

PROGRESS REPORT: MEDICAID RESIDENCY

LOUISIANA DEPARTMENT OF HEALTH

PERFORMANCE AUDIT SERVICES
DATA ANALYTICS UNIT

May 28, 2025

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May 28, 2025

The Honorable J. Cameron Henry, Jr.,
President of the Senate
The Honorable Phillip R. DeVillier,
Speaker of the House of Representatives

Dear President Henry and Speaker DeVillier:

This report provides the results of our progress report of the Louisiana Department of Health (LDH). The purpose of this review was to analyze the progress made by LDH regarding its processes used to identify and remove Medicaid coverage for beneficiaries who no longer reside in Louisiana and therefore no longer qualify for the state's Medicaid program. We conducted this progress report, in part, to further the goals of the Fiscal Responsibility Program.

Overall, we found that, during the scope of our progress report, 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 Office of Motor Vehicles (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.

We found that LDH made approximately \$103.1 million in per-member per-month (PMPM) payments to managed care organizations (MCOs) for 22,078 adult beneficiaries who do not appear to have lived 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 Medicaid eligibility system (eligibility system) or they obtained a driver's license in another state.

Specifically, we found that LDH paid approximately \$774,051 of the \$103.1 million for 1,195 beneficiaries from March 2023 through December 2024 who were identified as residing out-of-state in LDH's eligibility system. The MCOs paid \$233 to out-of-state service providers after LDH's eligibility system listed these beneficiaries as living outside of Louisiana.

We also found that LDH paid approximately \$102.3 million of the \$103.1 million for 20,883 beneficiaries from March 2023 through December 2024 who, according to Louisiana OMV data, had obtained a driver's license in another state. The MCOs paid approximately \$3.0 million to out-of-state service providers after these beneficiaries obtained an out-of-state driver's license.

We also used Medicaid data and the Centers for Medicare & Medicaid Services' National Provider Identifier database to identify 7,973 beneficiaries enrolled in Louisiana's Medicaid program from March 2023 through December 2024 who 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.

The report contains our findings, conclusions, and recommendations. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the Louisiana Department of Health for its assistance during this review.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

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Progress Report: Medicaid Residency Louisiana Department of Health

May 2025

Audit Control # 40240029

Introduction

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.¹ 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.²

LDH administers the Medicaid program to provide health and medical services for uninsured and medically-indigent citizens. Under LDH’s current full-risk prepaid managed care model, it pays a fixed per-member per-month (PMPM) fee to Managed Care Organizations (MCOs) for the administration of health benefits and payment of all claims.³ However, LDH is responsible for determining Medicaid beneficiary eligibility and enrolling applicants into Louisiana’s Medicaid program.

Since the end of the scope of our previous review (February 2023), the number of Medicaid beneficiaries in Louisiana decreased 19.1%, from 2,038,391 in February 2023 to 1,648,889 in December 2024.⁴ This decrease was primarily due to the COVID-19 Public Health Emergency (PHE) “unwind” period,⁵ during which

¹ [Medicaid Residency](#)

² The Fiscal Responsibility Program, also known as LA DOGE, was created through an executive order ([Executive Order Number JML 24-176](#)) by Governor Jeff Landry on December 12, 2024, to monitor state spending and ensure Louisiana government operates in the most efficient and effective manner.

³ A managed care model is an arrangement for health care in which an organization acts as a gatekeeper or intermediary between the person seeking care and the physician. For the purposes of this report, the term MCO refers to Louisiana’s six Healthy Louisiana plans and two dental benefit program managers.

⁴ Medicaid enrollment reached a peak of 2,055,782 in May 2023.

⁵ The PHE ended on March 31, 2023, which allowed states to resume normal operations, including restarting full Medicaid and CHIP eligibility renewals and terminations of coverage for individuals who were no longer eligible. Beginning April 1, 2023, states were able to terminate Medicaid enrollment for individuals who were no longer eligible. States had up to 12 months to return to normal eligibility and enrollment operations.

LDH resumed performing annual Medicaid eligibility reviews that were suspended during the PHE. See Appendix C for the number of beneficiaries enrolled in Louisiana's Medicaid program by month from July 2015 through December 2024.

In addition to other requirements, one of the primary eligibility requirements for Louisiana's Medicaid program is that beneficiaries must reside in Louisiana to be eligible for Medicaid coverage.⁶ According to LDH's Eligibility Manual, Medicaid beneficiaries are allowed to self-attest to some information when applying for or renewing Medicaid coverage, including their residency status.⁷ As of April 2023, self-attestation for residency was allowed in 40 (80.0%) of 50 states, according to state Medicaid verification plans. Although self-attestation of residency is accepted when applying for or renewing Medicaid coverage, LDH also uses other data sources to verify beneficiary residency. For example, the Public Assistance Reporting Information System (PARIS)⁸ performs three types of data matches, one of which identifies possible instances where beneficiaries may be enrolled in Medicaid programs in multiple states.

