

LOUISIANA DEPARTMENT OF HEALTH

MEDICAID RECIPIENT REPORT No. 3



MEDICAID AUDIT UNIT
ISSUED JUNE 17, 2020

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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BATON ROUGE, LOUISIANA 70804-9397**

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

June 17, 2020

COURTNEY PHILLIPS, SECRETARY
LOUISIANA DEPARTMENT OF HEALTH
Baton Rouge, Louisiana

We are providing this report for your information and use. This audit was performed in accordance with Louisiana Revised Statutes 24:513, *et seq.*

We found that an individual referred to in this report as A.B. may have provided incomplete and inaccurate income and household information to the Louisiana Department of Health (LDH) to obtain Medicaid benefits for her four dependent children.

As a result, from January 2012 through December 2018, LDH paid \$27,826 for monthly premiums and other benefits on behalf of A.B.'s children to the managed care organizations (MCOs) overseeing the state's Medicaid program. LDH also paid providers \$6,625 directly for Medicaid services.

In addition, the MCOs paid \$79,638 to providers for covered health care services for A.B.'s dependent children from June 2013 through November 2018. This amount included \$49,125 paid to a business entity that provides Medicaid services that is owned by A.B. and her husband, an individual known as C.D.

Had A.B. provided complete and accurate income and household information to LDH, her dependent children may have been found ineligible to receive Medicaid benefits.

The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents, and do not constitute an examination or review in accordance with generally-accepted auditing or attestation standards. Consequently, we provide no opinion, attestation, or other form of assurance with respect to the information upon which our work was based.

Courtney Phillips, Secretary
Louisiana Department of Health
Baton Rouge, Louisiana
June 17, 2020
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The accompanying report presents our findings and recommendations, as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 3rd Judicial District of Louisiana, the District Attorney for the 19th Judicial District of Louisiana, and others as required by law.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/aa

MEDICAID ELIGIBILITY

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EXECUTIVE SUMMARY

A.B. May Have Provided Incomplete and Inaccurate Information to Obtain Medicaid Benefits for Her Dependent Children

An individual referred to in this report as A.B. appears to have provided incomplete and inaccurate information to the Louisiana Department of Health (LDH) to obtain Louisiana Medicaid (Medicaid) benefits for her four dependent children. From January 2012 through December 2018, LDH paid Managed Care Organizations (MCOs) \$27,826 for monthly premiums and other benefits on behalf of A.B.'s dependent children and paid providers \$6,625 directly for Medicaid services. The MCOs paid \$79,638 to providers for covered health care services for A.B.'s dependent children from June 2013 through November 2018. This amount included \$49,125 paid to a business entity that provides Medicaid services (Business Entity No. 1) that is owned by A.B. and her husband, C.D. (C.D.). During this period, A.B. failed to identify all household members to LDH and disclose all of the income earned by members of her household. Had A.B. provided complete and accurate information to LDH, her dependent children may have been ineligible to receive Medicaid benefits. By providing incomplete and inaccurate information to LDH, A.B. may have violated state law.

BACKGROUND AND METHODOLOGY

The Louisiana Department of Health (LDH) administers the Louisiana Medicaid (Medicaid) program to provide health and medical services for uninsured and medically-indigent citizens. In 2012, LDH began transitioning from a fee-for-service (FFS) model, where LDH paid all claims submitted by Medicaid providers for each service performed, to *Healthy Louisiana*,^A a full-risk prepaid managed care model. Under LDH's current full-risk prepaid managed care model, LDH pays a fixed monthly fee to a Managed Care Organization (MCO) for the administration of health benefits and payment of all claims for each member, including behavioral health services.^B LDH contracted with five MCOs to operate the *Healthy Louisiana* Medicaid program through December 31, 2019.^C However, LDH is responsible for determining Medicaid recipient eligibility and enrolling applicants into Medicaid programs.

