



Report Highlights

Oversight of Medicaid Quality Care

Louisiana Department of Health

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Why We Conducted This Audit

We evaluated the Louisiana Department of Health’s (LDH) oversight of Managed Care Organizations (MCOs) to ensure that Medicaid beneficiaries are receiving quality care and necessary services. We conducted this audit because a previous LLA audit identified Medicaid beneficiaries who received no Medicaid services and did not appear to reside in Louisiana while enrolled in Medicaid. This included beneficiaries who were disabled, aged, and blind who may be at higher health risk if they do not receive needed services. LDH has a Quality Strategy that is guided by a “Triple Aim” that partners with beneficiaries, providers, and MCOs to achieve better care, better health, and lower costs.

What We Found

- **While LDH withholds 1.0% of per-member per-month payments to incentivize MCOs to increase quality of care, LDH’s design of the quality withhold incentive program allows MCOs to receive these funds without improving performance. LDH could make improvements to strengthen its quality withhold incentive program.** For example, of the \$283.6 million withheld from MCOs for the quality withhold incentive program between calendar years 2018 and 2022,¹ LDH paid MCOs \$32.2 million (11.4%) for incentivized measures where the MCOs met the target but performance decreased from the prior year.

**Quality Withhold Payments to MCOs and Permanently Withheld Funds
January 2018 through December 2022**

MCO	Total 1.0% Quality Withhold	Amount Paid for Passing Measures and Improving Performance	Amount Paid for Passing Measures and Declining Performance	Amount Paid for Report-Only Measures	Total Withholds Paid to MCOs	Amount Permanently Withheld for Failed Measures
ACLA	\$38,400,857	\$19,483,092	\$5,620,075	\$8,304,791	\$33,407,958	\$4,992,899
Aetna	24,891,436	11,428,657	279,432	4,805,913	16,514,002	8,377,434
Healthy Blue	55,725,994	26,321,151	5,522,319	9,344,342	41,187,812	14,538,182
LHC	82,473,380	31,826,529	11,941,307	12,969,442	56,737,278	25,736,102
UHC	82,073,214	40,596,522	8,856,761	15,503,289	64,956,572	17,116,642
Total	\$283,564,881	\$129,655,951	\$32,219,894	\$50,927,777	\$212,803,622	\$70,761,259

Source: Prepared by legislative auditor’s staff using information obtained from LDH.

¹ LDH suspended the quality withhold program during calendar years 2020 and 2023.

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What We Found (Cont.)

- **LDH does not use Medicaid data as part of its Quality Strategy to identify beneficiaries who have not received any services or who have not received recommended services based on demographics, such as age and gender. We found that LDH paid the MCOs \$720.5 million to manage the care of 49,894 beneficiaries who appear to have been continuously enrolled in Medicaid for 13 to 60 months between January 2018 and December 2022 but received no services.** In addition, we found that 64,882 (44.1%) of 147,177 female beneficiaries ages 45 through 73 enrolled in Medicaid in December 2022 did not receive any type of breast cancer screening between December 2018 and December 2022. Further, we found that 165,042 (65.0%) of 253,877 beneficiaries ages 45 through 74 enrolled in Medicaid in December 2022 did not receive any type of colorectal cancer screening between March 2018 and December 2022.

Number of Months Beneficiaries Received No Medicaid Services January 2018 through December 2022		
Range of Months	Number of Beneficiaries	PMPMs Paid
13 to 23 months	23,002	\$163,105,556
24 to 35 months	9,021	113,323,704
36 to 47 months	4,540	76,369,957
48 to 59 months	2,771	58,785,863
60 months*	10,560	309,013,235
Total	49,894	\$720,598,315

* Beneficiaries in this group represent those who were enrolled and received no services during the entire scope of our analysis.
Source: Prepared by legislative auditor's staff using Medicaid data.

- **LDH does not have a consolidated database of beneficiary complaints that would allow for comprehensive tracking and trend analysis. Using available complaint data, we found that the majority of beneficiary complaints were related to a lack of quality care or a lack of access to care.** Examples of these complaints include 3,973 (26.6%) related to members missing appointments due to transportation-related problems, 608 (4.1%) related to a lack of access to care, and 397 (2.7%) related to an inability to find a provider within a reasonable distance or timeframe.
- **MCO provider directories and networks are inaccurate and contain providers who do not provide Medicaid services. LDH provider directory audits found an accuracy rate of 49.4% between May 2018 and February 2023, and we found that 33.2% of providers listed on network adequacy reports did not provide Medicaid services between July 2022 and December 2022.** We also found that 6,947 (21.4%) of the 32,512 unique providers were only listed as out-of-state providers and had no Louisiana addresses listed in the provider directories. Also, 6,711 (20.6%) were listed with multiple provider types, such as a provider being both an adult primary care provider and a pediatric primary care provider. This results in the appearance that there are more providers available than are actually accessible.

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