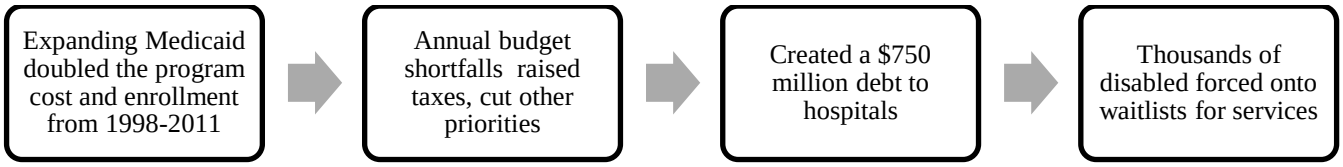
Medicaid and Welfare Reforms under Governor LePage

When Governor LePage came to office in January 2011, Maine was a welfare outlier. Maine ranked third in the nation for its percentage of households on TANF; second for the percentage of households on SNAP; third for the percentage of its population enrolled in Medicaid; and second for welfare expenditures as a percentage of overall state expenditures.

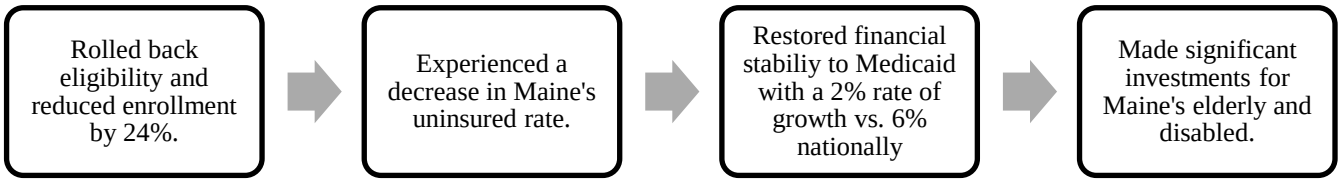
Maine was an early expander of Medicaid in 2002—and it was disastrous. It resulted in massive budget shortfalls every year and huge debts to hospitals. Even though it was very expensive, it was not very effective. Maine had 110,000 uninsured people in 2002, and it still had 110,000 uninsured people in 2011. Previous governors were constantly coming up with one-time budget gimmicks to fill the massive Medicaid hole every year.

Even worse, the expansion of Medicaid in 2002 created a $750 million debt to Maine's hospitals. Governor LePage paid it back—without raising taxes.

Maine's Experience with Medicaid Expansion:



Maine's Experience with Medicaid Reform under Governor LePage:



Since 2011, the LePage Administration has made significant gains in re-prioritizing welfare benefits, getting spending under control, cracking down on fraud, improving accountability and expectations among welfare recipients and changing the culture of welfare in Maine.

- **TANF enrollment has been cut from almost 15,000 cases in 2011 to about 4,500 today.**
  - The LePage Administration capped TANF benefits at 60 months, becoming the 44th state to do so.

- **Maine has saved $89 million because of welfare reforms under Governor LePage**.
  - Instead of loading more cash on EBT cards, tax dollars are being used to support initiatives that help people out of poverty.

- **There are 86,000 fewer able-bodied adults on MaineCare** (*Medicaid*) **today than 2011.**
  - Enrollment dropped from 354,000 to 268,000 after limiting eligibility for able-bodied adults.

- **Medicaid spending has been flat for four years, even *decreasing* in 2014**:
    - Maine was an early expander of Medicaid in 2002, resulting in massive budget shortfalls every year and a $750 million debt to Maine's community hospitals. Governor LePage paid the Medicaid debt to the hospitals without raising taxes.
    - Maine suffered massive annual budget shortfalls which required emergency appropriations. DHHS was in a constant state of crisis until Medicaid eligibility was brought within reason.
    - Maine implemented a sophisticated, forward-looking algorithm to predict future Medicaid spending and further help prevent unexpected budget shortfalls.

- **The number of able-bodied persons on food stamps dropped from 12,000 to 1,700.**
    - We enforced the federal law requiring recipients to work 20 hours/week, get education/job training or volunteer for 20 hours/month to get food stamps.
    - A Maine Department of Labor study found that these individuals earned on average 114% more since the work requirement was enforced.

- **The LePage Administration implemented a tri-agency Welfare-to-Work initiative** between the Departments of Health and Human Services, Education and Labor to move Mainers from poverty to prosperity.
    - The state also built a new, cost-saving facility in South Portland that houses both DHHS and Department of Labor so those applying for benefits can immediately get the skills-testing and assistance they need to get jobs.

- **Maine put photos on EBT cards**, despite opposition from the Obama Administration.
    - Trafficking of EBT cards for drugs has been significantly reduced.

- **The LePage Administration doubled the size of the state's anti-fraud unit** and instituted a welfare fraud reporting hotline. Fraud referrals from DHHS to the AG's Office have increased tenfold.

- **Maine started drug-testing for welfare.** Those with drug-related felonies are subject to drug tests for benefits.

- **The LePage administration instituted asset tests for food stamps**, requiring able-bodied adults to sell off their snowmobiles, boats, RVs, motorcycles, and use their savings before taking taxpayer help.

- **Maine cracked down on municipalities,** forcing them to verify eligibility and prohibiting them from giving state-funded welfare to illegal immigrants.