Along with other sources, LDH uses wages reported to the Louisiana Workforce Commission (LWC) and the self-attestation and reporting of income from Medicaid applicants and recipients to determine their eligibility for the Medicaid program. While LWC wage data does contain the reported earnings of employees, it may not contain wage data for workers who are not reported, underreported, classified as contractors, or self-employed.

During an audit of a business entity (Business Entity No. 1) owned by A.B. and C.D. that provides Medicaid services, we identified workers and/or dependents of workers who received Medicaid benefits, but appeared ineligible for the Medicaid program due to their household income. These individuals included the four dependent children of Business Entity No. 1's owners, A.B. and C.D. In addition, two of these dependent children received services from Business Entity No. 1 as part of their Medicaid coverage. Based on this information, the Louisiana Legislative Auditor (LLA) initiated this audit to determine if LDH was provided with complete and accurate information to determine the Medicaid eligibility of the A.B. and C.D.'s four dependent children.

^A *Healthy Louisiana* was previously called Bayou Health. A managed care model is an arrangement for health care in which an organization (e.g., an MCO) acts as a gatekeeper or intermediary between the person seeking care and the physician. FFS still covers some Medicaid recipients who are not eligible for managed care.

^B Behavioral health services moved from the FFS model to the MCOs on December 1, 2015.

^C LDH contracted with AmeriHealth Caritas Louisiana, Inc.; Aetna Better Health, Inc.; Healthy Blue; Louisiana Healthcare Connections, Inc.; and UnitedHealthcare Community Plan of Louisiana, Inc. on February 1, 2015. AmeriHealth Caritas, Healthy Blue, and Louisiana Healthcare Connections originally contracted with LDH on February 1, 2012. The MCO contracts were bid out again to begin covering Medicaid recipients on January 1, 2020, but protests were filed by the losing bidders following the awarding of the contracts. The MCOs are currently operating under emergency contracts to administer the Medicaid program through December 31, 2020.

The results of our audit are summarized in detail throughout the remainder of this report. The procedures performed during this audit included:

- (1) interviewing LDH employees;
- (2) interviewing other persons, as appropriate;
- (3) examining selected LDH documents and records;
- (4) gathering and examining external parties' documents and records; and
- (5) reviewing applicable state laws and regulations.

FINDINGS AND RECOMMENDATIONS

A.B. May Have Provided Incomplete and Inaccurate Information to Obtain Medicaid Benefits for Her Dependent Children

An individual referred to in this report as A.B. appears to have provided incomplete and inaccurate information to the Louisiana Department of Health (LDH) to obtain Louisiana Medicaid (Medicaid) benefits for her four dependent children. From January 2012 through December 2018, LDH paid Managed Care Organizations (MCOs) \$27,826 for monthly premiums and other benefits on behalf of A.B.'s dependent children, and paid providers \$6,625 directly for Medicaid services. The MCOs paid \$79,638 to providers for covered health care services for A.B.'s dependent children from June 2013 through November 2018. This amount included \$49,125 paid to a business entity (Business Entity No. 1) that provides Medicaid services owned by A.B. and her husband, an individual referred to in this report as C.D. During this period, A.B. failed to identify all household members to LDH and failed to disclose all of the income earned by members of her household. Had A.B. provided complete and accurate information to LDH, her dependent children may have been ineligible to receive Medicaid benefits. By providing incomplete and inaccurate information to LDH, A.B. may have violated state law.¹

Medicaid provides health coverage to more than 1.6 million Louisianans, including eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities. The Medicaid program is administered by LDH, according to federal requirements, and is funded jointly by Louisiana and the federal government. Applicants can apply for benefits through the Louisiana Medicaid Online Application Center or by filling out a paper application. The Medicaid application requests that each applicant confirm they understand that they must inform LDH of any changes to the information listed on their application and that any change could affect their eligibility. In addition, the Medicaid application requests that the applicant provide true answers to all questions, to the best of their knowledge, and requests that the applicant sign the application under penalty of perjury, which could subject them to penalties under federal law if they intentionally provide false or untrue information on the application.

