

**OPEGA
REPORT**



Office of Child and Family Services: Timeliness of Child Care Payments

**February
2026**

a report to the
Government Oversight Committee and the Legislature
from the
Office of Program Evaluation & Government Accountability
of the Maine State Legislature

Government Oversight Committee of the 132nd Legislature

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Acronyms Used in this Report

CCAP	Child Care Affordability Program
DAFS	Department of Administrative and Financial Services
DHHS	Department of Health and Human Services
GOC	Government Oversight Committee
HHS	Health and Human Services
IT	Information Technology
MRSA	Maine Revised Statutes Annotated
OCFS	Office of Child and Family Services
OPEGA	Office of Program Evaluation and Government Accountability
OPEX	The Department of Health and Human Services Operational Excellence group

Introduction

Background and Scope

On February 28, 2025, Senators Timberlake, Farrin, and Bennett appeared before the Government Oversight Committee (GOC) to raise concerns related to payments made by the Department of Health and Human Services' (DHHS) Office of Child and Family Services (OCFS) to child care providers for the care of foster children.¹ Their concerns included a child care provider reportedly being owed over \$33,000 in back payments over a two-year period, another child care provider no longer accepting foster children due to missing payments, and a child care provider relying on resource parents to follow up on invoices submitted to OCFS to ensure payment. Additionally, the Senators reported concerns with how invoices are tracked and an apparent lack of data on the number of invoices received and paid and the related processing times.

The GOC subsequently voted to direct the Office of Program Evaluation and Government Accountability (OPEGA) to review concerns related to the processing and timeliness of payments to child care providers, and, ultimately, approved the following scope of work for OPEGA's review:

- A. "By what standards and requirements, if any, is the timeliness of DHHS payments for foster children in day care measured and managed; and
- B. How has DHHS performed relative to any standards and requirements (or in their absence, as the case may be), and as indicated by sampling and testing methodology(ies) for performance timeframes chosen by OPEGA."

OPEGA began preliminary research in summer of 2025 and conducted fieldwork in the fall of 2025 through early 2026.

This report focuses largely on the OCFS' role in receiving and reviewing child care invoices, and, to a lesser extent, also reflects the Department of Administrative and Financial Services (DAFS) HHS Service Center's role in providing additional invoice review and the approval for payments to occur. The report includes a summary of issues and recommendations (beginning on Page 19), a description of the child care invoice payment process (Page 9), and a detailed explanation of our evaluation results (Page 14).

¹ Senator Timberlake read from the letter to the GOC, dated February 14, 2025, which may be found at the following link: <https://legislature.maine.gov/doc/11592>.

Results in Brief

Applicable Standards

While there are no program-specific standards for the timeliness of payments, DHHS and Department of Administrative and Financial Services (DAFS) standard contract language states that payments will be made within 30 *calendar* days after receipt of an error-free invoice. Although not all child care providers sign contracts with OCFS, this was the standard² that OPEGA applied in our analysis of the timeliness of child care payments.

A Lack of Invoice-Level Data

To determine the timeliness of an OCFS child care payment, one must know the date that a specific invoice was received by OCFS and the date that same invoice was paid. Unfortunately, this analysis was not possible using existing OCFS data.

First – and most important - the date of receipt is not captured by OCFS, nor is it a field in Katahdin.³ Second, most invoices are submitted on an OCFS-created invoice form, but neither the form nor the review and approval process assign a unique identifier (such as invoice number) to the invoice itself, making it difficult to identify one invoice from another. Further compounding matters is that OCFS child care payment data is not recorded at the invoice-level, but instead at the transaction⁴ (or line item) – level.

The limitations of the existing OCFS payment data make it difficult to reconcile transaction-level payment data with particular invoices and prevent the calculation of the timeliness of payments.

An Alternative Data Source

Child care invoices may be submitted to OCFS via email, physical mail, or hard copy submitted to district office staff or the child’s caseworker. Through interviews with the district office staff who receive and process child care invoices, we learned that “most” invoices were received via email to *specific* OCFS email accounts, with three staff members providing estimates of 75%, 80%, and 98%.⁵

As email appeared to be the predominant and OCFS-preferred method for submitting invoices, we consulted Maine IT to pull all emails received by the 13 specific emails accounts between January 1, 2024 and June 30, 2025.

² Similarly, 5 MRSA §1553 establishes the required payment date for any proper invoice for which a state agency has incurred an obligation to a business concern shall be no more than 25 *working* days from the date the state agency receives a proper invoice or from the date of receipt of the property, products or services, whichever is later, unless the agency and the business concern have agreed to another payment date. As this is effectively longer than 30 *calendar* days, OPEGA chose to apply the higher standard.

³ Katahdin is Maine’s Comprehensive Child Welfare Information System.

⁴ Payments recorded at the transaction-level reflect a unique combination of child care provider, child, and weekly service start and end dates. Many transaction-level records may be on a single invoice.

⁵ OPEGA also interviewed 16 child care providers who reported submitting their invoices via email to specific OCFS email accounts.

OPEGA reviewed all of the emails sent to each of the 13 specific email accounts over a three-month period (March, April, and May 2025⁶), and logged all submitted invoices recording the child care provider, invoice amount, and date and of time of receipt. We then cross-referenced the child care provider, child, and service dates on the invoices with the OCFS payment data to record transaction and payment dates for each transaction (or line item) on the invoice.

OPEGA ultimately logged and reconciled 2,276 invoices to calculate the time that elapsed between the receipt of the invoice (adjusted for business hours, weekends, and provider entry errors) and the payment or check date.

Results and Timeliness of Payments

Of the 2,276 invoices, OPEGA identified 96.6% (2,198 invoices) as paid and 3.4% (78) as partially⁷ or fully unpaid⁸ as of the latest date included in the payment data (although these unpaid invoices could have been paid after June 30, 2025). With regard to the timeliness of the 2,198 invoice payments that were made, we found the following:

- 95.5% (2,098 invoices) were paid within 30 days of the receipt of the invoice – which is the existing standard per DHHS and DAFS contract language. However, many invoices were paid much more promptly:
 - 90.1% (1,980) were paid within 14 days of the receipt of the invoice.
 - 66.8% (1,468) were paid within seven days of the receipt of the invoice.
- 4.5% (100 invoices) were paid more than 30 days after the receipt of the invoice. The least timely of these payments was 61 days late (or 91 total days).
- There was one extreme outlier among district offices in terms of performance. For District 8, which processes invoices for both the Houlton and Caribou offices, only 51.8% of invoices were paid within 30 days of receipt, as compared to 96.1% for the other district offices. District 8 also accounted for 38.5% of all partially or fully unpaid invoices identified by OPEGA.

Process Issues and Other Considerations

Despite 95.5% of emailed invoices being paid within 30 days of receipt by OCFS – with many of those being paid much sooner – OPEGA identified two fundamental issues within the process that present multiple conditions and risks that could adversely impact the timeliness of payments and/or potentially cause other payments issues:

1. There is no single, established child care invoice payment process among the OCFS district offices.
2. Communication between process participants (OCFS, DAFS, child care providers, and resource parents) is often ineffective.

⁶ This specific three-month period was selected because it would contain the most recent invoices that OPEGA could reasonably expect to be paid within the applicable standard (30 calendar days) in the OCFS payment data that ended June 30, 2025.