LDH's Eligibility Manual also requires beneficiaries to report any change in their address to LDH within 10 days of the change. If any conflicting information is identified during the beneficiary's application/renewal process or eligibility period, LDH can request additional information from Medicaid applicants and beneficiaries to prove their residency. When LDH confirms a change in address, it updates its Medicaid eligibility system (eligibility system) with the new address, including new out-of-state addresses. Further, LDH's policies and procedures require that LDH terminate coverage for beneficiaries who no longer live in Louisiana if it receives information showing they live out-of-state and the beneficiary does not respond to a request for information about their residency status.

The objective of this review was:

To analyze progress made by LDH to improve its processes to identify and remove Medicaid coverage for beneficiaries who no longer reside in Louisiana and no longer qualify.

Our results are summarized on the next page and discussed in detail throughout the remainder of the report. Appendix A contains LDH's response, and Appendix B contains our scope and methodology. Appendix C details the number of Medicaid beneficiaries by month from July 2015 through December 2024.

⁶ Certain exceptions to this rule exist, such as when beneficiaries are temporarily out-of-state with an intent to return or when Louisiana students are attending an out-of-state school.

⁷ Other items Medicaid applicants and beneficiaries can self-attest to include age, household composition, pregnancy, caretaker relative, Medicare, application for other benefits, or third-party liability.

⁸ PARIS is a federal-state partnership that ensures the integrity of public assistance programs through detecting and deterring improper payments. PARIS is a free data-matching service for states matching beneficiaries of public assistance to check if they receive duplicate benefits in two or more states, and its matches help identify improper payments and minimize fraud and abuse.

Objective: To analyze progress made by LDH to improve its processes to identify and remove Medicaid coverage for beneficiaries who no longer reside in Louisiana and no longer qualify.

Overall, we found that, during the scope of our progress report (March 2023 through December 2024), the Louisiana Department of Health (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 Office of Motor Vehicles (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, 2025.⁹ 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.¹⁰

We updated this analysis for the months following the period covered by our previous review¹¹ and found that LDH made approximately \$103.1 million¹² 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. We specifically found that:

⁹ According to LDH, it identified approximately 9,000 Medicaid beneficiaries who will be removed based on its first data match using OMV data. LDH estimates an annual savings of approximately \$73.8 million, which includes \$10.9 million in state match.

¹⁰ The NPI is a unique identification number for covered health care providers. Covered health care providers and all health plans and health care clearinghouses must use the NPIs in the administrative and financial transactions adopted under the Health Insurance Portability and Accountability Act (HIPAA).

¹¹ Our previous analysis found that, from September 2016 through February 2023, LDH made approximately \$112.6 million in PMPMs to MCOs for 13,771 adult beneficiaries who did not appear to have resided in Louisiana during the coverage period paid for by these PMPMs.

¹² This amount is under-reported as it only includes PMPMs for dental coverage for the months July 2024 through December 2024 and does not include the PMPMs paid by LDH to MCOs for health coverage. This is due to LDH making lump-sum capitation payments to the MCOs for these months while awaiting approval of a July 1, 2024, rate certification from the Office of State Procurement.

- **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.

Our findings and recommendations are discussed in more detail in the sections below.

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.

LDH's Eligibility Manual requires beneficiaries enrolled in Louisiana's Medicaid program to update their address within 10 days of a change. Beneficiaries can update their address through their online account, their enrolled MCO, or by notifying LDH via telephone or mail. We found in our previous review that LDH was not always reviewing the eligibility of beneficiaries who updated their physical address to an out-of-state address, resulting in Medicaid beneficiaries who LDH knew did not reside in Louisiana from being disenrolled from Louisiana's Medicaid

program. According to LDH, it completed a review of all such instances in December 2023 and took appropriate action on these beneficiaries. LDH currently generates a weekly report that is reviewed to do the same. Further, LDH updated its standard operating procedure for this process.

LDH paid \$774,051 in PMPMs for 1,195 beneficiaries between March 2023 and December 2024 during the months after the beneficiaries' physical addresses were changed in LDH's eligibility system to an out-of-state address. All but two of these beneficiaries¹³ had no services paid by Medicaid in the months after their physical addresses were changed to out-of-state, further indicating the Medicaid beneficiaries no longer lived in Louisiana. Of the 1,195 beneficiaries identified in this analysis, 12 (1.0%) were identified as part of our previous review and communicated by LLA to LDH in July 2023. When a Medicaid beneficiary moves to another state with the intent to establish residency in that state, LDH policy states that the case should be closed "as soon as systems limitations allow." Once an LDH system or Medicaid analyst identifies and confirms that a Medicaid beneficiary has moved out-of-state, the system or analyst is supposed to update the beneficiary's physical address in the eligibility system to begin the process of closing the beneficiary's case. In most instances, this means the beneficiary no longer qualifies for Louisiana's Medicaid program.¹⁴

However, we identified instances in which LDH's eligibility system listed beneficiaries as having out-of-state physical addresses, but their cases were not closed, meaning LDH was aware that the beneficiaries lived out-of-state but continued to pay PMPMs on their behalf. In addition, these beneficiaries received no services in the months after their physical addresses were changed to out-of-state addresses, further indicating they no longer lived in Louisiana. For example, we reviewed case files for multiple beneficiaries who appeared in our results and found the following:

- A beneficiary's physical address was changed to a Mississippi address in LDH's eligibility system in February 2023. LDH paid \$7,836 in PMPMs to MCOs on behalf of this beneficiary for the months of March 2023 through December 2023. This beneficiary received no services during this time. A review of this beneficiary's case notes found that the case was not initially closed in February 2023 because the beneficiary was considered homeless. However, LDH case workers did not attempt to contact the beneficiary again until November 2023, after a Medicaid coverage renewal letter was returned with no forwarding address. LDH ended this beneficiary's coverage effective January 2024.

