

DUPPLICATE PAYMENTS FOR MEDICAID RECIPIENTS
WITH MULTIPLE IDENTIFICATION NUMBERS

LOUISIANA DEPARTMENT OF HEALTH
STATE OF LOUISIANA



MEDICAID AUDIT UNIT REPORT
ISSUED MARCH 29, 2017

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

March 29, 2017

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Taylor F. Barras,
Speaker of the House of Representatives

Dear Senator Alario and Representative Barras:

This report provides the results of our review of duplicate payments paid by Louisiana's Medicaid Program for recipients with multiple Medicaid IDs. During this review, we identified \$2,790,099 in payments that the Louisiana Department of Health (LDH) made under two or more different Medicaid IDs for the same service provided during the same time period for the same individual, either through the fee for service program or the managed care plans. **As a result, approximately one-half, or \$1.4 million, is likely inappropriate payments.**

The report contains our finding, conclusion, and recommendations. Appendix A contains LDH's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of LDH for their assistance during this audit.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/aa

MEDICAID DUPLICATE PAY MULTIPLE IDS

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Duplicate Payments for Medicaid Recipients with Multiple Identification Numbers

Louisiana Department of Health

March 2017

Audit Control # 80170022

Introduction

The Louisiana Department of Health (LDH) administers the Medicaid program that provides health and medical services for uninsured and medically-indigent citizens. In 2012, LDH began the implementation of managed care in Louisiana Medicaid.

LDH primarily makes two types of payments on behalf of recipients for healthcare - managed care premiums and fee for service (FFS) claims payments.¹ These payments rely on information in the Medicaid Eligibility file. The eligibility file contains a Medicaid recipient's Social Security number (SSN), name, date of birth, address, and other identifying information. LDH assigns each recipient an original Medicaid identification number (Medicaid ID) that is used as the recipient's identifier when a provider bills a FFS claim for services rendered, and when LDH generates the monthly premium payments to the managed care plans.

As of October 2016, 1,535,554 distinct recipients were eligible and enrolled in Medicaid. We analyzed the October 2016 Medicaid Eligibility file and identified 1,624 unique SSNs linked to 3,255 original Medicaid recipient IDs as follows:

- 1,618 SSNs have two original Medicaid IDs
- Five SSNs have three original Medicaid IDs
- One SSN has four original Medicaid IDs

According to LDH, multiple IDs are necessary in certain foster care and/or adoption situations and in witness protection cases. However, assigning multiple IDs to a single SSN, or Medicaid recipient, makes it difficult for the department to capture and monitor the complete histories of Medicaid recipients. In addition, multiple IDs increase the risk for overpayments and fraud. As a result, the purpose of our report was:

To identify duplicate payments made for Medicaid recipients with multiple IDs.

Specifically, we identified payments that LDH made under two or more different Medicaid IDs for the same service provided during the same time period for the same individual, either through

¹ Managed care premiums are monthly payments to private health insurance plans for acute care, behavioral health, and dental services. FFS payments are payments made to Medicaid providers for services provided to Medicaid recipients not covered under managed care and/or for Medicaid services not covered under managed care.

the FFS program or the managed care plans. Appendix A contains LDH's response to this report. Appendix B details our scope and methodology.

Review of Duplicate Payments for Medicaid Recipients with Multiple IDs

Overall, we found 1,624 unique Social Security numbers (SSN) linked to 3,255 original Medicaid recipient IDs and identified questionable payments totaling \$2,790,099. This amount includes both the appropriate payments and the inappropriate duplicate payments. As a result, approximately one-half, or \$1.4 million, is likely inappropriate payments. LDH would need to identify which payment was appropriate in order to determine the actual amount paid in error.

Our review of Medicaid managed care premium payments and FFS claims covered January 2011 through October 2016 and focused on isolating payments made under two or more different Medicaid IDs for the same service, provided during the same time period, for the same individual. Managed care payments began in 2012. As shown in Exhibit 1 and detailed in Appendix C, our review noted \$2,790,099 in payments for:

- Unrecovered duplicates for premium payments to the same managed care plan
- Duplicate premium payments across multiple managed care health plans
- Duplicate payments on FFS claims for the same service on the same day
- Duplicate payments by managed care plans for the same service on the same day
- Duplicate payments as FFS and managed care paid for the same service on the same day.