⁷ OPEGA considered an invoice to be partially unpaid if some – but not all – of the line items on the invoice were unpaid as of the last date included in the OCFS payment data.

⁸ OCFS reports that all but one of these unpaid invoices have been paid. The remaining payment required a fix from DAFS and was scheduled to be made the week of January 26, 2026.

Issue 1: There is no single, established child care invoice payment process among the OCFS district offices.

Without a single, established process, a variety of practices have emerged – many with potential adverse impacts to the timeliness of payments:

- District offices set differing durations for funding requests⁹ (which must be active for an invoice to be paid), with shorter durations requiring more frequent supervisory approvals.
- Different supervisors may approve those funding requests depending on the district office.
- The OCFS “standard” invoice form differs by district office, with some forms not including all of the same fields.
- By January 2024, a series of consistent, generic¹⁰ email accounts were established by OCFS management for use by all the district offices; however, two district offices continue to use specific staff email accounts to receive child care invoices.
- Differing invoice requirements being applied across the district offices, including whether the invoice form itself needs to be signed by the child care provider.
- Varying levels of quality control over submitted invoices among the district offices – from none at all (instead relying on the DAFS Service Center for review) to thoroughly reviewing each invoice prior to submission to the Service Center for approval.
- District office staff had differing understandings and interpretations of important subprocesses related to market rate exceptions and the payment of late fees.
- District office staff handle the coverage of invoice processing duties differently, with some staff reporting that there is no coverage when staff are out of the office – in which case invoices wait until the assigned staff person returns.

These conditions and the risks and impacts they present to the timeliness of payments are more fully explained on Pages 19 – 21.

⁹ A funding request is the pre-authorization for child care payments.

¹⁰ A generic email account (such as DistrictOfficeBilling@maine.gov) can be accessed by multiple users, unlike a specific staff email account (such as firstname.lastname@maine.gov), which can only be accessed by that individual.

Issue 2: Communication among process participants (OCFS Central Office, OCFS District Offices, DAFS Service Center, Child Care Providers, and Resource Parents) is often ineffective.

There were several instances in which certain expectations or important information do not appear to have been communicated effectively among process participants:

- Existing written policies and procedures specific to the processing of child care invoices are very limited, and, in cases where they do exist, district office staff may not be aware of them.
- Although there is no single established child care invoice payment process, OCFS management and Central Office staff do have some substantive process expectations that do not appear to have been communicated effectively and are currently unmet:
 - OCFS Central Office expected generic email accounts established for the receipt of invoices to be used by the district offices, but two do not.
 - During an earlier pilot program that centralized billing for some districts to the OCFS Central Office, a specific form and process was created to record decisions related to exceptions to OCFS' established market rates for child care. Clerical workers were largely unfamiliar with either the form or the process, with some reporting that there was no mechanism to exceed established market rates.
 - Consistent with 5 MRSA §1554, OCFS Central Office explained that OCFS is responsible – under certain conditions - for paying late fees to providers for late payments. Some clerical workers do not believe that OCFS pays late fees.
- OCFS district office staff did not fully understand some DAFS HHS Service Center requirements for invoices to be approved and paid, specifically whether the child care provider's signature is required on the invoice form or how child care hours occurring outside of Monday through Friday should be recorded. We observed many emails reflecting a disconnect between OCFS clerical workers and DAFS HHS Service Center staff as to what fields must be completed on the invoice form.
- Child care providers often did not understand what information is required or acceptable on an invoice form, and, were generally unaware when their invoice was received or accepted.
- Changes in a child's custody status (reunification or adoption) transfer the responsibility for child care payments from OCFS to biological or adoptive parents. Our review of emailed invoices reflected that this information was not always communicated effectively to biological or adoptive parents and child care providers. We observed multiple instances of child care providers billing OCFS for weeks of care that occurred after the child left state custody, only to be informed that they would instead need to seek payment from the biological or adoptive parents.

These communication issues and the risks and impacts they present to the timeliness of payments are more fully explained on Pages 21 – 23.

While we have not performed all the necessary work to declare it an issue, OPEGA would like to make the Committee aware of an additional area for consideration. As we worked with Maine IT to obtain the emails necessary for our analysis, we learned that the generic email accounts established by OCFS to receive invoices are free “shared mailboxes.” Unlike a paid account, these do not have the “legal hold” feature, which means that emails deleted from the “shared mailboxes” cannot be recovered beyond thirty (30) days. Upon learning this, OCFS upgraded these accounts. OPEGA

does not know the extent to which these accounts with limited recoverability are used throughout State government. This area is more fully explained on Page 23.

OPEGA Recommendations

To address the identified fundamental issues, OPEGA offers the following recommendations:

Recommendation 1: Establish a Standardized Process

- OCFS should employ DHHS' Operational Excellence (OPEX) group to facilitate and lead a process improvement project¹¹ to establish a uniform and well-defined process for receiving, reviewing, and approving child care invoices for payment.
- OPEX should work with process participants to identify a more efficient and effective process through the application of Lean Six Sigma tools and methodologies.
- Process participants should – at a minimum – include OCFS Central Office staff, OCFS district office staff, and DAFS HHS Service Center staff.
- The resulting process should address the conditions associated with the issues identified by OPEGA, and, more specifically, clarify the expectations related to market rate exceptions and the payment of late fees.
- The new standardized process should be documented as a formal policy or procedure.
- OCFS should develop a training plan that can be used to train current district office staff as well as future staff as turnover occurs.

This recommendation is more fully explained on Page 24.

Recommendation 2: Clarify and Communicate Current Invoice Requirements

- OCFS Central Office staff should coordinate with DAFS HHS Service Center staff to better understand and define current requirements.
- OCFS Central Office staff should communicate current requirements and expectations to district office staff.
- OCFS should proactively provide clear guidance and documentation to child care providers on how to complete and submit invoices to best ensure timely payments are made.

This recommendation is more fully explained on Page 24.

¹¹ OPEX has previously (and, by all accounts, successfully) led a similar OCFS project related to the vendor code process.

Child Care Invoice Payment Process

OCFS pays for child care for children in state custody. The following is a high-level description of the child care invoice payment process, including the process participants, their roles and responsibilities, and other requirements.

Vendor Code

For a payment to occur, the child care provider must have an active State of Maine vendor code.¹² This is a one-time process¹³ (unless the provider's name and/or address changes) in which a vendor is established in the Advantage payment system. The vendor fills out and submits a "Substitute W-9 Vendor Authorization" form, and that information is entered and reviewed by DAFS, and the taxpayer identification number matched with the Internal Revenue Service. Once the vendor is established and activated, payments to the vendor can be made.

Funding Request (Pre-Authorization)

An active funding request must also be in place for a payment to occur.

After a child's caseworker and the resource parent(s) identify a child care provider for the child, the caseworker notifies the clerical staff worker that a new funding request is needed. Clerical workers then create the funding request in Katahdin which includes the child, the child care provider, the rate to be paid, and duration¹⁴ of the funding request. (District offices have discretion regarding the duration of child care funding requests; most use six months.) Once completed, clerical staff workers request supervisor approval for authorization of the funding request.

