



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

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## DEPARTMENT OF HEALTH AND HOSPITALS MEDICAID FEES PAID FOR INCARCERATED INDIVIDUALS

The state Department of Health and Hospitals improperly paid almost \$2.7 million in Medicaid fees for 2,644 inmates enrolled in one or both of the state's two new health programs, Legislative Auditor Daryl Purpera said in a report issued Monday.

The report said that federal officials have declared that Medicaid funds cannot be used "to provide medical services to inmates except when the inmate is a patient in a medical institution," such as a hospital, nursing facility or juvenile psychiatric center.

The study by the state auditor's data analytics unit covered the period between February 1, 2012 to December 31, 2013. The report said the inmates were in the Louisiana Behavioral Health Partnership, which provides specialized behavioral health services to patients, and/or the Bayou Health program which provides medical coverage or case management services.

The Louisiana Behavioral Health Partnership began in March 2012 and is operated by Magellan Health Services. The Bayou Health program, which was phased in between February and June of 2012, consists of five health plans administered by five managed care organizations: Amerigroup Louisiana, Inc.; ACLA (formerly LaCare); Louisiana Healthcare Connections, Inc.; Community Health Solutions of America, Inc.; and United HealthCare of Louisiana, Inc.

The private entities are paid either a monthly fee for coverage or a case management fee, but the state DHH "is responsible for determining participant eligibility and enrolling participants in the Louisiana Behavioral Health Partnership and Bayou Health programs."

Analysts said they compared payments made by DHH for participants in the two programs with a list of inmates housed by the Department of Public Safety and Corrections and came up with their findings.

Of the \$2,688,805 million paid, Magellan Health Services received 17% of that total, or \$465,088 for managing the behavioral health program. The five companies associated with Bayou Health received the remaining 83 percent, or \$2.22 million, including \$806,114 to Amerigroup Louisiana Inc.; \$705,620 to ACLA (formerly LaCare); \$668,422 to Louisiana Healthcare Connections; \$26,196 to UnitedHealthcare of Louisiana Inc.; and \$17,365 to Community Health Solutions of America, Inc.



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“Based on the results of our analysis, DHH does not have a sufficient process in place for identifying incarcerated Medicaid participants in a timely manner,” the state auditor said. “In addition, some of the payments identified may have occurred because DHH automatically enrolled participants who were Medicaid eligible” prior to the 2012 start of the new programs without verifying whether or not they were in jail.

According to DHH, in September 2013 it began receiving a weekly file from the Department of Corrections that contains a listing of incarcerated individuals.

The report said that DHH officials indicated they should be able to recover the approximately \$2.7 million in improper payments and recommended that DHH continue working with DOC and amend its processes to accurately identify payments to inmates in a more timely manner.

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**On Twitter:** DHH improperly paid almost \$2.7 million in Medicaid fees for 2,644 inmates enrolled in two new health programs.