¹³ Two beneficiaries received a total of \$233 of services from out-of-state providers during this period of time.

¹⁴ LDH policies do allow for exceptions such as beneficiaries who leave the state but intend to return, students attending an out-of-state school, and individuals residing in an out-of-state institution.

- According to case notes, a beneficiary was identified as residing in Mississippi in September 2021, but LDH did not update their physical address in the eligibility system. The physical address of this beneficiary and the three other members of their household was changed to a Pennsylvania address in LDH's eligibility system in June 2023 as part of their coverage renewal process. While the coverage for the other household members ended effective August 2023, this beneficiary's coverage remained active until it was closed effective August 2024. LDH paid \$6,616 in PMPMs to MCOs on behalf of this beneficiary for the months of July 2023 through July 2024. This beneficiary received no services during this time.

Recommendation 1: LDH should continue to ensure that those beneficiaries identified as residing out-of-state in its eligibility system and no longer qualify for Louisiana Medicaid are removed from the program as soon as this information is confirmed.

Summary of Management's Response: LDH agreed with this recommendation and stated that it will continue to review its processes and procedures to ensure beneficiaries identified as residing out-of-state are removed timely. See Appendix A for LDH's full response.

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.

Based on research of other state's driver's license agency policies, all states appear to require individuals to reside in-state to obtain a driver's license. In addition, federal regulations only allow individuals to obtain a REAL ID or REAL driver's license from their state of residence. Because of this, driver's license data and information can be a key tool in determining the residency of Medicaid beneficiaries. There is a nationwide agreement between 45 states,¹⁵ known as the Driver's License Compact, under which states agree to notify each other when a driver from one state obtains a driver's license in another state.

When an individual with a Louisiana driver's license obtains a driver's license in another state, that state's driver's licensing agency sends a notification to Louisiana's OMV.¹⁶ When OMV receives these notices, it updates its database so those individuals are identified as having an out-of-state driver's license. LDH has not historically had access to driver's license data, and Louisiana was one of 42

¹⁵ As of May 2023.

¹⁶ As of May 2023, 38 states (84.4%), including Louisiana, sent these notifications electronically, while other states send hard copies monthly or quarterly.

(84.0%) states that, as of April 2023, did not use motor vehicle data to verify the residency of Medicaid beneficiaries according to state Medicaid verification plans. LDH policy states that the results of a data match that bring an applicant or beneficiary's residency into question will prompt LDH to request documentation proving their residency. According to LDH, it cannot retroactively terminate Medicaid coverage for beneficiaries it identifies as no longer eligible unless they commit fraud, so it is important to use front-end data sources, such as driver's license data, to identify beneficiaries who are potentially ineligible as soon as possible.

We found in our previous review that, based on OMV data, Medicaid beneficiaries had obtained driver's licenses in other states but were still enrolled in Louisiana's Medicaid program. We recommended that LDH obtain this data to enhance its eligibility checks. LDH entered into a data sharing agreement with OMV in April 2024 and first used this data for Medicaid eligibility purposes in April 2025. According to LDH, it identified approximately 9,000 Medicaid beneficiaries who obtained a driver's license in another state and who will be removed from Louisiana Medicaid. LDH estimates an annual savings of approximately \$73.8 million, which includes \$10.9 million in state match.

LDH paid \$92,118,822 in PMPMs for 19,246 beneficiaries between March 2023 and December 2024 who received no services beginning in the month after the out-of-state notification was received. Receiving no services in Louisiana after obtaining an out-of-state driver's license further indicates the Medicaid beneficiaries no longer live in Louisiana. Of the 19,246 beneficiaries identified in this analysis, 5,914 (30.7%) were identified as part of our previous review and communicated by LLA to LDH in July 2023. In some cases, we found that these Medicaid beneficiaries were auto-enrolled in Medicaid based on them having Supplemental Security Income (SSI) or qualifying for other Medicaid programs. In reviewing case files for these beneficiaries, we found that in many cases there was little or no record of contact made by LDH with the Medicaid beneficiaries, indicating they may not have even known they were enrolled in Medicaid. We reviewed case files for multiple beneficiaries who appeared in our results and found the following:

- A beneficiary obtained a driver's license in Michigan in January 2023. LDH paid \$26,013 in PMPMs to MCOs on behalf of this beneficiary for the months of March 2023 through December 2024. This beneficiary received no services during this time. In October 2024 a case worker was assigned to contact the beneficiary due to mail that was returned. In November 2024 the beneficiary's address was updated to Michigan, and their coverage was ended effective January 2025. According to the beneficiary's case notes, prior to contacting them in November 2024, the last documented non-automated contact by a case worker was in December 2019.
- A beneficiary obtained a driver's license in Florida in April 2023. LDH paid \$1,140 in PMPMs to MCOs on behalf of this beneficiary for the

months of May 2023 through June 2023. This beneficiary received no services during this time, and LDH ended this beneficiary's coverage effective July 2023 because they did not provide information requested in a May 2023 renewal letter. However, this beneficiary was identified in our previous review by our analysis of beneficiaries who only received services from out-of-state providers. Our prior review found that, from October 2020 through February 2023, LDH paid \$16,396 in PMPMs to MCOs on behalf of this beneficiary, and that during that period of time this beneficiary never received services in Louisiana but did receive \$76,278 of services in Florida.

- In our previous report, we identified two beneficiaries living in the same household who obtained driver's licenses in Oregon in November 2021 and February 2022. LDH paid PMPMs of \$9,773 and \$7,689 to MCOs on behalf of these beneficiaries for the months of December 2021 through February 2023 and March 2022 through February 2023. In July 2023, the LLA provided these beneficiaries to LDH, who then ended their Medicaid coverage effective September 2023 when they did not provide requested information as part of their coverage renewal process. However, from March 2023 through August 2023, LDH paid PMPMs of \$3,320 (or \$1,660 each) to MCOs on behalf of these beneficiaries. These beneficiaries received no services during these periods of time. A review of their case found that LDH identified these beneficiaries as living out-of-state in September 2021; however, LDH was unable to obtain confirmation from the beneficiaries that they no longer lived in Louisiana and did not terminate their coverage due to the COVID-19 PHE. Lastly, although they are not included in our results, during our review of this case, we identified a third member of their household that was enrolled in Louisiana's Medicaid program during the same period of time.

LDH paid \$10,271,728 in PMPMs for 1,637 beneficiaries between March 2023 and December 2024 who only received services from providers located outside of Louisiana after the beneficiary's out-of-state driver's license notification dates. MCOs paid \$3,034,598 for services provided to these beneficiaries by providers located out-of-state after the beneficiaries obtained a driver's license in another state, further indicating the Medicaid beneficiaries no longer lived in Louisiana. Of the 1,637 beneficiaries identified in this analysis, 535 (32.7%) were identified as part of our previous review and communicated by LLA to LDH in July 2023. While similar to the beneficiaries described in the previous section of this report, these beneficiaries *only* received services from providers located out-of-state after they obtained an out-of-state driver's license, further indicating the Medicaid beneficiaries no longer lived in Louisiana. For example, we reviewed case files for multiple beneficiaries who appeared in our results and found the following:

- In October 2022, a beneficiary obtained a driver's license in Alabama. From March 2023 through December 2024, LDH paid \$11,492 in

PMPMs to MCOs on behalf of this beneficiary. MCOs paid \$120,206 to providers for services provided to this beneficiary from March 2023 through October 2024, primarily in Alabama. A review of this beneficiary's case found that their coverage appears to have been automatically renewed in June 2022, June 2023, and June 2024 without the beneficiary contacting LDH. As of April 2025, this beneficiary was still enrolled in Louisiana's Medicaid program, but LDH had requested they provide proof of residency in Louisiana by May 2025.

- The results of our previous review identified a beneficiary who obtained a Georgia driver's license in December 2019. LDH paid \$54,256 in PMPMs to MCOs on behalf of this beneficiary for the months of March 2020 through February 2023. This beneficiary received no services in Louisiana after November 2019 but received \$105 of services from March 2020 through August 2022 in Georgia, which is the same state in which they obtained a driver's license. In July 2023, the LLA provided the beneficiaries identified by our review to LDH. However, from March 2023 through December 2024, LDH paid PMPMs totaling \$29,303 to MCOs on behalf of this beneficiary, who also received \$71 of services from a Georgia provider in May 2023. A review of this beneficiary's case notes found that a case worker has not contacted this beneficiary since at least 2018, and that as of April 2025 this beneficiary was still enrolled in Louisiana's Medicaid program.
- A beneficiary obtained a driver's license in Georgia in October 2022. LDH paid \$9,350 in PMPMs to MCOs on behalf of this beneficiary for the months of March 2023 through December 2024. This beneficiary received no services in Louisiana after May 2021 but received \$102,022 of services from March 2023 through November 2023 primarily in Georgia, which is the same state in which they obtained a driver's license. A review of this beneficiary's case found that their address was changed in LDH's eligibility system to a Georgia address in June 2021, after which there is no documented non-automated contact or attempted contact by a case worker. As of April 2025, this beneficiary was still enrolled in Louisiana's Medicaid program, but LDH had requested they provide proof of residency in Louisiana by May 2025.

Recommendation 2: LDH should obtain and incorporate OMV data into its eligibility determination process to identify Medicaid beneficiaries who potentially live out-of-state.