While auditing Business Entity No. 1 we observed that two of A.B. and C.D.'s dependent children received Medicaid services from Business Entity No. 1. Upon further review of Medicaid files and data, we observed that four of A.B. and C.D.'s dependent children were on Medicaid from January 2012 through December 2018. In addition, LDH records show that Business Entity No. 1 was paid more than \$8 million for Medicaid services provided from May 2015 through March 2019. As a result, we initiated this audit to determine if A.B., the person who appears to have completed and submitted the Medicaid applications during this time, provided LDH with accurate income and household information to determine the eligibility of her four dependent children.

We reviewed A.B.'s electronic Medicaid case file from January 2012 through March 2020,^D Louisiana Workforce Commission (LWC) records for wages reported by A.B. and C.D.'s employers from January 2012 through June 2019, Business Entity No. 1's records and banking records, and A.B.'s personal banking records from February 2015 through October 2019. We found that although A.B. reported some wages from Business Entity No. 1 and another employer on her children's Medicaid applications, she failed to disclose to LDH all income for all household members, including:

- Wages and compensation A.B.'s husband received from multiple employers, including Business Entity No. 1;
- Payments A.B. received as a contractor for Business Entity No. 1;
- The value of certain personal purchases and expenses (e.g., credit card payments, etc.) Business Entity No. 1 paid on A.B. and C.D.'s behalf; and
- The amount of funds transferred from Business Entity No. 1's bank account (electronic transfers, negotiated checks, etc.) to A.B.'s personal and other business bank accounts.

These transactions appear to have increased A.B. and C.D.'s total household income above the income limits for all Medicaid programs from January 2012 through December 2018. For example, based on our analysis of these transactions, A.B. and C.D.'s average monthly income during calendar year 2018 was \$118,090; \$111,060 above the monthly income limit (\$7,029) for the Medicaid program during 2018.

Dependent Recipients' Medicaid History

LDH records show that prior to 2012, A.B. enrolled her four dependent children in the Medicaid program.^E In September 2011 and September 2012, LDH automatically renewed Medicaid coverage for A.B.'s four dependent children and then renewed their eligibility in August 2013, based on A.B.'s enrollment in the Supplemental Nutrition Assistance Program (SNAP). In 2014, one of A.B. and C.D.'s children became an adult; the remaining three dependent children had their coverage renewed. In a March 2015 online renewal application, A.B. attested to earning \$1,496 twice per month (\$35,904 annually), which LDH used to make the eligibility determination when renewing the Medicaid coverage for A.B.'s three remaining dependent children.

In April 2016, LDH sent A.B. a request for information (RFI) to determine the eligibility of and possibly renew coverage for her three dependent children. Because A.B. failed to respond to the RFI, LDH terminated the coverage of A.B.'s three dependent children on June 30, 2016. LDH records show that A.B. subsequently completed an online Medicaid application for her three dependent children on July 5, 2016, on which she claimed to have income of \$3,500 per

^D A.B.'s Medicaid case file includes the four dependent children of A.B. and C.D., although neither A.B. nor C.D. were enrolled in Medicaid from January 2012 through March 2020.

^E From August 2009 through December 2018, A.B. and C.D. were enrolled in C.D.'s health insurance plan obtained through his employer.

month (\$42,000 annually). Based on this information, LDH re-enrolled A.B.'s three dependent children in the Medicaid program in July 2016. According to her Medicaid case file, A.B.'s children's coverage was automatically renewed in July 2017 and May 2018 (coverage extended through June 2019) because LDH's wage verifications showed that no wages were reported to LWC for A.B. during this period.^F Further, because C.D. was not included as a household member on A.B.'s previous Medicaid applications, LDH did not verify his wages during the same period.

From January 2012 through December 2018, LDH paid MCOs \$27,826 for monthly premiums and other benefits on behalf of A.B.'s dependent children and paid providers \$6,625 directly for Medicaid services. The MCOs paid \$79,638 to providers for covered health care services for A.B.'s dependent children from June 2013 through November 2018.

Businesses Owned by A.B. and C.D.

