.

In response to Sen. Sullivan's comments of the importance of tracking a child's progress Ms. Brown said the State is going to be part of the State Longitudinal Data System currently being built. Commissioner Bowen said there is a movement nationally to go to a system that is built around the student. The model will be able to track the child from pre-K to grade 12 against a fixed set of benchmarks towards college and career readiness.

Chair Katz noted that the Children's Growth Council (Council) was to take a comprehensive look at how services are provided for 0 – 5 year olds and asked if the Commissioner could give an update of what is happening in that regard. Commissioner Bowen said the Council has been meeting. MDOE applied for, but did not receive, a Race to the Top Early Childhood grant. Although Maine did not receive the grant they are trying to do what they can with the resources they have. One was a structural piece where they created an ongoing body between DHHS and MDOE that meets regularly to discuss those issues and referred to Ms. Holmes to answer the question in more detail.

Ms. Holmes said there are a number of early childhood accountability teams that are subgroups of the Council. One group is looking at early childhood accountability, and at professional development, but also staying on top of the development of the standards. There is a health assessment team and a team looking at a sustainability plan. The group thinks function needs to come before form. Ms. Holmes is working with colleagues from DHHS and CDS on the State Interdepartmental Early Learning (SIEL) group which met during the time DHHS was going through the restructuring of the Office of Child and Family Services.

Chair Katz thinks a number of the entities are providing the same or similar services and asked what efforts are there to look at the various programs so that the State is giving the appropriate amount of education and supervision to a child, but doing it in a cost effective way. Ms. Holmes said there has been some work by the teams and some entities that report to the Council regarding the home visiting process. There is some home visiting within Head Start and Strengthening Maine Families (which is funded by the Maternal and Child Health Federal grant). There is a concerted effort by the Council to look at what all the early childhood pieces are, where are they by type, where are they needed and how might those opportunities be refined so those opportunities are available in every part of the State. As CDS receives less federal dollars and less, in some cases, State dollars, they need to be fiscally prudent stewards and look at what they have where and how can they maximize their efforts.

Chair Katz asked who in the system is looking to make sure that the child is receiving the care and supervision he needs, but is not getting more than what is needed. Ms. Holmes thinks that is the kind of work that the various Council subcommittees are looking at. He asked if there was going to be a product or report that comes out at some point regarding to the Council's and subcommittee's work. Ms. Holmes will bring that request to the Council and SIEL's next meeting.

The members of the GOC thanked Commissioner Bowen and his staff for attending the meeting and answering their questions.

Individuals presenting their comments in regard to OPEGA's Child Development Services Report included:

**Karen Farber**, Advocate, Disability Rights Center. A copy of her written testimony is on file with OPEGA.

**Nancy Cronin**, Autism Spectrum Disorders System Change Coordinator, Maine Development Disability Council. Ms. Cronin was at the meeting speaking on behalf of Julia Bell, Executive Director, Maine Developmental Disabilities Council. A copy of Executive Director Bell's written testimony is on file with OPEGA.

**Mary Lou Dyer**, Managing Director, Maine Association for Community Service Providers. A copy of her written testimony is on file with OPEGA.

**Alan Cobo-Lewis**, PhD, parent of a child with disability and an associate professor of psychology at the University of Maine. A copy of his written testimony is on file with OPEGA.

Sen. Sullivan referred to information in Mr. Cobo-Lewis' testimony regarding what an insurance company would cover for services. She asked if the Committee could receive what an insurance company might cover for the education part in the CDS realm of things. She would like that information for the work session on OPEGA's Child Development Services Report.

Sen. Sullivan also requested for the next meeting an explanation of the Katie Beckett Program because it also relates to the insurance piece.

Chair Katz closed the public comment period on OPEGA's Child Development Services Report.

#### **- Committee Work Session**

The members of the GOC decided to defer the Committee's work session on the Child Development Services Report to their next meeting.

#### **- Committee Vote**

Not discussed.

## **RECESS**

The Government Oversight Committee recessed at 12:25 p.m. on the motion of Chair Katz.

## **RECONVENED**

Chair Katz reconvened the meeting at 1:05 p.m.

## **UNFINISHED BUSINESS**

Director Ashcroft referred the Committee to the two review requests and reminded them that any decisions to assign OPEGA additional work at this time would also require the Committee to decide what OPEGA work will be delayed or removed from their Work Plan.

- **Request to Review Contracts and Agreements Related to the Operation and Management of the State-owned Juniper Ridge Landfill**

Sen. Katz made the following motion for discussion purposes.