Summary of Management's Response: LDH agreed with this recommendation and stated that its first eligibility check using OMV data was completed on April 23, 2025. This check will result in approximately 9,000 individuals being removed from Medicaid at the end of May 2025, for an

annual savings of approximately \$73.8 million. LDH will continue to review this data source regularly beginning in June 2025. See Appendix A for LDH's full response.

LDH could strengthen its eligibility process by utilizing Medicaid data and CMS' NPI database to identify Medicaid beneficiaries who are actively enrolled in Louisiana's Medicaid program but only receive services from out-of-state providers.

An NPI is a unique identification number for health care providers assigned by the United States Department of Health and Human Services. CMS maintains an NPI database, which is publicly-available and identifies both individual and business NPIs. Included in this database is the practicing location of each service provider for all 50 states. As part of obtaining an NPI number, CMS requires all providers in the United States to register the address at which they will practice/provide services.

Prior to January 2023, LDH did not review Medicaid beneficiary service utilization to identify trends such as beneficiaries who receive no services for long periods of time or who only receive services from providers located out-of-state. In January 2023, LDH stated that it began analyzing beneficiaries who only receive services from out-of-state providers. This is important because beneficiaries have the option to change MCOs each year, so LDH is the only entity that has service utilization data for all beneficiaries' enrollment periods. In addition, LDH stated that it cannot retroactively terminate Medicaid coverage for beneficiaries it identifies as no longer eligible unless the beneficiaries fraudulently obtained their Medicaid coverage, so it is important to use front-end data sources, such as driver's license data and CMS NPI data, to identify beneficiaries who are potentially ineligible as soon as possible. LDH disagreed with our recommendation made in our previous report.

We analyzed service utilization data and found that LDH paid MCOs \$37,619,873 in PMPMs¹⁷ for 7,973 beneficiaries between March 2023 and December 2024 who were actively enrolled in Louisiana's Medicaid program and only received services from out-of-state providers, which totaled \$4,337,733. Receiving services only from out-of-state providers may indicate the Medicaid beneficiaries no longer reside in Louisiana. In addition, 203 of the beneficiaries identified by the analysis in our 2023 review appeared in the results of this review's Medicaid eligibility system address analysis or the out-of-state driver's license analysis,¹⁸ further indicating the Medicaid

¹⁷ Our analysis only included PMPMs paid for months occurring after the month in which the beneficiary first received services from providers located out-of-state.

¹⁸ Fifty-one beneficiaries appeared in the Medicaid eligibility address analysis, and 152 beneficiaries appeared in the out-of-state driver's license analysis.

beneficiaries no longer lived in Louisiana. Also, 560 (7.0%) of the 7,973 identified by this analysis had a physical address in Louisiana but a mailing address in another state. Joining the provider's practice location contained in CMS' NPI database with LDH's Medicaid claims and encounter data would allow LDH to identify the states in which beneficiaries are receiving services. Beneficiaries who are identified as receiving all of their services out-of-state could then be flagged to have their residency and eligibility reviewed. For example, we reviewed case files for multiple beneficiaries and found the following:

- A beneficiary was originally enrolled in Louisiana's Medicaid program in August 2018. LDH paid \$29,169 in PMPMs to MCOs on behalf of this beneficiary for the months of March 2023 through December 2024.¹⁹ This beneficiary has not received services in Louisiana since May 2021, but began receiving services from providers in Tennessee in January 2022 and received \$30,422 of services in Mississippi and Tennessee between July 2023 and November 2024. A review of this beneficiary's case notes found that they contacted LDH in December 2021 and updated their mailing address to a city in Tennessee. In August 2023 this beneficiary contacted LDH again and to updated their mailing address to another location in Tennessee during which they confirmed that they no longer lived in Louisiana. As of April 2025, this beneficiary was still enrolled in Louisiana's Medicaid program and, according to third party data sources, still resides in Tennessee.
- A beneficiary was originally enrolled in Louisiana's Medicaid program in February 2019. LDH paid \$29,611 in PMPMs to MCOs on behalf of this beneficiary for the months of March 2023 through November 2024. This beneficiary received no services in Louisiana after January 2020 and began receiving services in Texas in March 2020. According to LDH Medicaid data, this beneficiary received \$9,495 of services in Texas between March 2023 and June 2023. A review of their case found that LDH noted that this beneficiary had returned mail with no forwarding address in August 2019, but case workers made no further attempts to contact the beneficiary until October 2024, when LDH attempted to notify them that their coverage would end in December 2024 due to their SSI ceasing. After LDH's October 2024 letter was returned as undeliverable, the beneficiary's address was changed to a Texas address in LDH's eligibility system. According to third-party data sources, this beneficiary established and has maintained residence in Texas since February 2020.
- A beneficiary was enrolled in Louisiana's Medicaid program in June 2011. LDH paid \$25,104 in PMPMs to MCOs on behalf of this beneficiary for the months of March 2023 through December 2024. This beneficiary did not receive services in Louisiana after September

¹⁹ Although this beneficiary was enrolled in Louisiana's Medicaid program prior to March 2023, the scope of our report only covered the period of March 2023 through December 2024.