Business Entity No. 1 is a Louisiana limited liability company which registered with the Louisiana Secretary of State (SoS) in February 2015. According to SoS records, A.B. and C.D. are listed as officers and C.D. is listed as Business Entity No. 1's registered agent. LDH licensed Business Entity No. 1's first location to provide Medicaid services in 2016, and Business Entity No. 1's second location in 2018.^G According to Medicaid data, Business Entity No. 1 was paid more than \$8.0 million for claims submitted for Medicaid services provided between May 2015 and March 2019. In addition to being an officer of Business Entity No. 1, A.B. is a member/manager of Business Entity No. 2 a Louisiana limited liability company, which registered with the SoS in December 2017.

We reviewed LWC wage records and found that Business Entity No. 1 only reported wages earned by A.B. between July 2015 and September 2015, totaling \$21,000. Business Entity No. 1 did not report any wages for A.B. after September 2015 and did not report any wages for C.D. Further, Business Entity No. 2 did not report any wages for A.B. Based on this information, we obtained copies of (1) Business Entity No. 1's business and banking records, (2) A.B.'s personal banking records (from the same bank used by Business Entity No. 1), and (3) A.B. and C.D.'s W-2s and 1099s provided by Business Entity No. 1.

A.B. Failed to Disclose All Household Members and Income

LDH records show that A.B. failed to inform LDH that her husband lived in her household and that he received wages from multiple employers from January 2012 through June 2019. Their divorce petition, filed with the Clerk of Court in March 2019, however, states that A.B. and C.D. married in 1995 and thereafter established their domicile together until they physically separated in March 2019. In addition, several acts of cash sale filed with the Clerk of Court's office from May 2016 to October 2017; show that A.B. and C.D. were married and residing together. Further, when A.B. completed an online Medicaid application for her three

^F After registering Business Entity No. 1 with the Louisiana Secretary of State in 2015, Business Entity No. 1 only reported wages for A.B. to LWC one time, for the months July, August, and September of 2015.

^G Prior to December 2016, Business Entity No. 1's facilities did not have to be licensed by LDH to provide Medicaid services.

dependent children on July 5, 2016, she reported income of \$3,500 per month (\$42,000 annually) from Business Entity No. 1. However, she did not disclose all of her income, nor did she inform LDH of any changes to her income, including any of the \$516,750 in contractor pay she received from Business Entity No. 1 from July 2016 to December 2018, which Business Entity No. 1 did not report to LWC. According to wage verifications and Business Entity No. 1 accounting records, A.B. and C.D. received the following combined wages and contractor payments from Business Entity No. 1 and other employers during calendar years 2012 through 2018:

- 2012 – \$103,763 (\$8,646 per month)^H
- 2013 – \$99,323 (\$8,276 per month)^I
- 2014 – \$95,637 (\$7,969 per month)^J
- 2015 – \$99,805 (\$8,317 per month)^K
- 2016 – \$164,846 (\$13,773 per month)^L
- 2017 – \$326,091 (\$27,174 per month)^M
- 2018 – \$218,425 (\$18,202 per month)^N

The foregoing amounts do not include Business Entity No. 1 funds that A.B. (1) used to purchase real estate, (2) transferred to her personal bank accounts, (3) transferred to A.B.'s Business Entity No. 2's bank account, and (4) used to pay for her personal credit cards. These transactions, which averaged \$66,651 per month, took place from June 2015^O through December 2018 and included the following:^P

- \$1,279,302 in transfers from Business Entity No. 1's business bank account to purchase real estate for personal or business use unrelated to Business Entity No. 1;
- \$1,276,733 in electronic transfers from Business Entity No. 1's business bank account to A.B.'s personal bank accounts,
- \$231,000 in transfers of funds to Business Entity No. 2, and

^H Medicaid income limits are determined by the Federal Poverty Guidelines (FPG). No Medicaid programs for children, women, families, or the adult expansion group exceed 250% of the FPG. For a family of six, 250% of the FPG was \$6,452 per month in 2012.

^I For a family of six, 250% of the FPG was \$6,581 per month in 2013.