**Motion:** That the Government Oversight Committee not move forward with any kind of review on the request to review contracts and agreements related to the operation and management of the State-owned Juniper Ridge Landfill. That the Government Oversight Committee craft a letter to the Environment and Natural Resources

(ENR) Committee asking them to explore, in the context of their oversight, matters regarding solid waste management related to: (1) how oversight and regulation of the Juniper Ridge Landfill will take place, so the ENR Committee can give assurance that solid waste landfills are going to be properly regulated and nothing is falling between the cracks given the disillusion of the State Planning Office, and (2) the definition for solid waste in Maine. (Motion by Chair Katz).

Chair Katz welcomed discussion and friendly amendments to his motion in regard to other subject matters that Committee members thought the ENR Committee should pursue. He noted that he is recommending that the GOC not proceed with an OPEGA review for a number of reasons. The subject of JRL has been studied and investigated at considerable length already by the committee of jurisdiction. From the specific subjects raised before the GOC, he did not see a role for the GOC in reviewing or investigating. There appear to be four focuses of controversy:

- (1) Concerns about the initial award made to JRL from the RFP 9 years ago with Casella being the only bidder raises red flags, but what has been learned from the information provided is there were 16 participants in the pre-bid process. There were other potential bidders which included at least 2 other large solid waste companies who had the financial and institutional capability of bidding had they chosen to do so. Although there are anecdotal complaints about the RFP process of 9 years ago, there were no appeals filed.
- (2) There were concerns that the original bond requirement was reduced after the RFP was granted. From the information received it appears that the \$26 million cost for the project was going to be a State cost and when FAME said they could not do it, Casella took on the responsibility for the \$26 million so the risk that Casella was taking on increased substantially.
- (3) The claim that Casella is taking out-of-state waste at JRL and that is prohibited by the statute. The question would be what is the appropriate definition of solid waste. Although the definition was originally changed by regulation, the Legislature then weighed in and statutorily defined solid waste so the waste Casella is now taking appears to be completely within the statute. The complaint seems to be more with the definition of solid waste in the statute and that is a policy issue.
- (4) The expansion request that now Casella is seeking to expand the Landfill and although that is true, they are in the middle of that application process. For the GOC to insert itself into a pending application is not the role of the GOC.

Chair Katz does not see a role for OPEGA in a review of JRL.

Sen. Sullivan seconded the motion. Although Sen. Sullivan seconded the motion said she had concerns and was not happy with the way Casella has conducted its business in Maine, but agreed that the issues are policy questions.

Rep. Pilon still feels that the State made concessions for Casella throughout the 9 year period and is concerned a monopoly on trash is being created in the State of Maine and is not sure that would be the best thing for Maine.

Rep. Boland would not support the motion because felt they are ignoring some arguments made by individuals. Her concern is not that Casella was treated fairly, but that the people who live in the area of the landfill be treated fairly. Out-of-state waste had a different definition then what it later turned out to be and the Landfill Advisory Committee feels that they were not heard or treated with respect. If the terms of an agreement and the role of a committee were ignored is not about policy, but oversight.

Rep. Kruger thinks there are a lot of problems going backward, but he is more interested in going forward so is reluctantly supporting the motion. If he is a legislator next year, he would like to be part of the effort working on legislation regarding the issues relating to JRL.

Rep. Fossel wanted policy committees to take responsibility for what they do, and the GOC to limit its role because not to do so, will weaken the structure of the Legislature.

Chair Burns thinks the pending motion will go a long ways in resolving the issues raised.

Sen. Diamond said the review request does not rise to the level of replacing a current review on OPEGA's Work Plan. That does not lessen the questions asked, but thinks there will be several bills introduced in the upcoming session and the concerns will be publicly heard and voted on.

Sen. Sullivan suggested that the GOC include in the letter to the committee of jurisdiction that legislators be sure that large corporations do not get to overshadow the voices of Maine citizens. Sen. Boland agreed. Chair Katz said the letter will be drafted with that in mind.

Rep. Fitzpatrick asked that Chair Katz's motion be restated.

**Motion:** That the Government Oversight Committee decline to proceed with an OPEGA review of the Juniper Ridge Landfill request, but that the Committee send a letter to the Environmental and Natural Resources Committee indicating that the GOC has explored this subject and are hoping that they take a look at a couple of discreet questions that have arisen in GOC meetings. Those questions are: (1) how will solid waste be regulated by the Executive Department in the post State Planning Office era given the diffusion of their responsibilities to other agencies to make sure that there is adequate oversight and regulation of solid waste. (2) To point out that one thing that caused controversy was the definition of solid waste in the statute and inviting the ENR Committee's attention to that to see if they feel that definition needs revisiting. (Motion by Sen. Katz, second by Sen. Sullivan).

