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EDITOR'S PICK

Federal benefit push carries major human, fiscal consequences

Fraud crackdown, new approaches to safety net programs loom as major issues before and after the elections

Alison Kuznitz

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Gov. Maura Healey and Lt. Gov. Kim Driscoll visited the Mystic Community Market at Walnut Street Center in Medford on Thursday, July 17, 2025, where they launched the Anti-Hunger Task Force.

Joshua Qualls/Governor's Press Office

*Editor's Note: Elections are about more than who wins. They determine who will govern — and what comes next. The **State Affairs 6** focuses on six races, issues or ballot questions in each state that could shape political power and public policy well beyond Election Day. In the weeks leading to Nov. 3, our reporters will explain the people, forces and stakes behind each one — and what the outcome could mean for how Massachusetts is governed.*

STATE HOUSE, BOSTON, Sept. 30, 2026.....President Donald Trump's quest to stamp out public benefit fraud is reshaping how Massachusetts officials balance program integrity efforts against maximizing access for vulnerable residents, creating a 2027 policy challenge with major human and fiscal consequences for the winners of this year's elections.



The delicate dance, with Massachusetts enmeshed in a longstanding state-federal partnership that has evolved during different presidencies, is playing out as state government watchdogs say fraud is not as widespread in MassHealth or SNAP as is being portrayed, while federal officials assert that major savings are possible by squeezing out fraudsters.

"I think that a lot of the current interest in fraud — governmental fraud, Medicare fraud, Medicaid fraud, whatever — is basically a fraud," said John McDonough, a former state lawmaker and executive director of Health Care For All.

As McDonough sees it, the Trump administration is making an "opportunistic attempt" to slash benefits "to needy people under the pretense that it's about fighting fraud." Evan Horowitz, executive director of Tufts University's Center for State Policy Analysis, called the

fraud battle a "red herring," saying "that's not where the threat is right now."



But even those who believe fraud claims are overblown acknowledge that fraud exists, and significant funds are at risk in 2027 and beyond.

Benefit crackdowns at Massachusetts U.S. Attorney Leah Foley's office paint a different narrative than the one heard often on Beacon Hill. Four men were charged in February for allegedly using 115 stolen identities to secure \$440,000 in SNAP benefits in Massachusetts and Rhode Island, plus \$700,000 in Pandemic Unemployment Assistance benefits from multiple states. A Boston convenience store owner in July was sentenced to prison time over a \$7 million SNAP fraud scheme.

Auditor Diana DiZoglio's office found \$12 million in public benefit fraud in fiscal 2025. The Senate Republican Caucus in February called for an oversight hearing into SNAP fraud and "operational failures" at the Department of Transitional Assistance — a request that went unanswered, a Sen. Bruce Tarr aide said. Advocates for low-income families, meanwhile, say the state lacks the staff to help families in need of benefits. They recently sued the state and the next governor will face that staffing challenges as well as the fiscal impacts of closer federal scrutiny of benefit programs.

Building on the efforts of the White House Task Force to Eliminate Fraud, federal health officials last week canceled about 315,000 "unauthorized enrollments" in Affordable Care Act marketplace plans. The action did not affect the Massachusetts Health Connector. Vice President JD Vance says the task force has identified \$250 billion worth of fraud since January, but The New York Times reported the tally is "overstated" and that its claims could not be verified.

Policy analysts say there are instances when state leaders should either fight back against federal benefit fraud crackdowns or simply comply, particularly as the commonwealth works to lower its SNAP payment error rate and cope with an expected surge of uninsured residents. Trimming benefit enrollment could yield near-term savings for the state, but also bring human and fiscal tradeoffs as food insecurity worsens and the Health Safety Net Fund's deficit explodes.

Major policy shocks will start materializing next year, as the governor — either Maura Healey or Republican challenger Mike Minogue — and the latest crop of state lawmakers navigate escalating federal uncertainty and budget constraints.