2022 but received \$1,159 of services in California and Arizona between July 2023 and September 2024. A review of their case found that there was no contact between case workers and this beneficiary until October 2024, when LDH attempted to notify them that their coverage would end in January 2025 due to their SSI ceasing. After LDH's letter was returned as undeliverable in November 2024, the beneficiary's address was updated to a California address in LDH's eligibility system. According to third-party data sources, this beneficiary resided in California in 2023 and 2024 during the time they received services from California providers.

Recommendation 3: LDH should incorporate analyses of CMS' NPI database and its claims and encounter data to identify Medicaid beneficiaries who potentially live out-of-state.

Summary of Management's Response: LDH agreed with this recommendation and stated that its Medicaid Program Integrity section will develop a process to compare the CMS NPI database with the claims system and identify Medicaid beneficiaries who may live out-of-state. 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

VIA E-MAIL ONLY

May 21, 2025

Mr. Michael J. "Mike" Waguespack, CPA
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Progress Report: Medicaid Residency

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated May 14, 2025 titled Progress Report: Medicaid Residency. LDH appreciates the opportunity to provide this response to your office's conclusions and recommendations.

Conclusion 1: LDH paid approximately \$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.

Recommendation 1: *LDH should continue to refine its process of ensuring that those beneficiaries identified as residing out-of-state in its eligibility systems and no longer qualify for Louisiana Medicaid are removed from the program as soon as this information is confirmed.*

LDH Response: LDH concurs with the recommendation.

LDH will continue to review its processes and procedures for refinement to ensure beneficiaries identified as residing out-of-state are removed timely. LDH will strengthen regular eligibility checks by including new data sources including data from the OMV alerting us that a Medicaid member has a driver's license in another state.

Conclusion 2: LDH paid approximately \$102.3 million in PMPMs for 20,883 beneficiaries from March 2023 through December 2024 who, according to Louisiana Office of Motor Vehicles (OMV) data, obtained a driver's license in another state.

Recommendation 2: *LDH should continue to refine its process of incorporating OMV data into its eligibility determinations to identify Medicaid beneficiaries who potentially live out-of-state.*

LDH Response: LDH concurs with the recommendation.

LDH completed the first eligibility check using OMV data on April 23, 2025. As a result of this residency check, approximately 9,000 individuals will be removed from Medicaid at the end of May 2025. This will result in an annual savings of approximately \$73.8M total dollars. LDH will continue to review this data source regularly beginning in June 2025.

Conclusion 3: Statewide could strengthen its eligibility process by utilizing Medicaid data and CMS' NPI database to identify Medicaid beneficiaries who are enrolled in Louisiana's Medicaid program but only receive services from out-of-state providers.

Recommendation 3: *LDH should incorporate analyses of CMS' NPI database and its claims and encounter data to identify Medicaid beneficiaries who potentially live out-of-state.*

LDH Response: LDH concurs with the recommendation.

LDH Medicaid Program Integrity will develop a process to compare the CMS' NPI database with the claims system and identify Medicaid beneficiaries who may live out-of-state. Those beneficiaries who only receive services out-of-state will have their residency reviewed.

The State of Louisiana has an agreement with The Social Security Administration (SSA) to provide Medicaid coverage to all individuals eligible for benefits under Title XVI of the Social Security Act. The Medicaid Program receives a monthly State Data Exchange (SDX) from SSA. The SDX is automatically uploaded into the LaMeds system. Due to the agreement, if a beneficiary does not notify SSA they have changed their address, it is difficult for LDH to remove them from the Medicaid Program.

You may contact Kimberly Sullivan, Medicaid Director at (225) 219-7810 or via e-mail at Kimberly.Sullivan@la.gov or Charlene Julien, Medicaid Deputy Director at (225) 342-8908 or via email at Charlene.Julien@la.gov with any questions about this matter.

Sincerely,


Bruce D. Greenstein, Secretary

BG/ks

Agency: Louisiana Department of Health

Audit Title: Progress Report: Medicaid Residency

Audit Report Number: 40230035

Instructions to Audited Agency: Please fill in the information below for each recommendation. A summary of your response for each recommendation will be included in the body of the report. The entire text of your response will be included as an appendix to the audit report.

Conclusion 1: LDH paid approximately \$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.

Recommendation 1: LDH should continue to refine its process of ensuring that those beneficiaries identified as residing out-of-state in its eligibility systems and no longer qualify for Louisiana Medicaid are removed from the program as soon as this information is confirmed.

Does Agency Agree with Recommendation? X Agree Disagree

Agency Contact Responsible for Recommendation: Charlene, Julien

Name/Title: Deputy Director, Medicaid Vendor Administration

Address:

City, State, Zip:

Phone Number: 225 342 8908

Email: Charlene.Julien@LA.GOV

Conclusion 2: LDH paid approximately \$102.3 million in PMPMs for 20,883 beneficiaries from March 2023 through December 2024 who, according to Louisiana Office of Motor Vehicles (OMV) data, obtained a driver's license in another state.

Recommendation 2: LDH should continue to refine its process of incorporating OMV data into its eligibility determinations to identify Medicaid beneficiaries who potentially live out-of-state.

