



MICHAEL J. "MIKE"
WAGUESPACK, CPA

Report Highlights

Progress Report: Medicaid Residency

Louisiana Department of Health

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Why We Conducted This Review

We evaluated the progress made by the Louisiana Department of Health (LDH) to improve its processes to identify and remove Medicaid coverage for beneficiaries who no longer reside in Louisiana and, as a result, do not qualify for Louisiana's Medicaid program. We conducted this progress report to follow-up on an August 2023 LLA report in which we identified Medicaid beneficiaries who no longer resided in Louisiana and therefore no longer qualified for Louisiana's Medicaid program. In addition, in March 2025, or 19 months after the release of the previous report, LDH informed the LLA that it still had not incorporated the use of Office of Motor Vehicles (OMV) data into its eligibility checks. We also conducted this review, in part, to further the goals of the Fiscal Responsibility Program.

What We Found

Overall, we found that, during the scope of our progress report (March 2023 through December 2024), LDH did not improve its processes to identify Medicaid beneficiaries who no longer reside in Louisiana and therefore no longer qualify for Louisiana's Medicaid program. LDH entered into a data sharing agreement with the Louisiana OMV to utilize driver's license data to identify beneficiaries who no longer reside in Louisiana in April 2024, but LDH had not yet performed this analysis as of March 2025. However, after the LLA initiated this progress report, LDH announced it intended to run its first data match with OMV data on April 23, 2025. In addition, LDH did not incorporate the use of the Centers for Medicare and Medicaid (CMS) National Provider Identifier (NPI) database to identify potentially out-of-state Medicaid beneficiaries, as recommended in our August 2023 report.

We updated this analysis for the months following the period covered by our previous review (February 2023) and found that LDH made approximately \$103.1 million in per-member per-month payments (PMPM) to managed care organizations (MCOs) for 22,078 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 addresses were changed to an out-of-state address in LDH's eligibility system or they obtained a driver's license in another state. We provided a list of the beneficiaries identified in our previous review to LDH in July 2023; however, we found that 6,461 of these beneficiaries were still enrolled after July 2023. LDH paid the MCOs approximately \$29.2 million in PMPMs on behalf of those beneficiaries between August 2023 and December 2024.

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What We Found (Cont.)

We specifically found that:

- **LDH paid \$774,051 in PMPMs for 1,195 beneficiaries from March 2023 through December 2024 identified as residing out-of-state in LDH's eligibility system.** 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 to confirm the beneficiary's state of residence.
- **LDH paid approximately \$102.3 million in PMPMs for 20,883 beneficiaries from March 2023 through December 2024 who, according to Louisiana OMV data, obtained a driver's license in another state.** In addition, MCOs paid approximately \$3.0 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. Of the 20,883 beneficiaries identified in this analysis, 6,449 (30.9%) were identified as part of our previous project and communicated by LLA to LDH in July 2023.

In addition, we used Medicaid data and CMS' NPI database to identify 7,973 beneficiaries actively enrolled in Louisiana's Medicaid program from March 2023 through December 2024 but only received services from out-of-state providers. These beneficiaries did not appear in the results of our analysis of out-of-state addresses in LDH's eligibility system, nor did they appear in the results of our analysis of out-of-state driver's licenses, but may reside in another state since they only received services from out-of-state providers. LDH could strengthen its eligibility process by using Medicaid data and CMS NPI data to identify Louisiana Medicaid beneficiaries who are actively enrolled in Louisiana's Medicaid program but only receive services from out-of-state providers, which could indicate that the beneficiaries may no longer live in Louisiana.

We made three recommendations. The agency agreed with all three of them. See Appendix A in the report for the agency's full response.

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