OPEGA noted various conditions related to the funding request duration, rate paid, and supervisory approval that were inconsistent across district offices and/or adversely impacted the timeliness of payments to providers. These conditions are explained in Issue 1 on Page 19.

Invoice Submission

Child care providers for foster children are required to submit invoices for their services to an OCFS district office, but have a great deal of latitude in terms of what they submit, how they submit, and when.

¹² This is true of any vendor doing business with the State of Maine.

¹³ The vendor code process had been a significant obstacle in getting providers paid, with some vendor codes taking as long as six months to obtain. DHHS' Operations Excellence group, OPEX, conducted a process improvement project related to the vendor code process. This resulted in the creation of a vendor code/direct deposit (VC/DD) team within OCFS in November 2024. According to OCFS' internal data, this team has decreased the average wait for a vendor code from 104 days to an average of 15.85 days as of December 2025. In light of this, OPEGA instead focused on other steps within the child care invoice payment process.

¹⁴ When a funding request expires, clerical staff workers are responsible for entering a new funding request and again requesting supervisor approval.

If they have them, providers may submit their own invoice forms; if not, providers use OCFS’ “standard” invoice form¹⁵ to record the children served, dates of service, amounts owed, and other typical billing information (see Appendix D for an example).

Providers may submit invoices as frequently or as infrequently as they wish – ranging from weekly to months at a time (which can result in very large outstanding balances).

Invoices may be submitted via email, physical mail, or hard copy, typically provided directly to the child’s caseworker, who, in turn, provides the invoice to the appropriate clerical worker. Email is the predominant and OCFS-preferred means of submitting invoices. Emailed invoices should be sent to specific email accounts at the district offices, typically a generic email account (such as DistrictOfficeBilling@maine.gov). Invoices are sometimes still sent to the child’s caseworker, the incorrect district office, or the incorrect email account within the correct district office – all of which should be forwarded to the appropriate inbox. Invoices are emailed in a variety of ways:

- Typed, fillable documents attached to the email;
- images of printed invoice forms with handwritten entries attached to the email, and
- images of printed invoice forms with handwritten entries embedded in the body of the email.

OPEGA noted various conditions related to the standard invoice form and the use of generic email accounts that were inconsistent across district offices and/or adversely impacted the timeliness of payments to providers. Both of these conditions are explained in Issue 1 on Page 20, and the use of generic email accounts is also explained in Issue 2 on Page 21.

District Office Clerical Worker Invoice Entry and Review

In each district office, one clerical worker – typically a Case Aide or Office Assistant – is primarily responsible for receiving and processing invoices and reimbursements of all types. This person is assigned to monitor the designated email account to which invoices are sent. Workers may opt to process invoices as they are received or wait until a specific day during the week. Once that process begins, these workers perform varying levels¹⁶ of review to ensure all required information is included. If acceptable, the worker scans the invoice into Docuware (the State of Maine’s document management system) which creates and stores a PDF image of the invoice. Next, they “index” the PDF by keying in information like payment type, vendor name and code, child name and identification number, and dates of service. (This indexing process is needed so that invoices can be retrieved at a later date by querying the system using various indexed parameters.) Workers then mark the invoice’s status to “requested,” and it is queued for review by the DAFS HHS Service Center.

¹⁵ OCFS reported that this standard invoice form was distributed to the district offices following the conclusion of a centralized payment pilot project in 2019, and that the district offices made changes to this document over time.

¹⁶ As reported to OPEGA by clerical workers.

OPEGA noted various conditions related to the responsibilities for invoice processing when designated workers are out of the office, varying levels of review performed by clerical workers, and the understanding of invoice requirements for payments that varied across district offices and/or adversely impacted the timeliness of payments to providers. These conditions are explained in Issue 1 on Page 20. The variable understanding of invoice requirements for payments is also explained in Issue 2 on Page 22.

DAFS HHS Service Center Review and Approval

Four DAFS accountants and a supervisor within the HHS Service Center are responsible for processing child welfare related payments from specific district offices. These accountants undertake a multi-step review process. First, they check the Docuware invoice image for errors, such as incorrectly calculated figures, and missing vendor or child identification numbers. Errors, if found, are sent back to OCFS clerical workers for correction and the corrected invoice is resubmitted. The Service Center accountants then access Katahdin to ensure that there is a corresponding funding request (indicating that the invoice is authorized for payment), to check that the invoice has not been previously paid, and to create a record for the invoice and assign its status. The accountant then designates the invoice as “approved” or “rejected.”

Payments Made

On Friday evenings, all approved invoices enter the Advantage payment system. As long as the vendor is in active¹⁷ status in Advantage, payments are issued on the following Monday. Advantage either cuts a check to be mailed to the vendor or posts payment to the provider’s bank account via electronic funds transfer. Once an invoice is paid, its status in Docuware changes to “accepted” and its status in Katahdin changes to “paid.”

Rejected Invoices

Invoices may be rejected at various points in the process by either district office clerical workers or DAFS HHS Service Center staff.

If an error is caught by a clerical worker prior to the invoice being submitted to the DAFS HHS Service Center, the worker may be able to correct it depending on the error. For errors in fields that the worker is not allowed to edit (according to OCFS, the Provider Name, Physical Address, and Mailing Address fields), the worker must contact the provider for a corrected invoice.

For those invoices designated as “rejected” by the DAFS HHS Service Center, OCFS clerical workers need to log into Docuware to see that the invoice was rejected. (Workers do not receive a notification outside of these systems when an invoice is rejected, approved, or paid.) In Docuware, a Service Center reviewer will add a note to the invoice image that identifies the error. Again, district office staff may be able to correct some errors, but others will require the worker to contact the provider to request a corrected invoice.

¹⁷ For any vendor with a status other than active, payments will not process.

Applicable Standards

While we were unable to identify any program-specific standards for the timeliness of payments related to child care, OPEGA observed similar payment standards in both statute and in contract language.

Statutory Standards

5 MRSA §1553 establishes that the required payment date for any proper invoice for which a state agency has incurred an obligation to a business concern shall be no more than 25 working days from the date the state agency receives a proper invoice or from the date of receipt of the property, products or services, whichever is later, unless the agency and the business concern¹⁸ have agreed to another payment date.

Contract Language Standards

As described by OCFS and later observed by OPEGA, DHHS and DAFS standard contract language states that payments will be made within 30 *calendar* days after receipt of an error-free invoice.

Although not all child care providers sign contracts with OCFS, OPEGA applied this more stringent standard (30 calendar days) in our analysis of the timeliness of child care payments.

Data Sources and Our Approach

A Lack of Invoice-Level Data

To determine the timeliness of an OCFS child care payment, it is necessary to know the date that a specific invoice was received by OCFS and the date that same invoice was paid. Unfortunately, this analysis was not possible using existing OCFS data.

First – and most importantly - the date of receipt is not captured by OCFS, nor is it a field in Katahdin. Second, most invoices are submitted on an OCFS-created invoice form, but neither the form nor the review and approval process assign a unique identifier (such as an invoice number) to the invoice itself, making it difficult to identify one invoice from another. Further compounding matters is that OCFS child care payment data is not recorded at the invoice-level, but instead at the transaction¹⁹ (or line item) – level.

