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## Report Highlights

# Louisiana Department of Health

Audit Control # 80180075  
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### Why We Conducted This Audit

We performed certain procedures at the Louisiana Department of Health (LDH), including the Office of Public Health (OPH), as part of the audit of the State of Louisiana's Comprehensive Annual Financial Report and the Single Audit of the State of Louisiana, and to evaluate its accountability over public funds for the period July 1, 2017, through June 30, 2018.

### What We Found

- LDH failed to design and maintain adequate internal control over MAGI-based eligibility determinations in Medicaid and LaCHIP. We determined that the lack of internal control due to not using federal tax data for verifications was applicable to all of the 1.2 million recipients in the MAGI eligibility group. Since LDH does not use tax data and auditors are restricted by law from using tax data in the audit of Medicaid eligibility, we are unable to obtain sufficient audit evidence to adequately test MAGI-based Medicaid eligibility. We consider this a scope limitation for our audit. Because of the scope limitation, we were not able to test a sample of 60 recipients for all requirements of Medicaid eligibility.
- LDH did not enroll and screen Healthy Louisiana managed care providers by January 2018 and dental managed care providers by July 2018 as required by federal regulations. As a result, LDH cannot ensure the accuracy of provider information obtained from the Louisiana Medicaid managed care plans and cannot ensure compliance with enrollment requirements defined by law and the Medicaid state plan.
- For the fourth consecutive year, LDH failed to accurately complete the required quarterly reports of federal expenditures, including an error resulting in \$5,840,892 in expenditures for alien emergency services not identified and reported separately as required by the Centers for Medicare and Medicaid Services.
- LDH did not perform five-year revalidations; screenings based on categorical risk of fraud, waste or abuse; and monthly checks of the federal excluded party database as required by federal regulations for all Medicaid fee-for-service providers. Proper enrollment and revalidation would enable the state to identify ineligible providers that should be rejected or excluded from the program.
- OPH did not have a process in place to review redeemed food instruments and cash-value vouchers for the Special Supplemental Nutrition Program for Women, Infants, and Children program during fiscal year 2018.
- For the seventh consecutive year, LDH paid New Opportunities Waiver claims totaling \$8,112 for waiver services that were not documented in accordance with established policies, which we consider to be questioned costs.
- For the second consecutive year, LDH failed to maintain evidence of notification of third-party liability assignment as required for eligibility in Medicaid and LaCHIP.
- OPH did not accurately complete the Schedule of Expenditures of Federal Awards resulting in an overstatement of \$463,404 in expenditures and an understatement of \$13,586,264 in amounts provided to non-state subrecipients.
- LDH improperly charged audit costs to federal programs. Audit costs are only to be reimbursed by the federal government for amounts agreed upon in the approved Statewide Cost Allocation Plan. LDH coded audit costs in the statewide accounting system improperly, which resulted in the costs being allocated using the agency's own cost allocation plan, resulting in duplicate charges to the federal government.

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