^J For a family of six, 250% of the FPG was \$6,660 per month in 2014.

^K For a family of six, 250% of the FPG was \$6,785 per month in 2015.

^L For a family of six, 250% of the FPG was \$6,788 per month in 2016.

^M For a family of six, 250% of the FPG was \$6,867 per month in 2017.

^N For a family of six, 250% of the FPG was \$7,029 per month in 2018.

^O A.B. began receiving the additional income from Business Entity No. 1 in June 2015 when she began using Business Entity No. 1 funds for personal expenditures.

^P These amounts represent the total net transactions between Business Entity No. 1's bank account, A.B.'s personal bank accounts, real estate title companies, and Business Entity No. 2's bank accounts.

- \$78,994 in payments to A.B.'s personal credit cards.

In addition, we found 37 instances in which cash withdrawals from Business Entity No. 1's business bank account which appear to correspond with 40 deposits made to A.B.'s personal bank account. The cash deposits to A.B.'s personal bank account totaled \$72,245 and took place within two hours of the withdrawals from Business Entity No. 1's business bank account.^Q A.B. also used Business Entity No. 1's business bank account to make multiple purchases that appear personal in nature. Examples of these purchases include:

- Two purchases in December 2016 and July 2017, totaling \$12,004;
- A \$5,173 purchase made out of state in August 2016; and
- A \$2,646 purchase made out of state in June 2017.

Although funds used to make these transactions were likely income for A.B., she does not appear to have disclosed these funds to LDH when she applied for Medicaid benefits for her dependent children.

Services Provided by Business Entity No. 1 to A.B. and C.D.'s Dependent Children

Medicaid records show that Business Entity No. 1 was paid \$49,125 for services provided for two of A.B.'s dependent children from November 2015, through March 2018. However, because A.B.'s income exceeded the Medicaid Program's income eligibility limits, her children do not appear to have qualified for these services. As a result, not only did A.B. benefit by having her children receive free health care coverage through Medicaid, but she also appears to have personally benefited by allowing Business Entity No. 1 to receive \$49,125 in Medicaid payments for services her business allegedly provided to her own children.

A.B. told us she does not remember applying for Medicaid in July 2016 and assumed her children were no longer on Medicaid after this eligibility period because LDH no longer communicated with her regarding her children's Medicaid eligibility. A.B. also stated that she believed her dependent children had been on C.D.'s health insurance plan since 2016. However, we reviewed the Business Entity No. 1 patient files of A.B.'s dependent children and found that A.B. signed paperwork regarding the Medicaid services provided by Business Entity No. 1 in August 2017, September 2017, February 2018, and March 2018, indicating that she knew or should have known that two of her dependent children were still enrolled in Medicaid, and that they were receiving Medicaid services from Business Entity No. 1.

In addition, insurance records from C.D.'s employer show that their children were not added to C.D.'s health insurance plan until February 2018. A.B. also stated that C.D. was the person who completed the July 5, 2016, Medicaid application, despite her name being listed on the application. However, C.D. told us that he did not fill out the Medicaid application and that he had no involvement with the enrollment of his children in Medicaid.

^Q 37 of the 40 deposits to A.B.'s personal bank accounts took place less than five minutes after the cash was withdrawn from Business Entity No. 1's bank account.

Conclusion

A.B. appears to have provided incomplete and inaccurate information to LDH to obtain Medicaid benefits for her four dependent children. From January 2012 through December 2018, LDH paid MCOs \$27,826 for monthly premiums and other benefits on behalf of A.B.'s dependent children and paid providers \$6,625 directly for Medicaid services. The MCOs paid \$79,638 to providers for covered health care services for A.B.'s dependent children from June 2013 through November 2018. This amount included \$49,125 paid to Business Entity No. 1, a Medicaid services provider owned by A.B. and C.D. During this period, A.B. failed to identify all household members to LDH and failed to disclose all of their income. Had A.B. provided complete and accurate information to LDH, her dependent children may have been ineligible to receive Medicaid benefits. By providing incomplete and inaccurate information to LDH, A.B. may have violated state law.¹

Recommendations

We recommend that LDH management seek legal counsel to determine the appropriate action to be taken, including the recovery of payments for improper Medicaid benefits. In addition, LDH management should:

- (1) Compare Medicaid applicants and recipients to LDH's Medicaid providers' database to identify applicants and recipients who may not be eligible to receive Medicaid benefits.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:67(A)** provides that, “Theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential.”