The limitations of the existing OCFS payment data make it difficult to reconcile transaction-level payment data with particular invoices and make it impossible to calculate the timeliness of payments.

¹⁸ “Business concern” means a person, partnership or corporation engaged in providing property, products or services for the purpose of gain, benefit or advantage, either direct or indirect, whether or not the concern is organized for profit or not for profit.

¹⁹ Payments recorded at the transaction-level reflect a unique combination of child care provider, child, and weekly service start and end dates. A single invoice may contain many transaction-level records.

An Alternative Data Source

Child care invoices may be submitted to one of ten OCFS district offices (some of which process invoices for other offices as well – See Table 1) via email, physical mail, or hard copies submitted to district office clerical worker or the child’s caseworker.

Table 1: District Offices Responsible for Processing Child Care Invoices

District	Responsible Office	Additional Offices Served
1	Biddeford	Sanford
2	Portland	
3	Lewiston	
4	Rockland	
5	Augusta	
5	Skowhegan	
6	Bangor	
7	Ellsworth	
7	Machias	
8	Houlton	Caribou

Source: <https://www.maine.gov/dhhs/ocfs/about-us>

Through interviews with the clerical workers who receive and process child care invoices, we learned that “most” invoices were received via email to specific OCFS email accounts, with three staff members providing estimates of 75%, 80%, and 98% of invoices. (The prevalence of emailed invoices was further corroborated by interviews with 16 child care providers throughout Maine.)

As email appeared to be the predominant and preferred method for submitting invoices, we consulted Maine IT to pull all emails received by 13 specific emails accounts between January 1, 2024 and June 30, 2025. These thirteen email accounts were identified by OCFS as the designated accounts to receive child care (and other) invoices. OPEGA also requested all OCFS child care payment data for that same time period.

OPEGA reviewed all of the emails received during March, April, and May of 2025 – which would allow for the 30-day payment standard to occur within our payment dataset ending June 30, 2025. We logged all invoices emailed during that period, recording the child care provider, invoice amount, and date and time the email was received. For each invoice, we then cross-referenced the child care provider, child, and service dates listed on the invoices with the OCFS payment data to record transaction and payment dates for each transaction (or line item) on the invoice. Ultimately, we logged and reconciled 2,276 invoices to calculate the time that elapsed between the receipt of the invoice and the payment or check date.²⁰

²⁰ OPEGA’s full methodology can be found in Appendix B.

Our Approach

In determining the timeliness of payments, we applied the following rules to our combined invoice email and payment data:

- Invoices with line-item entries that contained future service dates were excluded from our analysis as service dates beyond the current week cannot be processed at the time of the receipt.
- The date and time of the receipt of the email containing an invoice was considered the date of invoice receipt. For those invoices received after business hours (5:00 pm) or on a weekend, the next day *business* day was used to calculate timeliness.
- For invoices that had errors and needed to be corrected and resubmitted by the provider, the resubmission date was used to calculate timeliness.
- For invoices with line-item entries that were paid on different dates, the latest payment date was used to calculate timeliness for the entire invoice.
- For the purposes of our analysis, invoices needed to be sorted into three categories: fully paid, partially unpaid, and fully unpaid.
 - The fully paid category captured all invoices that had all of their line-item entries paid as of June 30, 2025.
 - The partially unpaid category captured all invoices that had some, but not all of their line-item entries paid as of June 30, 2025.
 - The fully unpaid category captured all invoices that had none of their line-item entries paid as of June 30, 2025.

With these rules in place, we calculated the time that elapsed between the receipt of an invoice and its payment. It should be noted that our resulting analysis (in the following section) only reflects invoices that were emailed to the appropriate OCFS email accounts. While invoices may be submitted through other avenues, those do not have a receipt date to use in OPEGA's calculation of the timeliness of payments.

Timeliness of Payments

Overall Timeliness

Of the 2,276 invoices, OPEGA determined that 96.6% (2,198) were fully paid and 3.4% (78) were partially²¹ or fully unpaid as of June 30, 2025. However, these unpaid invoices may have been paid after that date.

With regard to the timeliness of the payments made, we found that 95.5% (2,098 invoices) were paid within the 30 calendar days of receipt, which is the most stringent applicable standard for timeliness. However, the majority of these invoices were paid much more promptly:

²¹ Partially paid invoices can occur for valid reasons, however, OPEGA was unable to determine the reasons for these partially paid invoices from the OCFS payment data.

- 66.8% (1,468 invoices) were paid within seven days of the receipt of the invoice.
- 90.1% (1,980) were paid within 14 days of the receipt of the invoice.

The remaining 4.5% (100) fully paid invoices were paid late, with none extending beyond 91 total days or 61 days late. The full distribution of the timeliness of these 100 late payments is listed below:

- 49 were paid between one and 15 days late.
- 25 were paid between 16 and 30 days late.
- 17 were paid between 31 and 45 days late.
- 9 were paid between 46 and 61 days late.

By District Office

In analyzing the timeliness of payments by district office (see Table 2), there was one outlier – District 8, which receives and processes invoices for both the Houlton and Caribou offices. Of the invoices received by District 8, OPEGA could identify only 82.0% as have been fully paid by June 30, 2025, as compared to 97.7% for all of the other district offices combined. Furthermore, in terms of the timeliness of those payments, only 51.8% of District 8’s payments were made within 30 days, as compared to 98.4% for all of the other district offices combined.

District Office	Number of Invoices	Fully Paid	Paid Within 30 Days
Biddeford	402	97.8%	97.5%
Portland	344	98.0%	99.1%
Lewiston	221	97.3%	99.1%
Rockland	135	95.6%	91.5%
Augusta	307	98.4%	98.7%
Skowhegan	176	98.9%	100.0%
Bangor	423	97.4%	99.8%
Ellsworth	81	97.5%	98.7%
Machias	20	100.0%	90.0%
District 8	167	82.0%	51.8%
Total	2,276	96.6%	95.5%

Source: OPEGA analysis of child care invoices and payments.

Unpaid Invoices

Of the 78 invoices that were either partially or fully unpaid as of June 30, 2025, 14.1% (11 invoices) were partially unpaid and 85.9% (67) were entirely unpaid. The distribution of how late these payments were as of June 30, 2025, is listed below:

- 17 were between one and 15 days late.
- 11 were between 16 and 30 days late.
- 20 were between 31 and 45 days late.
- 8 were between 46 and 60 days late.
- 13 were between 61 and 75 days late.
- 8 were between 76 and 90 days late.
- 1 was 180 days late.

Although these invoices may have since been paid, OPEGA provided copies of the invoices to OCFS so that OCFS may verify that the payments have been made, or, if not, appropriately denied.

When these unpaid invoices were analyzed by district office, District 8 was again an outlier. Despite comprising only 7.3% of the invoices reviewed, District 8 accounted for 38.5% of partially or fully unpaid invoices (see Table 3).

District Office	Percentage of Reviewed Invoices (2,276)	Percentage of Unpaid Invoices (78)
Biddeford	17.7%	11.5%
Portland	15.1%	9.0%
Lewiston	9.7%	7.7%
Rockland	5.9%	7.7%
Augusta	13.5%	6.4%
Skowhegan	7.7%	2.6%
Bangor	18.6%	14.1%
Ellsworth	3.6%	2.6%
Machias	0.9%	0.0%
District 8	7.3%	38.5%
Total	100.0%	100.0%

Source: OPEGA analysis of child care invoices and payments.

