



# Report Highlights

## Medicaid Residency

*Louisiana Department of Health*

MICHAEL J. "MIKE"  
WAGUESPACK, CPA

Audit Control # 40220035  
Performance Audit Services • Data Analytics Unit • August 2023

### Why We Conducted This Audit

We evaluated the Louisiana Department of Health's (LDH) processes to identify and remove Medicaid beneficiaries who no longer reside in Louisiana, and as a result do not qualify for Louisiana's Medicaid program. We conducted this audit because we previously identified behavioral health providers who billed Louisiana's Medicaid program for services provided to beneficiaries who appeared to no longer live in Louisiana.

### What We Found

Overall, we found that LDH should improve its process for identifying Medicaid beneficiaries who no longer reside in Louisiana and therefore no longer qualify for Louisiana's Medicaid program. Our analysis found that LDH made approximately \$112.6 million in per-member per-month (PMPM) payments to managed care entities (MCEs) for 13,771 adult beneficiaries (over age 21) who do not appear to have resided in Louisiana during the coverage period paid for by these PMPMs. These beneficiaries were identified because their address was changed to an out-of-state address in LDH's Medicaid eligibility system (eligibility system) or they obtained a driver's license in another state. According to LDH, it could not terminate the Medicaid coverage of these beneficiaries during the COVID-19 Public Health Emergency (PHE) unless certain criteria was met due to the possibility that the Centers for Medicare and Medicaid Services (CMS) would end Louisiana's Families First Coronavirus Response Act Federal Medical Assistance Percentage match increase. We specifically found that:

- **LDH paid approximately \$3.0 million in PMPMs for 380 beneficiaries from June 2019 through February 2023 identified as residing out-of-state in LDH's eligibility system.** In addition, MCEs paid \$92,087 to out-of-state service providers after LDH's eligibility system listed the beneficiaries as residing out-of-state. Since LDH's eligibility system listed these beneficiaries as residing out-of-state, LDH should have prevented the payment of these PMPMs by following its existing policies or made a greater effort during the PHE to confirm the beneficiary's state of residence.
- **LDH paid approximately \$109.5 million in PMPMs for 13,391 beneficiaries from September 2016 through February 2023 who, according to Louisiana Office of Motor Vehicles (OMV) data, obtained a driver's license in another state.** In addition, MCEs paid approximately \$2.8 million to out-of-state service providers after the beneficiaries obtained an out-of-state driver's license. LDH could strengthen its eligibility process by using OMV data to identify Medicaid beneficiaries who obtained a driver's license in another state and may no longer live in Louisiana.

In addition, we used Medicaid data and CMS' National Provider Identifier (NPI) database to identify 3,633 beneficiaries enrolled in Louisiana's Medicaid program from May 2017 to February 2023 but who only received services from out-of-state providers. These beneficiaries did not have an out-of-state address in LDH's eligibility system, nor did they obtain a driver's license in another state. LDH could strengthen its eligibility process by using Medicaid data and CMS NPI data to identify Louisiana Medicaid beneficiaries who only receive services from out-of-state providers, which could indicate that the beneficiaries may no longer live in Louisiana.

View the full report, including management's response, at [www.la.gov](http://www.la.gov).