Director Ashcroft noted the Committee raised several other issues they might want to include in the letter to the ENR Committee. They were the role of the Advisory Committee and how they were being dealt with and the recognition of the State putting all its eggs in one basket when it came to solid waste in the State.

Sen. Katz added the two issues above to his motion, Sen. Sullivan seconded. Motion Passed, 11-1. Opposed by Rep. Boland.

A draft of the GOC's letter to the ENR Committee will be circulated to Committee members for their review prior to sending it out.

- **Request for OPEGA Review of the GOMAINE Commuter Connections Program**

Director Ashcroft said Rep. Pilon is requesting an OPEGA Review of the GoMaine Commuter Connections Program. As discussed at the last meeting it appeared the concerns or issues included: (1) That services were scheduled to be dropped September 1<sup>st</sup> and that decision had already been made by the Maine Department of Transportation (MDOT). The Transportation Committee had been aware of that. There were questions related to whether the Program should disband. (2) There were questions regarding the revenues from the Program. What the revenues were being spent on, what funds were available to support the Program, and had there been a proper accounting for them. The matter was tabled until this meeting.

OPEGA gathered background information to help the GOC in deciding whether to conduct a review of the topic. She noted that the Committee has received communication from both MDOT and from a group of vanpool riders that are concerned about the Program ending.

Director Ashcroft summarized OPEGA's Summary of Limited Background Research Conducted for the GOC in its Consideration of This Request.

Rep. Pilon said the information OPEGA has provided is a good starting point. He believes there are inconsistencies of the amount of money that is going into the Program. MDOT has not accounted for all the

money it has received from CMAQ funds, and MTA provided \$115,000 a year toward the administration of the Program. Rep. Pilon spoke to Cheryl Miller, Federal Highway Administrator in Augusta about CMAQ funds and she said MDOT is allowed to use the money under the Air Admissions Program. They had been using the money to fund the GoMaine Program, but more recently not a lot of that money has been going into the Program. MDOT has been diverting funds for other programs. Ms. Miller is sending Rep. Pilon for 2011-2012 of how much CMAQ money MDOT received.

Rep. Pilon also noted that the Greater Portland Council of Government has been receiving about \$400,000 a year to manage the Program. There are 2.5 people that are administering the Program and said it is a lot of money to pay 2.5 people to oversee it.

Director Ashcroft said based on OPEGA's limited research it appears the CMAQ funds is a federal reimbursement program. Maine is allocated money out of the Federal appropriation and can submit projects to be reimbursed for. There are many projects that can be funded with CMAQ money, with ridesharing being just one. OPEGA did not check where the State has decided to use its CMAQ funds.

Sen. Diamond had concerns of whether the Transportation Committee received the straight forward information they should have and would not vote to dismiss the GoMaine Review request until the GOC had more information.

Rep. Kruger would like to hear from MDOT regarding answers to the financial questions only. Rep. Fossel agreed.

In response to Chair Katz's question of action taken by the Transportation Committee, Sen. Diamond said it is the department's privilege and prerogative to make the policy, it was not a decision from the Transportation Committee. There was not an in depth examination of the budget information the Chair was eluding to and that would not be expected to be done unless there were issues raised of misappropriations, and that was not raised.

**Motion:** That the Government Oversight Committee get additional information so that the Committee can make an intelligent decision on how to proceed going forward. (Motion by Rep. Pilon)

Chair Katz asked what additional information Rep. Pilon was referring to. Rep. Pilon would like additional financial information including the roles that the various agencies played in the administration of the program. He and Sen. Diamond agreed that the information should be back to 2007.

Director Ashcroft asked for clarification of exactly what the GOC would want OPEGA to review. Sen. Diamond said MDOT is saying that GoMaine was not sustainable because it was not financially sustainable and he is not sure that is true. If MDOT had said to the Transportation Committee that they just did not want to have the Program any longer, that is fine, but what they said, and what they are saying to the GOC, is that federal funds were drying up. Director Ashcroft clarified that OPEGA was to confirm what the Transportation and Government Oversight Committees have been told through the process as the reason for ending the GoMaine Program. Sen. Sullivan agreed and said she would like to know where the money was spent.

Sen. McCormick did not know what the GOC would gain by looking at the numbers. The MDOT made a policy decision that they no longer would have the GoMaine program and have discontinued it. He did not see any advantage to going further with the review request.

Chair Burns said if the GOC is concerned about the accuracy of the information OPEGA provided, he would vote in favor of the motion, but is not willing to support a review of the expenditures back to 2007 or the decision of whether the GoMaine Program should continue.