Provider Perspectives

OPEGA sampled²² and interviewed 16 child care providers from across the state to learn their perspectives on the timeliness of payments from OCFS, as well as other aspects of their experiences in working with OCFS while caring for children in state custody.

Timeliness of Payments

Generally, the interviewed providers reported being paid timely. Of the 15 providers who answered the question, 11 stated that they are regularly paid within two weeks of invoicing. Three providers said that timeliness varies, while the remaining one provider reported that payments typically take two to four weeks.

Differences Between Private Families and OCFS

Providers noted several differences between working with OCFS and working with private families.

- Private families pay in advance of services rendered while OCFS only pays *after* the service is rendered (with exceptions for summer camps or other special activities that constitute child care).
- Some providers interviewed charge late fees to families that pay late. The providers believe OCFS does not pay late fees.
- Most providers interviewed require families to sign a contract and provide a two week notice if their child will no longer be attending the child care. Interviewees said that OCFS does not sign contracts and often does not provide advance notice when children are leaving or responsibility for payment will be changing.
- Some providers charge a registration or enrollment fee for private payers. Providers interviewed reported that OCFS does not pay these fees.

Communication

Providers reported some communication issues when custody changes either through adoption or reunification. Of the 13 providers who have experienced caring for a child through a change in custody, all but one said that they were not given timely notice of that change.²³ Ten providers said they were not notified by OCFS but rather by the resource parents of the child.

Rates of Pay

OCFS pays an average child care market rate adjusted for county, type of facility, and child age. Half of the providers interviewed (8 of 16) said their usual rates were about the same as the OCFS market rates. Five providers said the OCFS market rates were lower than what they charge private

²² OPEGA's child care provider sampling methodology can be found in Appendix C.

²³ OPEGA notes that in instances in which a child's safety requires a change in their placement, that change may happen quickly, and necessarily prevent timely notice from being given to the provider.

payers. The remaining three providers said the OCFS market rates were higher than their private rates.

Provider Suggestions for Improvement

Providers interviewed made several suggestions to improve the child care payment process for children in state custody:

- Create an online system to streamline invoicing. Providers further noted:
 - They wish the process was paperless.
 - Repetitive information gathering required on paper invoices could be eliminated.
 - They prefer the online payment system for the Child Care Affordability Program²⁴ (CCAP), in which the children they are caring for are linked to their provider record, simplifying regular invoicing.
- Communicate directly with providers when custody (and responsibility for payment) is changing and give advance notice when possible.
- Pay for child care the week before or at the beginning of the service week like private families.
- Pay more quickly and reliably.
- OCFS market rates should reflect required child-teacher ratios for the age group.
- In instances where the OCFS market rates are lower than the provider's standard rates, providers should be allowed to charge resource parents the difference.

OPEGA notes that while some of these suggestions are things that should currently occur, we have noted varying district office practices related to market rate exceptions as part of Issue 1 on Page 20, and child custody status communication issues as part of Issue 2 on Page 23.

²⁴ The CCAP helps families with child care costs and is administered by OCFS.

Issues

During the course of this review, OPEGA identified two fundamental issues within the child care invoice payment process, and, accordingly, offers two related recommendations. These issues and recommendations are described in the following sections.

Issue 1: There is no single, established child care invoice payment process across OCFS district offices.

Despite 95.5% of emailed child care invoices being appropriately paid within 30 days of receipt, interviews with Central and district office staff – as well as observations made during our review of emails and invoices – indicate that there is no single, established child care invoice payment process across OCFS district offices. Without an established process, district offices have developed their own (and sometimes conflicting) practices that can adversely impact both the timeliness of payments and the equitable treatment of providers throughout the districts. These practice variations are described below.

Funding Requests

An active funding request is a pre-authorization that must be in place in for a child care payment to be made. OPEGA noted inconsistencies between district offices related to the duration (how long the funding request is active), and the approvers of funding requests.

When creating a funding request in Katahdin, clerical workers enter the child’s name, the child care provider, the rate to be paid, and the duration of the funding request. District offices have discretion in the duration of the funding request. Durations of three months, six months (the most common), or even one year were described to OPEGA. OPEGA was also told that one district office creates a new funding request for each submitted invoice with the duration aligning with service dates of the invoice.²⁵

While there may be benefits to shorter funding request durations, the practice creates additional work, as shorter durations require new funding requests to be entered more frequently; this is particularly true when funding requests are invoice-specific. Furthermore, funding requests require supervisory approval, and, as requests occur more frequently, additional work (the review and approval of the requests) is created for supervisors.

Relatedly, there were also differences among district offices as to who could provide that supervisory approval. Some district office staff reported that the specific supervisor associated with the child’s case (i.e. the permanency supervisor overseeing the child’s permanency caseworker) was required to approve funding requests, while others said that any supervisor (or an administrative supervisor) could approve child care funding requests.

²⁵ Upon learning of this practice, OCFS asked which district office was doing this so that they could address it. OPEGA provided this information via email.

Generic Email Accounts and Receiving Invoices

According to OCFS management, generic email accounts (such as DistrictOfficeBilling@maine.gov) were established for each of the district offices for the purpose of receiving child care (and, potentially other) invoices. The last of these accounts were established in January 2024, but two district offices (Ellsworth and Machias) are not currently using these accounts. Instead, these offices have providers email invoices to specific staff email accounts.

The generic email accounts provide a consistent location for providers to send invoices, unlike a staff email account that may change as staff turnover occurs. The primary benefit of using generic email accounts is that they may be accessed by multiple users, unlike a specific staff email account. This is useful in ensuring invoices are received and processed regardless of a particular worker's attendance. Relatedly, we also learned that district office staff handle the coverage of invoice receipt and processing duties differently, with some district offices reporting that there is no coverage when workers assigned these tasks are out of the office – in which case invoices wait until the assigned workers return.

Invoice Form, Requirements, and Review

While OCFS has what was described as a “standard” child care invoice form, we observed different forms being produced and used by the district offices – some of which did not contain all of the same fields. This inconsistency may be experienced by child care providers who bill multiple district offices for different children, depending on the office where the child welfare case originated.

Beyond the form itself, the district offices also have different understandings of what is required on an invoice form in order for it to be paid. (These differences are explained in greater detail in Issue 2 on Page 22.)

Relatedly, district office staff also reported performing varying levels of quality control – from none at all (instead relying on the DAFS HHS Service Center for review) to reviewing each invoice thoroughly prior to submitting it for approval. Self-reported reject rates for the district offices ranged from “very few” to almost half of the invoices submitted – which would result in a significant amount of rework and extra processing.

Understanding of Specific Processes

Within the child care invoice payment process are two sub-processes or areas that varied significantly across districts according to district office staff.

The first sub-process involves the handling of exceptions to OCFS' established market rates that reflect the county, the age of the child, and the type of child care provider (facility, in-home, etc.). The applicable rate is generally the maximum amount that OCFS will pay for child care; however, according to OCFS Central Office staff, there is a mechanism to make exceptions when a provider's rate exceeds OCFS' market rate. (This process, which comprises OCFS' practice expectations for the district offices, is explained further in Issue 2.)