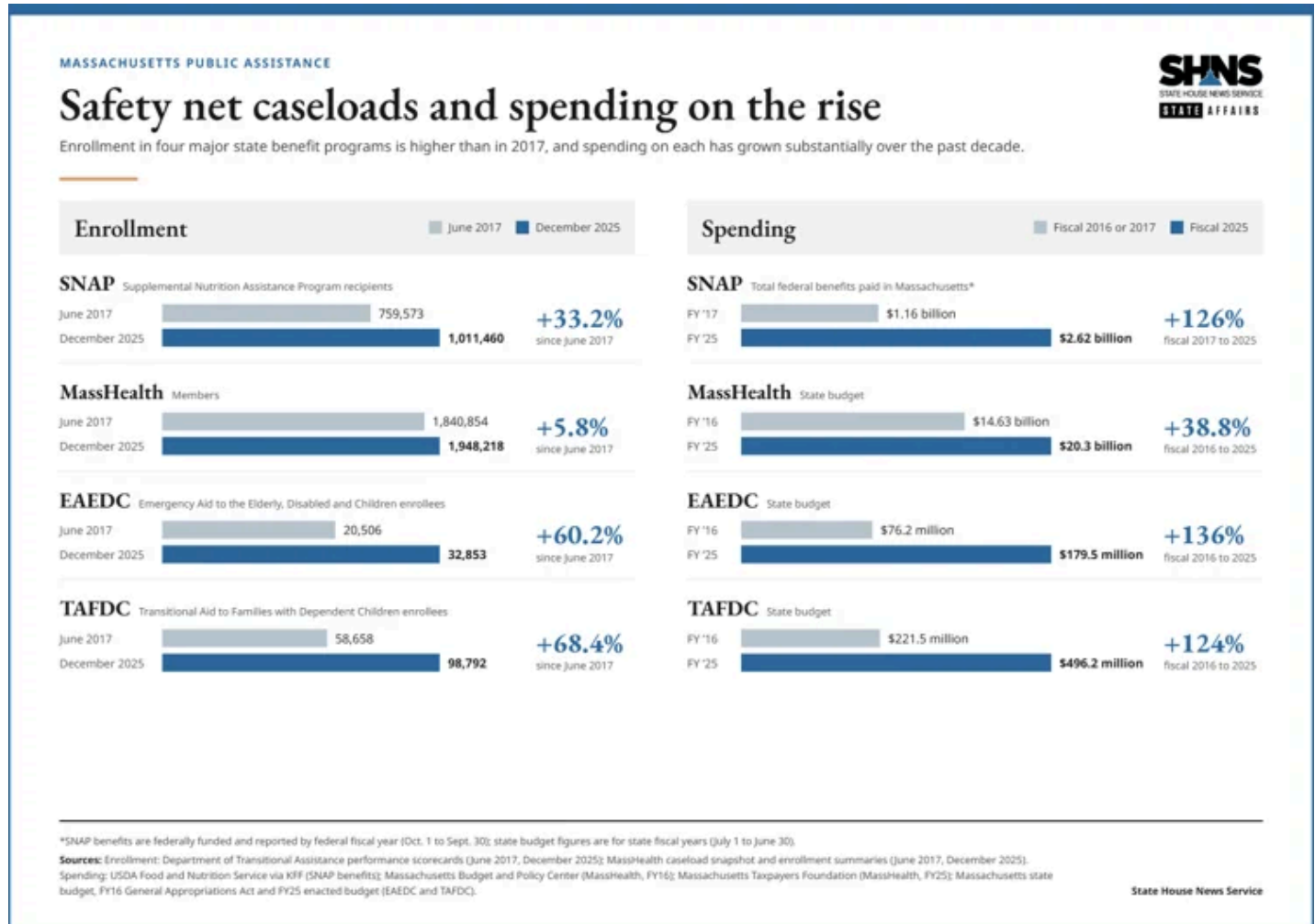
In his blueprint, Minogue said he plans to use third-party healthcare auditors to search out waste, fraud and abuse, ensuring that "care and dollars get to the patient." The former medical device executive wants to jump on the fraud-fighting bandwagon, saying he'd cut taxes and spending "by eliminating waste and fraud with audits and prioritization."

Minogue wants to permanently eliminate the gas tax, while Healey's two-month gas tax holiday proposal alone would cost Massachusetts \$120 million in revenue. Minogue's campaign manager said he anticipates replacing lost revenue after auditing the budget and identifying "100s of millions" of taxpayer dollars currently footing waste and fraud.

Healey has defended anti-fraud efforts both under her administration and her prior stint as attorney general.

