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Report Highlights

Medicaid Eligibility: Wage Verification Process of the Expansion Population

Louisiana Department of Health

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Why We Conducted This Audit

We evaluated LDH's process for using state wage data from the Louisiana Workforce Commission (LWC) when determining eligibility for the Medicaid expansion population. Federal law (42 CFR 435.948) states that agencies must request information related to wages from state agencies to the extent the agency determines such information is useful to verifying the financial eligibility of Medicaid recipients and applicants. According to LDH's verification plan, caseworkers are required to verify wages at application and renewal. This report is the first in a series of two reports where we tested the eligibility of a sample of Medicaid recipients. The second report, scheduled to be issued later this month, evaluates the department's overall process for making eligibility determinations, not just the state wage verification process.

What We Found

We found that LDH's current process of using wage data at application and renewal to determine the eligibility of the Medicaid expansion population is not sufficient. Specifically, we identified the following issues:

- **93 (93.0%) of the 100 Medicaid recipients in the targeted selection did not qualify for \$538,795 (66.3%) of the \$813,023 in per-member per-month (PMPM) fees LDH paid on their behalf at some point during their Medicaid coverage. This happened, in part, because LDH relies on Medicaid recipients to self-report changes in their wages rather than proactively using LWC wage data to identify changes in recipient wages that occur during the 12 months between application and renewal. LDH's policy decision to be a federally-facilitated-marketplace (FFM) determination state and caseworker errors also contributed to these ineligible recipients.** At least 20 other states indicated on their CMS verification plans that they check for changes in recipient wages on an interim basis.
- **82 (82.0%) of 100 Medicaid recipients in the random sample did not qualify for \$382,420 (47.3%) of the \$808,341 in PMPMs LDH paid on their behalf. Because this sample was random, we were able to project these results to the entire population of 19,226 single-person household Medicaid expansion recipients. Based on this projection, it appears that LDH may have paid between \$61.6 million and \$85.5 million in PMPMs for Medicaid recipients who did not qualify at some point during their Medicaid coverage.** More frequent checks of LWC wage data could prevent a portion of these PMPMs from being paid on their behalf.

View the full report, including management's response, at www.la.gov.