Does Agency Agree with Recommendation? X Agree Disagree

Agency Contact Responsible for Recommendation: Charlene, Julien

Name/Title: Deputy Director, Medicaid Vendor Administration

Address:

<i>City, State, Zip:</i>
<i>Phone Number: 225 342 8908</i>
<i>Email: Charlene.Julien@LA.GOV</i>

Conclusion 3: Statewide could strengthen its eligibility process by utilizing Medicaid data and CMS' NPI database to identify Medicaid beneficiaries who are enrolled in Louisiana's Medicaid program but only receive services from out-of-state providers.

Recommendation 3: LDH should incorporate analyses of CMS' NPI database and its claims and encounter data to identify Medicaid beneficiaries who potentially live out-of-state.

Does Agency Agree with Recommendation? X Agree Disagree

Agency Contact Responsible for Recommendation: Nicholas Diez

Name/Title: Medicaid Program Integrity

Address:

City, State, Zip:

Phone Number: 225 219 4150

Email: Nicholas.Diez@la.gov

APPENDIX B: SCOPE AND METHODOLOGY

This report provides the results of our data analytics unit progress report of the Louisiana Department of Health's (LDH) processes to identify and remove coverage for Medicaid beneficiaries who no longer reside in Louisiana and no longer qualify. We conducted this progress report under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. This review primarily covered the period of March 1, 2023, through December 31, 2024. Our objective was:

To analyze progress made by LDH to improve its processes to identify and remove Medicaid coverage for beneficiaries who no longer reside in Louisiana and who no longer qualify.

To conduct this analysis, we performed the following steps:

- Contacted LDH regarding the status of implementing recommendations made in the previous Medicaid Residency report.
- Researched relevant federal and state laws, rules, and regulations.
- Researched relevant LDH policies, procedures, and informational bulletins.
- Researched relevant Centers for Medicare and Medicaid Services (CMS) policies, procedures, and other documentation.
- Researched and compared Medicaid verification plans for each of the 50 states and the District of Columbia to current Louisiana standards in regards to the frequency and use of Louisiana's Office of Motor Vehicles (OMV) data.
- Met with LDH staff to gain an understanding of the processes it uses to identify and remove Medicaid beneficiaries who no longer reside in Louisiana.
- Obtained Medicaid data from LDH, including claims and encounters and beneficiary eligibility information. This included information from LDH's eligibility tables that identifies the physical address and mailing address of each Medicaid beneficiary. We obtained the monthly snapshot of this file from March 2019 through December 2024 to identify when LDH knew the Medicaid beneficiary resided out-of-state.
- Obtained Medicaid monthly enrollment numbers from LDH's website.
- Obtained driver's license data from OMV.

- Obtained the National Provider Identification database from CMS' website.
- Used SQL, Audit Command Language, and Excel to analyze Medicaid data to determine compliance with state and federal laws and regulations and to determine whether OMV data could assist LDH in its efforts to identify out-of-state Medicaid beneficiaries.
- Excluded all beneficiaries under age 21 during the month in which they appeared to have moved out-of-state.
- Analyzed driver's license data from OMV to ensure individuals captured in Medicaid and OMV data were truly the same people.
- Excluded beneficiaries with out-of-state addresses listed in LDH's eligibility system if they:
 - Changed their address to a Louisiana address after the date their out-of-state address was entered into LDH's eligibility system, or
 - Had any Medicaid claims in Louisiana after the date their address was listed as an out-of-state address in LDH's eligibility system.
- Excluded beneficiaries with out-of-state driver's license notifications if they:
 - Were issued a Louisiana driver's license or identification card after the date of their out-of-state driver's license notification, or
 - Had any Medicaid claims in Louisiana after the date of their out-of-state driver's license notification.
- Reviewed multiple cases for beneficiaries identified by each of the three analyses performed.
- Discussed and provided the results of our analyses to LDH management and incorporated edits throughout the report.