District office staff described the process for market rate exceptions very differently. Some reported following the process described by OCFS Central Office, while others reported that there were no exceptions to market rates. This practice may create inequity among vendors depending on district

office, and, at worst, could potentially result in a child care provider not accepting a child due the rate.

Another sub-process that varied significantly across districts was the payment of late fees. According to OCFS management (and consistent with 5 MRSA §1554), OCFS may pay late fees to providers if the following conditions are met:

- Payments are made later than 45 days.²⁶
- OCFS and/or the State are responsible for the delay.
- Late fees are established in the child care provider’s handbook, and the late fees assessed to the State are consistent with what would be assessed to private payers.
- The provider bills OCFS for the late fees.

Based on the OCFS payment data that we reviewed, late fees are rarely paid – but not prohibited as long as the above criteria is met. Several clerical workers reported that OCFS does not pay late fees at all – which is inconsistent with statute.

Issue 2: The communication among process participants is often ineffective.

Throughout our work, there were several instances in which certain expectations or other important information did not appear to be communicated effectively among the appropriate process participants: OCFS Central Office, OCFS district offices, the DAFS HHS Service Center, child care providers, and resource parents. These instances are described in the following sections.

Communication of Central Office Process Expectations

As described to varying degrees in Issue 1 as areas where variations in practice have arisen as a result of the lack of an established process, these areas are also captured below as part of Issue 2 as evidence that certain Central Office process expectations were not effectively communicated to district office staff.

The first example involved the use of established generic email accounts. OCFS management and Central Office staff had these email accounts created for each district to provide a consistent location for child care invoices to be sent to that could also be accessed by multiple workers. However, two district offices are not currently using these accounts, with one district’s worker reporting that they did not even know the generic email account existed. OCFS Central Office staff was apparently unaware that these district offices were not using the generic email accounts as we observed one instance in which Central Office staff directed a provider to send their invoices to the district’s general email account – which was unused and unmonitored.

²⁶ DHHS (and DAFS) standard contract language states payments will be made within 30 calendar days after receipt of an error-fee (proper) invoice. This is a higher standard than the 25 business days laid out in 5 MRSA §1553. 5 MRSA §1554 allows for an additional 15 days “following another date agreed to by the state agency and the business concern” before a late fee may be considered. In the case of service contracts, the 30 days defined in the contract are the “another date agreed to.” The two periods added together total 45 days.

Similarly, expectations related to the process for market rate exceptions do not appear to have been effectively communicated to district offices. During an earlier pilot program in which Central Office received and processed child care invoices for some districts, Central Office staff established a specific process and related form to record decisions and approvals to exceed OCFS' child care market rates. According to OCFS Central Office staff, that process is the expectation for how district offices should handle similar requests for market rate exceptions. While some clerical workers reported following this process and using the form, others described generally allowing market rate exceptions and not using the process or the form. More concerning, some district offices reported that they did not allow for exceptions to OCFS' market rates which could, potentially, impact whether a child secures a child care placement.

Another example was related to the payment of late fees. Although our data analysis indicates the payment of late fees is incredibly rare²⁷, OCFS Central Office confirmed to OPEGA that OCFS does pay late fees (provided certain conditions are met), which is consistent with 5 MRSA §1554, and that this is the expected practice. However, multiple clerical workers (as well as some Central Office staff) reported that OCFS does not pay late fees.

Communication of DAFS HHS Service Center Invoice Requirements

Through interviews with district office clerical workers, DAFS HHS Service Center staff, and OPEGA's review of invoices and invoice-related emails, we found that Service Center invoice requirements have not been communicated effectively to district office staff.

Email exchanges between district office staff and child care providers regarding invoices rejected by the Service Center reflected that district office staff were unaware or confused by some apparent requirements related to the formatting and fields that must be completed. Areas of confusion included the following:

- Whether Provider Name and Business Name fields both need to be completed.
- Whether Physical Address and Billing Address fields both need to be completed when they are the same.
- Whether abbreviations in certain fields were acceptable.

District office clerical workers also reported applying what they thought were Service Center requirements but, in actuality, are not required. One such example involved the recording of service dates. In interviews, some staff explained that the hours of child care provided could only be reported between Monday through Friday service dates even if care occurred on a Saturday or Sunday.²⁸ DAFS Service Center staff reported that any service dates may be used.

The most significant area of disagreement and inconsistency was related to whether the provider's signature was required on the invoice form. According to OCFS, the provider's signature line on the invoice form was first introduced during a pilot project that centralized billing and invoice

²⁷ In our analysis of OCFS' child care payment data from January 1, 2024 through June 30, 2025, there were more than 69,000 discrete payment records. Of those, OPEGA only identified 16 payments related to late fees.

²⁸ These are reportedly rare occurrences.

processing from some district offices to Central Office. As Central Office staff would be less familiar with a child's circumstances than district office staff and less able to verify the appropriateness of the billing, the provider's signature was an attestation that the child attended. When this function returned to the district offices, the provider signature line remained on the invoice form.

Even though the provider signature line is on the invoice form, DAFS HHS Service Center staff confirmed that the signature is not required in order for the invoice to be paid. However, several district clerical workers believe a signature is required (while others do not). One person even described a workaround for missing signatures in which they would retype the invoice form – typing the provider's name in the signature line - as though the invoice as submitted was illegible.

The incorrect application of these presumed requirements by district office staff can result in the unnecessary rejection of submitted invoices. These rejected invoices must be corrected and resubmitted by child care providers, effectively delaying their payments.

Communication with Child Care Providers

Information related to a child's custody status does not appear to be effectively communicated by district office staff to child care providers.

When a child is reunified or adopted, they may continue to attend the same child care, but OCFS should no longer be billed directly for that care as OCFS only pays for child care for children in their custody. Instead, providers should bill the biological or adoptive parent(s). As described to us by OCFS management, upcoming changes in a child's custody should be communicated by the child's caseworker to clerical workers so that they can notify the provider for a seamless transaction of billing and payment.

This communication did not often occur. We observed multiple instances of providers billing OCFS for weeks of care that occurred post-reunification or adoption and learning after the fact that they would instead need to seek payment directly from the biological or adoptive parents. As a result, these payments may be delayed, if made at all – particularly if the child has since unenrolled from the child care. Providers consistently said that this lack of communication often precludes OCFS from providing a two-week notice that is typically required of all other customers. Alternatively, clerical workers noted that if they are unaware that a child's custody status has changed, invoices submitted to OCFS by the provider may continue to be paid in error.

Other Considerations

While outside of our scope, OPEGA would like to make the Committee aware of an additional area for consideration. As we worked with Maine IT to obtain the emails necessary for our analysis, we learned that the generic email accounts established by OCFS to receive invoices are free "shared mailboxes." Unlike a paid account, these do not have the "legal hold" feature, which means that emails deleted from the "shared mailboxes" cannot be recovered beyond 30 days. (Upon learning this, OCFS upgraded these accounts.) OPEGA does not know the extent to which these accounts with limited recoverability are used throughout State government.

The GOC may want to consider drafting a letter to Maine IT asking the extent to which this type of email account is used and the scenarios in which these type of accounts would and would not be appropriate for use.