Exhibit 1 Duplicate Payments for the Same Service Period and Service January 2011 through October 2016		
Type of Duplicate Payment	LDH Payments	Managed Care Payments
Managed Care Premiums – <i>Same Plan</i>	\$175,996	n/a
Managed Care Premiums – <i>Across Plans</i>	2,563,458	n/a
FFS - <i>Same service on same day</i>	28,535	n/a
Managed Care Claim Payments – <i>More than one payment made for same service on same day.</i>	n/a	\$18,650
FFS and Managed Care Claim Payments – <i>FFS and managed care paid for the same service on the same day</i>	2,954	506
Subtotals	\$2,770,943	\$19,156
Total	\$2,790,099	
Source: Prepared by legislative auditor's staff using Medicaid claims data.		

According to LDH, the department became aware of duplicate managed care premium payments for multiple IDs as a result of other audit work conducted by the Louisiana Legislative Auditor. At that time, LDH developed a process for identification and recoupment. Using various reports to identify suspected duplicate IDs, LDH eligibility staff reviewed the IDs and invalidated those identified as duplicates. LDH implemented the first round of recoveries on June 28, 2016, with recoveries extending back to 2012, but only covering duplicate payments made to the same health plans. LDH recovered \$1,321,550 of these payments. Also according to LDH, the department in July 2016 began developing a process to address recoupments of duplicate premium payments across different managed care plans. The department has made no recoupments as of February 2017.

While our review focused on duplicate payments, we noted instances of payments processed for one SSN under multiple Medicaid IDs for different service periods. While these payments do not appear to be duplicative, payments for recipients with more than one active original Medicaid ID could indicate improper payments or fraud.

Based on the results of our review, LDH does not have an adequate process in place to ensure Medicaid recipients have only one Medicaid ID with claims payment activity. Additionally, LDH does not have a process in place to identify and recoup duplicate payments across different MCO health plans and from FFS providers.

Recommendation 1: LDH should ensure all payments made on behalf of Medicaid recipients are made on only one original Medicaid ID and eliminate duplicate payments.

Recommendation 2: LDH should identify and recoup all duplicate premium payments made to managed care plans and FFS payments to providers for recipients with multiple original Medicaid IDs. LDH should also address duplicates in the encounter claims data received from the managed care plans.

Recommendation 3: For those members with multiple original Medicaid IDs, LDH should implement a process to accurately identify the correct original Medicaid ID and merge claims records from the multiple IDs to the correct original Medicaid ID to allow for a complete history of services provided to the recipient.

Summary of Management's Response: LDH stated that it is committed to eliminating duplicate payments associated with Medicaid recipients with multiple identification numbers through appropriate management controls (see Appendix A for LDH's full response).

APPENDIX A: MANAGEMENT'S RESPONSE



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

March 23, 2017

Daryl G. Purpera, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Duplicate Payments for Medicaid Recipients with Multiple Identification Numbers

Dear Mr. Purpera,

Thank you for the opportunity to respond to the findings of your Medicaid Audit Unit report on **Duplicate Payments for Medicaid Recipients with Multiple Identification Numbers**. The Louisiana Department of Health (LDH) Management of the Bureau of Health Services Financing, which is responsible for the Medicaid program in Louisiana, is committed to eliminating duplicate payments associated with Medicaid recipients with multiple identification numbers (IDs) through appropriate management controls.

Recommendation 1: LDH should ensure all payments made on behalf of Medicaid recipients are made on only one original Medicaid ID and eliminate duplicate payments.

LDH has established processes to minimize the amount of time that duplicate Medicaid IDs are active. On a daily basis, Medicaid staff review a report of suspected duplicates to identify valid IDs and invalidate others to prevent or recoup duplicate payments.

Recommendation 2: LDH should identify and recoup all duplicate premium payments made to managed care plans and FFS payments to providers for recipients with multiple original Medicaid IDs. LDH should also address duplicates in the encounter claims data received from the managed care plans.