La. R.S. 14:70.9(A) provides, in part, that, “Government benefits fraud is the act of any person who, with intent to defraud the state or any person or entity through any government benefits administered by any state department, agency, or political subdivision, does any of the following: ... (4) Knowingly makes or causes to be made a false statement or representation of material fact on an application or form for assistance, goods, services, or payments when the false statement or representation is made for the purpose of determining the person’s eligibility to receive benefits or payments. (5) Knowingly conceals or fails to disclose any material fact affecting the applicant’s initial or continued eligibility to receive benefits or payments.”

La. R.S. 14:133(A) provides that, “Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact.”

La. R.S. 14:125(A) provides that, “False swearing is the intentional making of a written or oral statement, known to be false, under sanction of an oath or an equivalent affirmation, where such oath or affirmation is required by law; provided that this article shall not apply where such false statement is made in, or for use in, a judicial proceeding or any proceeding before a board or official, wherein such board or official is authorized to take testimony.”

La. R.S. 46:114 provides, in part, that, “(A) No person shall obtain or attempt to obtain assistance from the Department of Children and Family Services or the Louisiana Department of Health by means of any false statement, misrepresentation, or other fraudulent device. If during the life, or upon the death, of any person who is receiving or has received assistance it is found that the recipient is receiving or has received assistance through misrepresentation, nondisclosure of material facts, or other fraudulent device, the amount of assistance, without interest, shall be recoverable from him or his estate as a debt due the state by court action. (B) If at any time during the continuance of public assistance to any person, the recipient thereof, or the husband or wife of the recipient with whom he or she is living, is possessed or becomes possessed of any property or income in excess of the amount declared at the time of application or reinvestigation of his case and in such amount as would affect his needs or right to receive assistance, it shall be the duty of the recipient, or the husband or wife of the recipient, to notify the Department of Children and Family Services or the Louisiana Department of Health of possession of such property or income, and the department shall, after investigation, either cancel the assistance or alter the amount thereof in accordance with the circumstances, provided, that such investigation shows that such property or income does affect the need of the recipient or his right to receive assistance. If during the life, or upon the death, of any person who is receiving or has received assistance it is found that the recipient or his spouse was possessed of any property or income in excess of the amount reported that would affect his need or right to receive assistance, any assistance paid when the recipient or his spouse was in possession of such undeclared property or income shall be recoverable, without interest, from him or his estate as a debt due the state by court action. The possession of undeclared property by a recipient or his spouse with whom he is living shall be prima facie evidence of its ownership during the time assistance was granted, and the burden to prove otherwise shall be upon the recipient or his legal representative. (C)(1) If the personal circumstances of the recipient change at any time during the continuance of assistance, he shall immediately notify the Department of Children and Family Services or the Louisiana Department of Health of the change. Personal circumstances shall include: (a) The members of the household. (b) The place of residence of the recipient. (c) The establishment of a legal or nonlegal union by the recipient. (d) The failure of a child between the ages of sixteen and eighteen years, who is receiving aid to dependent children, to attend school regularly.”