Recommendations

To address the identified conditions, variations in practice, and fundamental issues, OPEGA offers the following recommendations:

Recommendation 1: Establish and Document a Standardized Process

To ensure the timeliness of payments and an equitable, consistent process across district offices that is aligned with OCFS Central Office expectations and DAFS HHS Service Center requirements, OCFS must first establish a uniform and well-defined process for receiving, reviewing, and approving child care invoices for payment. Specifically, we further recommend that OCFS employ DHHS' Operational Excellence (OPEX) group to facilitate and lead a process improvement project to determine what this revised process should look like.

OPEX has previously (and, by all accounts, successfully) led a similar process improvement project that resulted in the creation of the vendor code/direct deposit (VC/DD) team that ultimately reduced the time it takes for providers to obtain vendor codes from as long as six months to an average of 15.85 days.

OPEX should again work with OCFS – and more specifically, all process participants – to identify a more efficient and effective process through the application of Lean Six Sigma tools and methodologies. The resulting process should address the conditions associated with the issues identified by OPEGA, particularly the following:

- Market rate exceptions.
- Payment of late fees.
- Communication of changes in custody.

The resulting process should also be documented as a formal policy or procedure. OCFS should also develop a training plan that can be used to train current clerical workers as well as future workers as turnover occurs.

Recommendation 2: Clarify and Communicate Current Invoice Requirements

Whether separate from or in concert with the process improvement project envisioned in Recommendation 1, OCFS Central Office staff should coordinate with the DAFS HHS Service Center to better understand and define the current requirements for invoices to be approved for payment. These requirements should be documented in writing, and, at a minimum, clarify which fields are required and how those fields may be formatted.

OCFS Central Office should then disseminate and communicate these requirements to district office staff to minimize needless payment delays resulting from the incorrect application of assumed standards.

Similarly, OCFS should proactively provide clear guidance and documentation to child care providers explaining how to complete and submit invoices to best ensure timely payments are made.

Appendices

Appendix A. Scope and Methods

Appendix B. Methodology for Calculating the Timeliness of Payments

Appendix C. Methodology for Provider Sampling

Appendix D. Sample OCFS Invoice Form

Appendix E. Agency Response Letter

Appendix A. Scope and Methods

For this review, OPEGA conducted document reviews, staff interviews, child care provider interviews, and analyzed emailed invoices and OCFS payment data to determine the timeliness of payments and to identify issues within the child care payment process.

Document Review

OPEGA reviewed relevant documentation to understand both the applicable standards for timeliness and the process itself. Specific material reviewed include, but are not limited to, Maine statutes, DHHS Standard Service Contract templates, OCFS Katahdin invoicing guidelines, DHHS Child Care Market Rate tables, the Child Care Exception from Market Rate Approval form, DAFS HHS Service Center guidance related to payments, and district office invoice forms (and any related documents).

Staff Interviews

OPEGA interviewed various parties to gain an understanding of the current practices related to the payment of child care invoices. Interviews were conducted with OCFS Management, OCFS Central Office staff, OCFS district office workers, OCFS VC/DD team members, OPEX, Office of the State Controller, and DAFS HHS Service Center staff and management.

Provider Interviews

The full methodology for this work can be found in Appendix C.

Analysis of Emailed Invoices and OCFS Payment Data

The full methodology for this work can be found in Appendix B.

Appendix B. Methodology for Calculating the Timeliness of Payments

The timeliness of payments could not be calculated using OCFS' existing data because 1) the date an invoice is received by OCFS is not captured in that data and 2) payment data is recorded at a transaction- or line-item level and not at the invoice-level.

OPEGA was, however, able to determine through interviews of district and Central Office staff that a very large majority of invoices are received via email. Accordingly, OPEGA sought to obtain those emails so that OPEGA could record the date and times they were received, which could then be used in calculating the timeliness of payments: the length of time between the receipt of the emailed invoices and the corresponding payments.

Working with Maine's Office of Information Technology (MaineIT), OPEGA obtained *all* of the emails received by the generic accounts established for the purpose of receiving invoices for the district offices between January 1, 2024 and June 30, 2025. For the two district offices whose invoices were emailed to specific workers, we obtained those workers' emails for that same period that matched the following search terms:

- "invoice"
- "bill"
- "payment"
- "daycare"
- "day care"
- "childcare"
- "child care"

For OPEGA's analysis of these emails, OPEGA chose to concentrate on the three-month period between March 1, 2025 and May 31, 2025 for the following reasons:

- The manual process of identifying and recording the invoices was time-consuming and OPEGA sought to balance the sample size with the need to present timely results.
- The last date of the payment data obtained from OCFS was June 30, 2025, so OPEGA needed to allow for a month to elapse (the applicable standard) for the last of the identified invoices to be paid.
- The most recent data is more likely to reflect the current timeliness of invoice payments.

OPEGA divided these emails among our analysts to review and record the information necessary to locate the corresponding records in the OCFS payment data. This information included the child's name (and unique id, if there was ambiguity), the vendor's name, the service start and end dates, and the invoice amounts. OPEGA also recorded the date and time that the email was received. Upon reconciling the invoice with the payment data, OPEGA also recorded the associated transaction and payment dates.

From this three-month period, OPEGA identified 2,430 invoices. However, 154 invoices were not appropriate to use in the subsequent analysis for a number of reasons:

- An invoice or invoice line item was submitted with a future service date. Because invoices should not be paid until the service is provided, these were typically held by the district clerk and processed later. Using the email date as the invoice date of receipt would inaccurately calculate the timeliness of the payment when the invoice or line item was appropriately held.
- Occasionally, the email date of the invoice was after the date that the invoice was processed in the system. In OPEGA's examination of these emails, OPEGA noted that providers will send invoices multiple times. When this scenario occurred, OPEGA would first look for the appropriate prior email (even if it were outside of the three-month period) and instead use the date from that email. However, when OPEGA could not find a corresponding prior email (as it may have been submitted through a non-email channel), the invoice was excluded from our analysis.
- In a few cases, OPEGA could not reconcile a child as they were identified on an invoice with a child in the payment data. These invoices were excluded from our analysis as we could not identify a payment date.
- If the text of the email indicated that processing was delayed due to issues with vendor forms, "A Numbers"²⁹ or provider mistakes that would delay processing and payment, the associated invoice was excluded from our analysis.

Ultimately, OPEGA identified 2,276 invoices as appropriate for analysis. These were sorted into three categories: fully paid, partially unpaid, and fully unpaid.

- The fully paid category captured all invoices that had all of their line-item entries paid as of June 30, 2025.
- The partially unpaid category captured all invoices that had some, but not all of their line-item entries paid as of June 30, 2025.
- The fully unpaid category captured all invoices that had none of their line-item entries paid as of June 30, 2025.

There were 2,198 fully paid invoices that OPEGA could then use to calculate the timeliness of payments. As part of this calculation, there were some adjustments that needed to be made:

- In most cases, the date and time that the email was received was considered the date that the invoice was received. However, many providers emailed invoices after regular business hours and on weekends. In these instances, using the date that the invoice was received would inaccurately reflect the timeliness of the payment. When this occurred, OPEGA used the next business day to calculate timeliness.
- When invoices had errors that needed to be corrected and resubmitted by the provider, the date that the invoice was resubmitted was used to calculate timeliness.
- For invoices with line-item entries that were paid on different dates, the latest payment was used to calculate the timeliness of the payment for the entire invoice.