LDH has identified and recouped duplicate premium payments made to managed care plans for recipients with multiple Medicaid IDs where the valid and invalid IDs were enrolled with the same plan. To date, 4,117 premium payments totaling \$1,383,734.13 were recouped from Healthy Louisiana Plans; 235 premium payments totaling \$5,732.89 were recouped from Magellan; and, 6,203 premium payments totaling \$92,530.94 were recouped from MCNA for invalid IDs. Such recoupments occur on a routine monthly basis.

LDH has updated the Medicaid ID cross-reference file to identify and recoup duplicate premium payments made to managed care plans for recipients with multiple Medicaid IDs where the valid and invalid IDs were enrolled with different plans. The update provides Medicaid's enrollment broker with the data needed to retroactively dis-enroll the invalid Medicaid ID(s). Recoupments of duplicate premium payments made during the invalidated ID(s) retro-active dis-enrollment period will occur on a routine monthly basis. The timeline for this change reflects LDH's careful attention to addressing this duplicate payment issue without unintended adverse consequences to Medicaid providers.

Recommendation 3: For those members with multiple original Medicaid IDs, LDH should implement a process to accurately identify the correct original Medicaid ID and merge claims records from the multiple IDs to the correct original Medicaid ID to allow for a complete history of services provided to the recipient.

LDH has a Medicaid ID cross-reference file to identify the valid Medicaid ID and merge claims records from the multiple IDs to allow for a complete history of services provided to the recipient.

You may contact Kerri Capello, Medicaid Management Information Systems Section Chief, at (225) 342-9076 or via e-mail at Kerri.Capello@la.gov with any questions about this matter.

Sincerely,

A handwritten signature in blue ink that reads "Jen Steele".

Jen Steele,
Medicaid Director

APPENDIX B: SCOPE AND METHODOLOGY

The objective of our work was:

To identify duplicate payments made for Medicaid recipients with multiple IDs.

Specifically, we identified payments that LDH made under two or more different Medicaid IDs for the same service provided during the same time period for the same individual, either through the fee for service program or the managed care plans. The scope of our project was significantly less than that required by *Government Auditing Standards*. We believe the evidence obtained provides a reasonable basis for our findings and conclusions. To conduct this analysis, we performed the following steps:

- Obtained an electronic copy of all Medicaid claims paid from Molina Health Solutions, LDH's fiscal intermediary.
- Obtained an electronic copy of all claims made by a Managed Care Organization on behalf of LDH (encounter claims data).
- Identified all Medicaid recipient Social Security numbers with multiple original Medicaid IDs linked to them.
- Identified payments made on the multiple original Medicaid IDs to determine if the payments were made for the same service for the same service period, which we regard as duplicate payments.
- Provided results to LDH officials for further investigation.

APPENDIX C: DETAIL BREAKDOWN

Managed Care Premium Payments

Our review noted **\$175,996** in duplicate premium payments made to the same health plan not yet addressed by LDH.

Managed Care Plan	Payment Amount
Healthy Louisiana - All	\$167,130
Louisiana Behavioral Health Partnership - Magellan	596
Dental - MCNA	8,270
Total	\$175,996

Our review noted **\$2,563,458** in duplicate premium payments across multiple managed care health plans.

Managed Care Plan	Payment Amount
Amerigroup Real Solutions	\$328,035
AmeriHealth Caritas Louisiana	506,486
Louisiana Healthcare Connections	702,649
UnitedHealthcare - Pre-paid	371,071
UnitedHealthcare - Shared	10,827
Community Health Solutions	10,536
Aetna Better Health	633,854
Total	\$2,563,458

Fee for Service Claims Payments

For claims processed as fee for service (FFS), there are **\$28,535** in duplicate payments on FFS claims for the same service on the same day, with \$13,504 to same billing and servicing provider.

Encounter Claims

For encounter claims paid by the health plan, there are **\$18,650** in duplicate payments by a managed care plan in encounter claims for the same service on same day, with \$12,156 to same billing and servicing provider. These claims involved duplicates within the same health plan and across health plans.

Encounter and Claim Payments

There are **\$2,954** in FFS payments and **\$506** in encounter payments in duplicate payments on LDH FFS payments and managed care plan paid encounters for the same service on the same day, with \$2,675 in FFS payments and \$300 in encounter payments to same billing and servicing provider.