

Maine's "Big Dig"

Maine's now-infamous computerized Medicaid billing system, which has been nothing but trouble for the Department of Health and Human Services and for hundreds of health care providers since it went online in January 2005, has cost \$56 million to date in state and federal funds and still is not working properly.

Over the past 20 months, nursing homes, doctors, pharmacists and others providing service to the MaineCare program (Maine's version of Medicaid) were forced to wait in vain for payment as their bills became trapped in a dysfunctional system. The state finally opted to send out lump sum "interim" payments to providers in amounts it now claims were excessive — to the tune of more than \$500 million. That's money the state now wants back. So far, some \$335 million has been recovered and another \$172 million remains outstanding. Never mind that many of those providers were forced to take out loans just to survive in those months of waiting, and now are forced to try and reconcile those interim payments with actual claims that were woefully mishandled by the DHHS. One wonders, in the face of all that, why a Maine provider would ever accept another MaineCare patient.

Meanwhile, the Maryland-based CNSI, the vendor that originally bid \$15 million to build and install the state's computer system, claims it is not responsible for the huge cost overruns. And so far, Governor John Baldacci's administration, which hired the company despite the fact it had never built a Medicaid billing system, has shown little inclination to aggressively pursue the matter, despite increasing complaints from state legislators and others. CNSI claims it has lost money on the Maine project but nevertheless calls it a "success story" on its company Web site. Probably that is because CNSI is successfully selling to other states — under lucrative contracts — the software program for which Maine has paid all the development costs.

The DHHS and the MaineCare debacle have been a huge source of embarrassment — and an immensely costly one — for the state. This newspaper was critical of the administration's decision, and the Legislature's subsequent acquiescence, to merge the state's human resources and mental health departments into one super agency at a time when the DHS already was rife with mismanagement. That merger only exacerbated the problem.

The MaineCare experience provides ample evidence that the current administration and the state bureaucracy are woefully ill-equipped to run our health-care system. Evidence is mounting that DirigoChoice, the state-run health insurance program that has been a centerpiece of the Baldacci administration, is both costly and ineffective. Enrollment has been far below expectations, especially when it comes to Maine's uninsured. Institutional savings that the system was supposed to bring about are speculative at best.

When it comes to the Medicaid debacle, the Governor and DHHS should put the brakes on the rapid and unsustainable expansion of the MaineCare program. Further, they should take every possible step — including legal action, if necessary — to force CNSI to pay the costs of making its billing system operational. And when it comes to health insurance, the Baldacci administration ought to finally acknowledge that Maine is ill-prepared to address, on its own, a problem that is bedeviling the entire nation. Even at best, DirigoChoice, as presently structured, will never give more than a handful of Maine people affordable health insurance. And even that will come only by increasing the cost to everyone else.

Gordon Smith of the Maine Medical Association recently likened the state's Medicaid woes to the Massachusetts "Big Dig." It is an apt comparison. And if the state continues its ill-fated pursuit of DirigoChoice, the hole will only get deeper.