With these adjustments made, OPEGA then calculated the time that elapsed from the date of the receipt of the invoice to the date the payment was made.

²⁹ An "A Number" is a unique MaineCare identifier.

Appendix C. Methodology for Provider Sampling

OPEGA requested a list from OCFS of all child care providers that had cared for one or more children in state custody during 2024 and 2025, including the type of provider (facility, family child care, or license-exempt), location, and contact information. OCFS provided a list of 351 providers.

Of those 351 providers, OPEGA decided to interview 16 (approximately 5% of the population), and to speak with at least one provider working with each OCFS district as well as at least one of each type of provider. OPEGA stratified providers by location and type, and then used a random number generator to choose the sample. OPEGA then contacted the sampled providers by email and phone. If a selected provider could not be reached or they declined to be interviewed, OPEGA chose an alternate from a similar demographic using the random number generator. In all, OPEGA contacted 44 providers in order to arrive at the 16 providers who completed interviews with OPEGA. The characteristics of the interviewed providers are summarized in the following tables:

Providers Interviewed by OCFS District Office		
OCFS District	Location	Providers Interviewed
1	Biddeford & Sanford	3
2	Portland	2
3	Lewiston	2
4	Rockland	1
5	Augusta & Skowhegan	1
6	Bangor	3
7	Ellsworth & Machias	2
8	Houlton & Caribou	2
Total		16

Providers Interviewed by Provider Type			
Provider Type	Interview Count	% of Interviews	% of Provider Sample
Facility	11	69%	71%
Family Child Care	4	25%	26%
License Exempt	1	6%	3%
Total	16	100%	100%

Appendix D. Sample OCFS Invoice Form

OCFS offers an invoice template for child care providers that includes the necessary information to ensure payment. The example below is from the Augusta office; OPEGA found that templates vary by district.

INVOICE

Provider Name: _____ **SSN#:** _____

OR

Business Name: _____ **EIN#:** _____

Physical Address: _____ **PHONE:** _____

Mailing Address: _____

Please use Monday-Friday dates as the week start/ending.

BILL TO

OCFS Augusta Billing
 35 Anthony Avenue, SHS #11
 Augusta ME 04333-0011
 Email: AugustaOCFSBilling.DHHS@maine.gov Fax: 207-624-5553

Child(ren) Name	Week Start Week Ending	Weekly Hours Attended	\$ Amount	A# (for office use only)
Invoice Total			\$	

Provider Signature: _____ **Date:** _____

Appendix E. Agency Response Letter

See Following Page

Janet T. Mills
Governor

Sara Gagné-Holmes
Commissioner



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

February 17, 2026

Office of Program Evaluation and Government Accountability
82 State House Station
Room 104, Cross State Office Building
Augusta, ME 04333-082

Dear Director Schleck,

Thank you for the opportunity to review and respond to OPEGA's report regarding the processing and timeliness of payments to child care providers caring for children in the custody of the Department of Health and Human Services (DHHS). In our assessment, the brief accurately depicts the current strengths and challenges within the child welfare system as it relates to the payment of child care providers for care they provide to children in the Department's custody. As always, DHHS and the Office of Child and Family Services (OCFS) extend our thanks to the staff of OPEGA for their thorough review and analysis. The holistic review provides meaningful recommendations for improvement.

Access to child care for a resource family is critically important. Just like any other Maine parent, child care allows resource parents to maintain employment or further their education and meet the developmental needs of children in their care. The results of OPEGA's review demonstrate the commitment of OCFS staff to ensure providers are paid in a timely manner, with 95.5 percent of invoices paid within 30 days and many paid much sooner (66.8 percent within seven days and 90.1 percent within 14 days). The data further reflects that in seven of the ten District offices, payments are made within 30 days at a rate of 97.5 percent or higher.

At the same time, OCFS also recognizes the impact outliers can have on individual families and providers and appreciates the analysis and recommendations. OPEGA has recommended that OCFS work with DHHS's Operational Excellence (OpEx) group to lead a process improvement project. We agree with this recommendation and are moving ahead in partnership with OpEx to that end. We are using OPEGA's report as a resource as we work to standardize and enhance the invoice and payment process. The result of this work will include a formal standard operating procedure (SOP) to ensure continuity among staff and across Districts.

OCFS also plans to develop an on-demand training that will be made available to all current and future staff tasked with receiving and processing invoices. This project aligns heavily with our commitment to better standardize child welfare operations across the state so that all Districts are operating in a consistent and unified manner. In the report, District 8 (Aroostook County) was identified as a significant outlier. OPEGA reviewed records from March, April, and May 2025 and during that time District 8 had a long-term vacancy in one of their five Case Aide positions and one vacancy among their two Office Assistant II positions. This resulted in the redistribution of the work to process invoices and unfortunately, as can be seen, slowed the timeliness of payments. While a unique situation, this provided an opportunity to identify improvements across Districts. Implementation of on-demand training will address this issue in the future by

ensuring that staff who are tasked with providing coverage will have a solid understanding of the process and their responsibilities.

Further, there are some situations in which communication between the District offices and providers could be improved. Ultimately, the foremost priority for staff is child safety and there are times when the move of a child happens quickly to ensure their well-being. This can create communication gaps that are unrelated to child safety but inconvenient for providers who the Department relies on for services. OCFS is committed to working with child care providers so they too have a clear understanding of the processes and procedures for placement, rate, invoices, and payment beginning at the time of the child's placement in their program. While OCFS previously (during the centralized payment pilot) provided a standardized invoice form, over time Districts have made changes and forms have become outdated. Updating the standardized invoice and developing strategies to provide regular and timely updates as changes in staffing and policy/procedure occur will be a part of the work with OpEx.

Finally, OCFS also wants to acknowledge that there may, at times, be reasons outside of our control that leads to late payment by our standards. This primarily occurs when additional information is needed from the provider. While OCFS strives for timely payment and meets this goal in the overwhelming majority of cases, there will be rare occasions when payments do not occur within 30 days as OCFS staff and the provider work to resolve questions and ensure OCFS is only making payments in response to valid invoices. This is part of necessary due diligence to meet our obligation to ensure appropriate stewardship of taxpayer funds.

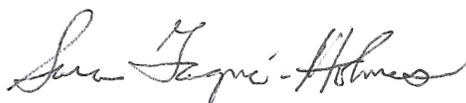
The safety and well-being of children in care is at the core of OCFS' mission, and we recognize that child care is a key component to ensure safe and stable placements for children and longer-term sustainability for resource parents. The results of OPEGA's review demonstrate OCFS' commitment while also illustrating opportunities for additional improvement.

To summarize: informed by this report, OCFS will be utilizing the Department's OpEx team to implement process improvements to bolster timeliness and consistency. These include:

- A standard operating procedure
- An on-demand training module
- Standardized invoicing, and
- A strategy for improved communication and education of providers on this process.

OCFS again thanks OPEGA for their comprehensive approach in evaluating this topic.

Sincerely,



Sara Gagné-Holmes
Commissioner



Bobbi L. Johnson, LMSW
Director, OCFS