APPENDIX C: MONTHLY MEDICAID ENROLLMENT FROM JULY 2015 THROUGH DECEMBER 2024

Year/Month	Enrollment	Monthly Change	Monthly % Change
July 2015	1,376,869		
August 2015	1,386,152	9,283	0.67%
September 2015	1,392,583	6,431	0.46%
October 2015	1,396,773	4,190	0.30%
November 2015	1,392,235	-4,538	-0.32%
December 2015	1,391,538	-697	-0.05%
January 2016	1,393,111	1,573	0.11%
February 2016	1,399,169	6,058	0.43%
March 2016	1,396,151	-3,018	-0.22%
April 2016	1,392,636	-3,515	-0.25%
May 2016	1,394,133	1,497	0.11%
June 2016	1,412,011	17,878	1.28%
July 2016	1,448,703	36,692	2.60%
August 2016	1,483,997	35,294	2.44%
September 2016	1,489,750	5,753	0.39%
October 2016	1,510,314	20,564	1.38%
November 2016	1,528,923	18,609	1.23%
December 2016	1,544,748	15,825	1.04%
January 2017	1,562,504	17,756	1.15%
February 2017	1,573,521	11,017	0.71%
March 2017	1,577,645	4,124	0.26%
April 2017	1,580,101	2,456	0.16%
May 2017	1,582,411	2,310	0.15%
June 2017	1,581,306	-1,105	-0.07%
July 2017	1,583,198	1,892	0.12%
August 2017	1,578,858	-4,340	-0.27%
September 2017	1,580,179	1,321	0.08%
October 2017	1,581,148	969	0.06%
November 2017	1,584,231	3,083	0.19%
December 2017	1,591,323	7,092	0.45%
January 2018	1,595,161	3,838	0.24%
February 2018	1,599,265	4,104	0.26%
March 2018	1,598,376	-889	-0.06%
April 2018	1,597,412	-964	-0.06%
May 2018	1,593,369	-4,043	-0.25%
June 2018	1,590,511	-2,858	-0.18%
July 2018	1,590,126	-385	-0.02%
August 2018	1,597,083	6,957	0.44%
September 2018	1,600,602	3,519	0.22%
October 2018	1,606,353	5,751	0.36%
November 2018	1,637,830	31,477	1.96%
December 2018	1,649,518	11,688	0.71%
January 2019	1,663,503	13,985	0.85%
February 2019	1,663,069	-434	-0.03%
March 2019	1,661,963	-1,106	-0.07%
April 2019	1,598,236	-63,727	-3.83%
May 2019	1,587,355	-10,881	-0.68%
June 2019	1,556,584	-30,771	-1.94%
July 2019	1,562,379	5,795	0.37%

Year/Month	Enrollment	Monthly Change	Monthly % Change
August 2019	1,588,048	25,669	1.64%
September 2019	1,601,785	13,737	0.87%
October 2019	1,609,342	7,557	0.47%
November 2019	1,588,884	-20,458	-1.27%
December 2019	1,581,925	-6,959	-0.44%
January 2020	1,606,372	24,447	1.55%
February 2020	1,604,957	-1,415	-0.09%
March 2020	1,616,614	11,657	0.73%
April 2020	1,650,271	33,657	2.08%
May 2020	1,674,652	24,381	1.48%
June 2020	1,698,699	24,047	1.44%
July 2020	1,721,489	22,790	1.34%
August 2020	1,742,690	21,201	1.23%
September 2020	1,762,454	19,764	1.13%
October 2020	1,778,703	16,249	0.92%
November 2020	1,797,193	18,490	1.04%
December 2020	1,817,530	20,337	1.13%
January 2021	1,830,586	13,056	0.72%
February 2021	1,841,513	10,927	0.60%
March 2021	1,854,714	13,201	0.72%
April 2021	1,864,487	9,773	0.53%
May 2021	1,873,294	8,807	0.47%
June 2021	1,882,486	9,192	0.49%
July 2021	1,893,310	10,824	0.57%
August 2021	1,904,776	11,466	0.61%
September 2021	1,910,956	6,180	0.32%
October 2021	1,919,714	8,758	0.46%
November 2021	1,927,833	8,119	0.42%
December 2021	1,937,265	9,432	0.49%
January 2022	1,946,322	9,057	0.47%
February 2022	1,951,143	4,821	0.25%
March 2022	1,958,037	6,894	0.35%
April 2022	1,965,265	7,228	0.37%
May 2022	1,968,349	3,084	0.16%
June 2022	1,974,812	6,463	0.33%
July 2022	1,982,593	7,781	0.39%
August 2022	1,991,308	8,715	0.44%
September 2022	1,998,519	7,211	0.36%
October 2022	2,005,242	6,723	0.34%
November 2022	2,014,452	9,210	0.46%
December 2022	2,023,866	9,414	0.47%
January 2023	2,032,783	8,917	0.44%
February 2023	2,038,391	5,608	0.28%
March 2023	2,045,359	6,968	0.34%
April 2023	2,050,521	5,162	0.25%
May 2023	2,055,782	5,261	0.26%
June 2023	2,052,605	-3,177	-0.15%
July 2023	2,017,579	-35,026	-1.71%
August 2023	1,986,923	-30,656	-1.52%
September 2023	1,949,368	-37,555	-1.89%
October 2023	1,917,197	-32,171	-1.65%
November 2023	1,889,806	-27,391	-1.43%
December 2023	1,864,036	-25,770	-1.36%
January 2024	1,834,234	-29,802	-1.60%

Year/Month	Enrollment	Monthly Change	Monthly % Change
February 2024	1,807,547	-26,687	-1.45%
March 2024	1,781,169	-26,378	-1.46%
April 2024	1,749,847	-31,322	-1.76%
May 2024	1,712,169	-37,678	-2.15%
June 2024	1,674,556	-37,613	-2.20%
July 2024	1,648,253	-26,303	-1.57%
August 2024	1,651,609	3,356	0.20%
September 2024	1,649,422	-2,187	-0.13%
October 2024	1,636,813	-12,609	-0.76%
November 2024	1,632,586	-4,227	-0.26%
December 2024	1,648,889	16,303	1.00%
Source: Prepared by legislative auditor's staff using information from LDH's website.			