**Motion:** That OPEGA review the information they provided to the Government Oversight Committee to make sure that it is accurate and not go back to 2007, but update the financial information provided to the Committee on August 14<sup>th</sup> so the GOC can make an intelligent decision at its next meeting as to how to proceed. (Motion by Rep. Pilon, second by Sen. Diamond).

Chair Burns made a friendly amendment to the above motion. That the work time not bump all other OPEGA reviews that the GOC has prioritized.

Rep. Kruger said there was a policy decision made in the Executive Branch, and has every right to make the policy decision. The GOC cannot save the GoMaine program. He would like to see the Commissioner of MDOT, or his designee, respond to all the GOC's questions to satisfy those with concerns. He recommended not putting the review on OPEGA's Work Plan, but to get a response from MDOT and have someone from MDOT come before the GOC so members could ask their questions.

Sen. Sullivan added a friendly amendment to Rep. Pilon's motion that MDOT report back at the September or the meeting thereafter. Sen. Diamond seconded the amendment.

Director Ashcroft said OPEGA could craft specific questions for MDOT to bring back the answers with supporting documentation.

Rep. Pilon amended his motion to take out the financial work that OPEGA would have to prepare and request that the Commissioner of MDOT come before the GOC to provide the requested information.

**Motion:** That the Government Oversight Committee ask that the MDOT Commissioner appear before the Committee to answer financial questions regarding the GoMaine Program. (Motion and amendment by Rep. Pilon, second by Sen. Diamond, passed 9-2. Sen. McCormick and Rep. Boland opposed, Sen. Mason absent).

The Committee asked Director Ashcroft to draft the questions that will be sent to MDOT and circulate them to the GOC for review.

- **Review of Past OPEGA Report That DHHS Will be Reporting Back on at Future GOC Meeting:**

- **DHHS Contracting for Cost-Shared Non-MaineCare Human Services – Report issued July, 2008**

Director Ashcroft said OPEGA reviewed DHHS contracting on cost-shared non-MaineCare Services which is a particular kind of contract done by DHHS. OPEGA discovered they were overpaying providers and then taking quite a bit of time to collect the overpayments. Those were the key issues and DHHS did put controls in place. She has asked Commissioner Mayhew to be prepared to talk about whether those controls are still in place and whether they are working effectively.

The cost-shared arrangement is one that DHHS used with community providers for certain kind of services. What the cost-shared piece means is that the provider and the Department would agree prior to an annual contract period on the provider's budget of what the provider thought it was going to need to provide those services. DHHS would then make quarterly payments of that agreed upon estimated budget and then would true-up at the end of the year or whenever the Department of Internal Audit did a cost settlement looking at what the provider's actual costs were versus what the estimate had been. OPEGA learned that many times the estimated budgets had exceeded what the actual costs had been and because DHHS had made the quarterly payments based on the estimated budget there would be money owed back to the State in almost all of the cases. It was taking a couple of years after the period closed for the Audit Department to do the cost settlements and taking providers even longer to pay the money back. OPEGA reviewed 28-30 contracts and found for the majority of them that there was money owed back to the State.

OPEGA's Findings were regarding better managing the cash by doing a quarterly true-up of actual costs to the providers' budgets so DHHS could be reducing the payments being sent out over the year if appropriate. Also recommended was DHHS needed to do a more timely collection process on what was owed back, get the receivables recorded, and assertively work with the provider to make sure they were receiving the payments. Another Finding related to improving financial data for decision makers around the Program Managers being able to look at what was being spent on the contracts. There was not a good coordination between the program and financial staff.

Appeals was another Finding because once DHHS did the cost settlements the providers had an opportunity to appeal what the Audit Department's decision was. There seemed to be more appeals than were necessary because of miscommunications between DHHS and the provider, or misunderstandings of what was going to be allowable. OPEGA believed DHHS should put some effort into addressing some of the root causes of the appeal, thereby reducing the number of appeals, getting money paid back more quickly, and not spending Audit resources having to work through the appeals process.

DHHS did put into place some changes in the past Administration, but OPEGA has not been back to confirm or verify whether those changes are still in place in the new Administration, or what impact they have had. Director Ashcroft has asked Commissioner Mayhew to be prepared to discuss those items with the GOC.

## **REPORT FROM OPEGA DIRECTOR**

- **Project Status Report**

Not discussed.

## **NEXT COMMITTEE MEETING**

The Government Oversight Committee scheduled meetings for September 20, 2012 and November 15, 2012. Both meetings will start at 10:00 a.m. No GOC meeting in October.

## **ADJOURNMENT**

The Government Oversight Committee meeting was adjourned at 3:21 p.m. (Motion by Rep. Fossel, second by Sen. Craven, unanimous).