



## Welfare fraud by providers is bigger problem than individual ‘welfare cheats’

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Gov. Paul LePage’s campaign to stigmatize recipients of welfare benefits marches on as the governor has again proposed legislation to [drug test every recipient of TANE](#). Nevermind that [the bill](#) has been rejected before and that such a program may violate the Constitution. The governor believes he was re-elected to reform welfare so, it seems, the more shame and stigma he can heap on public assistance recipients the better.

With all the attention devoted to “welfare fraud,” the administration hopes to divert attention from the fact that the [state’s economy continues to struggle](#). Or that corporations and investors have walked away with millions of dollars in [taxpayer-funded business incentives](#) on false promises of job creation.

Even on the welfare fraud front, the focus is on the wrong actors. Recently, the administration touted its [settlements with nursing homes](#) that were [improperly billing Medicaid](#) for services. This is the fraud that eats up taxpayer dollars, not a food stamp recipient buying junk food or steak.

Over the last five years, judges have ordered nearly \$951,000 in restitution from recipients who defrauded benefits programs, or about \$190,000 a year. During the same time, the state has recovered nearly \$61 million in state and federal money from providers for Medicare fraud, or more than \$12 million a year.

Following the money, the focus should be on provider fraud, not demonizing individual recipients of benefits.

“We shouldn’t ignore eligibility fraud,” Attorney General Janet Mills [said last year](#). “We shouldn’t ignore recipient fraud; we shouldn’t ignore any allegations that somebody is getting state or federal benefits who isn’t really eligible for them, but the big fish are the corporations, the major pharmaceutical companies and the providers that have been ripping off the state Medicaid program for years to the tune of millions of dollars.”

She is absolutely right. Talking about curbing welfare fraud by limiting what people can buy with food stamps or pledging to drug test welfare recipients may make people feel that a big

problem is being tackled, but it isn't. To be fair, the state is investigating fraud by providers and negotiating settlements to recoup state and federal money, but this isn't where politicians are focusing their attention or rhetoric.

Even within TANF, errors by those administering state programs are far more common than beneficiaries trying to rip off the system. A [2010 report](#) by the conservative Cato Institute reported: "Audits of TANF spending by the Health and Human Services' Inspector General have found huge levels of 'improper payments,' meaning errors, abuse, and fraud." But a reading of the audits shows that the primary problem is clerical errors, not beneficiary fraud. A [2007 audit](#) of the New York state TANF program found high rates of errors in assessing eligibility. From July to December 2005, the state made nearly \$47 million in improper payments. This is incompetence on the part of the state, not fraud by welfare recipients.

The Health and Human Services Committee last week [voted against the drug-testing bill](#). The full Legislature should do the same. Then, lawmakers can turn their attention to real problems, like crafting a state budget for the next two years.