"I know as attorney general, former attorney general, having overseen a Medicaid fraud unit, and now as governor, that the MassHealth program has strong public program integrity operations, as does DTA and the other agencies," Healey said in March after the House Energy and Commerce Committee in March sought information about Medicaid fraud in 10 states, including in Massachusetts.

Healey in April said she continues to be "really aggressive when it comes to fraud" in response to a Fiscal Alliance Foundation study that characterized safety net programs as costly and error-prone. She also highlighted the state's investment in chip EBT cards, saying, "I think we're leading on aggressive efforts to combat fraud, because I want to make sure that every taxpayer dollar is spent well."



As for ongoing SNAP scrutiny, Adam Jones of the Massachusetts Budget and Policy Center said the governor has "no choice" but to reconsider how to administer the program to satisfy federal demands.

"Our governor is responsible for appropriately reacting to budget threats," Jones said. "So it would be irresponsible of the administration to not do everything that they then could to try to lower the payment error."

Massachusetts notched a 12.5% SNAP payment error rate in fiscal 2025, a level that would trigger roughly \$300 million in cost-sharing under the federal law. The governor in 2027 will launch the annual budget process in January, though state budget writers won't know the relevant payment error rate until late June and that could create a budget gap, said Dottie Rosenbaum of the Center on Budget and Policy Priorities.

The SNAP payment error rate doesn't measure fraud, though Vicky Negus of the Massachusetts Law Reform Institute said congressional Republicans and Trump are treating the calculation like a "cudgel" to shrink caseloads.

Negus said the upheaval magnifies systemic problems at the DTA that prevent eligible residents from accessing SNAP benefits, including chronic underinvestment in caseworkers. Healey filed a supplemental budget last week to hire 10 new caseworkers.

"Massachusetts has an opportunity to be a leader across the country in opposing the nitty gritty ways that the USDA and the Trump administration are weaponizing the payment error rate to harm working families and residents," Negus said.

Attorney General Andrea Campbell has repeatedly joined multistate lawsuits against the Trump administration, including over attempts to restrict SNAP benefits, block immigrants' access to other safety net programs, and deny green cards based on public benefit usage.

MassHealth administrators are adapting to new eligibility criteria while fielding congressional inquiries into waste, fraud and abuse. Federal health officials in July deferred more than \$1 billion in Medicaid payments to California and Minnesota as they sought more information on "high-risk claims," a threat hovering over other blue states.

"Whether we like it or not, these programs are state-federal partnerships, and so if one partner really cares about something, you kind of need to care about it too," Massachusetts Taxpayers Foundation President Doug Howgate said. He added Washington's episodic, unpredictable probes will "use up a lot of time and attention for the very folks who need to make sure we're operating these programs well."

If Massachusetts were to become the next target of suspended Medicaid dollars, Horowitz said, "You more or less do what they say."

"You root out the fraud that you can find and negotiate to get as much money back as you can," he said.

The next gubernatorial administration will also need to handle negotiations surrounding an extension of the MassHealth Section 1115 Demonstration Waiver, slated to span Jan. 1, 2028 through Dec. 31, 2032. It will test how the state's approach to safety net programs matches up against the federal administration's views. The waiver gives Massachusetts flexibility over programs aimed at boosting health insurance access, expanding behavioral health services and other healthcare reform efforts, with MassHealth most recently using the tool to invest in accountable care organizations, primary care, health equity and workforce needs. The fate of the next waiver, and whether the Trump administration agrees with MassHealth's priorities, could be a lifeline or inflection point for the next governor.

Healey's supplemental budget calls for the creation of the Health Care Stabilization Fund, seeded by excess capital gains to support MassHealth, the Health Connector and the Health Safety Net Fund withstand federal policy changes. If the fund is created, it could serve as a way for the next governor and Legislature to mitigate benefit impacts from federal policy shifts, although state officials have warned the state alone is not able to offset all impacts from federal actions.

Some analysts say the new Medicaid work requirements are expected to double the state's uninsured rate, erasing some of the gains made through Romneycare. McDonough, reflecting on the 2006 landmark health insurance reform law, said Massachusetts has "climbed up and kind of got to the top of the access mountain."

"Now, it looks like access is going to have to be reopened as a new issue, which is going to distract attention and resources from other things that need to happen," McDonough said.

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