LIST OF PREVIOUS MAU REPORTS

Issue Date	Title
January 22, 2020	<i>Medicaid Recipient Report No. 2</i>
September 11, 2019	<i>Medicaid Eligibility Determinations: Status on the Use of Federal Tax Information</i>
September 4, 2019	<i>Improper Billing of Services Within the Medicaid Behavioral Health Program</i>
May 15, 2019	<i>Identification of Behavioral Health Service Providers</i>
May 1, 2019	<i>Update on Wage Verification Process of the Medicaid Expansion Population</i>
April 17, 2019	<i>Medicaid Recipient Report No. 1</i>
December 12, 2018	<i>Medicaid Eligibility: Modified Adjusted Gross Income Determination Process</i>
November 8, 2018	<i>Medicaid Eligibility: Wage Verification Process of the Expansion Population</i>
October 31, 2018	<i>Identification of Incarcerated Medicaid Recipients</i>
June 20, 2018	<i>Reliability of Medicaid Provider Data</i>
May 2, 2018	<i>Strengthening of the Medicaid Eligibility Determination Process</i>
November 29, 2017	<i>Improper Payments for Deceased Medicaid Recipients</i>
October 4, 2017	<i>Monitoring of Medicaid Claims Using All-Inclusive Code (T1015)</i>
September 6, 2017	<i>Improper Payments in the Medicaid Laboratory Program</i>
July 12, 2017	<i>Prevention, Detection, and Recovery of Improper Medicaid Payments in Home and Community-Based Services Programs</i>
March 29, 2017	<i>Duplicate Payments for Medicaid Recipients with Multiple Identification Numbers</i>
March 22, 2017	<i>Program Rule Violations in the Medicaid Dental Program</i>
October 26, 2016	<i>Medicaid Recipient Eligibility – Managed Care and Louisiana Residency</i>
<p>Source: MAU reports can be found on the LLA’s website under “Reports and Data” using the “Audit Reports by Type” button. By selecting the “Medicaid” button, all MAU reports issues by LLA will be displayed. https://www.la.gov/reports-data/audit/audit-type/index.shtml?key=Medicaid</p>	

APPENDIX A

Management's Response



State of Louisiana
Louisiana Department of Health
Office of Management and Finance

VIA E-MAIL ONLY

June 5, 2020

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

Re: Medicaid Eligibility – Dependent Children of [REDACTED]

Dear Mr. Purpera:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated May 8, 2020, regarding a reportable audit finding that an applicant had provided incomplete and inaccurate information to obtain Medicaid Benefits. LDH appreciates the opportunity to provide this response to your office's findings.

Finding:

[REDACTED] may have provided incomplete and inaccurate information to obtain Medicaid benefits for her dependent children.

Recommendation:

That LDH management seek legal counsel to determine the appropriate action to be taken, and compare Medicaid applicants and recipients to LDH's Medicaid providers' database to identify applicants and recipients who may not be eligible to receive Medicaid benefits.

Response:

LDH concurs with your finding. LDH agrees to seek legal counsel to determine the appropriate action to be taken in this matter. LDH has begun comparing the database of Medicaid applicants and recipients to LDH's Medicaid providers' database to identify recipients who may not be eligible to receive Medicaid benefits. However, such a comparison alone will yield insufficient information on which to make an eligibility determination. This provides information only on potential revenue that an individual may have received as a Medicaid provider but does not provide any information on the expenses associated with operating that business.

Darryl G. Purpera
June 5, 2020
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You may contact Tara LeBlanc, Medicaid Deputy Director, at (225) 342-8909 or via e-mail at Tara.LebLANC@la.gov with any questions about this matter.

Sincerely,



Cindy Rives
Undersecretary

CP/vb

APPENDIX B

A.B.'s Response

In a letter dated May 8, 2020, we asked A.B. to respond, in writing to this report. As of the date this report, A.B. has chosen not to respond.

APPENDIX C

C.D.'s Response



Medicaid Recipients: Dependent Children of [REDACTED]

to: cmagee@lla.la.gov

06/10/2020 03:12 PM

History:

This message has been replied to and forwarded.

Mr. Magee: Initially, please take note that [REDACTED] is represented by me and my firm in connection with this draft audit, and no other counsel. He has no other comments to make in response to the audit other than to confirm that his former wife had taken the initiative to get their children covered by Medicaid. During this time period he did not stay informed as to their status as recipients and did not complete any required documentation to his knowledge, but took steps to move their coverage to outside coverage offered by his employer when he became aware of this situation.

[REDACTED]