

LOUISIANA DEPARTMENT OF HEALTH

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Management Letter
Issued March 18, 2026

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



Louisiana Department of Health

March 2026

Audit Control # 80250067

Introduction

As a part of our audit of the State of Louisiana's Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2025, we performed procedures at the Louisiana Department of Health (LDH) to provide assurances on financial information that is significant to the state's Annual Comprehensive Financial Report; evaluate the effectiveness of LDH's internal controls over financial reporting and compliance; and determine whether LDH complied with applicable laws and regulations.

We also determined whether management has taken actions to correct the findings reported in the prior year.

Results of Our Procedures

Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the LDH management letter dated April 9, 2025. We determined that management has resolved the prior-year findings related to Weaknesses in Controls over Payroll, Noncompliance with Medicaid Federal Matching and Reporting Requirements Related to a Means of Financing Reallocation, Inadequate Controls over and Noncompliance with Matching and Reporting Requirements Related to the Cost Share Process, Inadequate controls over Reporting and Matching Federal Compliance Requirements for the Medicaid and Children's Health Insurance Programs, Inadequate Controls over and Noncompliance with Federal Financial Reporting – Office of Public Health, Noncompliance with and Inadequate Controls over Maternity Kick Payments, Inadequate Controls over Waiver and Support Coordination Service Providers, Weakness in Controls over and Noncompliance with Provider Overpayments, and Inadequate Controls over Payroll – Office of Public Health.

The prior-year findings related to Noncompliance with Managed Care Provider Enrollment and Screening Requirement, Inadequate Controls over Annual Financial Reporting, Noncompliance with Disproportionate Share Hospital Payments, Inadequate Internal Controls over Eligibility Determinations, and Inadequate Controls

over Billing for Behavioral Health Services have not been resolved and are addressed again in this letter.

Current-year Findings

Inadequate Controls over Annual Financial Reporting

For the fifth consecutive year, LDH did not have adequate controls over financial reporting to ensure financial reports were accurate. As a result, LDH submitted an inaccurate Annual Fiscal Report (AFR) for LDH Medical Vendor Payments for the fiscal year ended June 30, 2025, to the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP).

In the AFR for Medical Vendor Payments, the following errors were noted in the Accounts Payable Adjustments note:

- For full accrual, Due to Medical Claims was understated by \$33.5 million, Due to Audit Payables was understated by \$111.5 million, and Due to Federal Government was overstated by \$30.1 million.
- For modified accrual, Due to Medical Claims was understated by \$33.5 million, Due to Audit Payables was understated by \$105.5 million, and Due to Federal Government was overstated by \$30.1 million.

In the AFR for Medical Vendor Payments, the following errors were noted in the Accounts Receivable Adjustments note:

- For full accrual, Due from Federal Government was understated by \$96.5 million and Due from Medical Providers was overstated by \$32.7 million.
- For modified accrual, Due from Federal Government was understated by \$92.4 million and Due from Medical Providers was overstated by \$65.5 million.

Good internal control over financial reporting should include adequate procedures and oversight to identify, calculate, and compile financial data needed to prepare accurate financial reports for submission to OSRAP. LDH's review and reconciliation process over annual financial reporting did not identify errors in amounts reported.

LDH management should strengthen its internal control over the financial reporting process to ensure accuracy of amounts provided to fiscal by program sections. In addition, management should perform a thorough review that will identify preparation errors and correct those errors before submission of reports to OSRAP for inclusion in the state's Annual Comprehensive Financial Report. Management partially concurred with the finding and provided a corrective action plan (see Appendix A, pages 1-2).

Additional comments: Although management concurred with the adjustments presented in the finding, management did not concur with this being the fifth consecutive year for this finding. Management responded that the specific causes and adjustments identified during the fiscal year 2025 review differ from those noted in prior audits. The Annual Financial Report has required multiple adjustments to both the Accounts Payable Adjustments note and the Accounts Receivable Adjustments note for each year beginning fiscal year 2021 through fiscal year 2025. Therefore, we consider this to be the fifth consecutive year for which the condition of the finding has occurred.

Noncompliance with Managed Care Provider Enrollment and Screening Requirement

For the eighth consecutive year, LDH did not enroll and screen all Healthy Louisiana managed care providers and dental managed care providers as required by federal regulations. In our review of the 15,219 providers paid during fiscal year 2025, it was determined that 950 (6%) of managed care and dental managed care providers were not enrolled and screened in accordance with federal regulations. As a result, LDH cannot ensure the accuracy of provider information obtained from the Louisiana Grants to States for Medicaid (Medicaid) managed care plans and cannot ensure compliance with enrollment requirements defined by law and the Medicaid and Children's Health Insurance Program (CHIP) state plan.

Federal regulations require that the enrollment process include providing the Medicaid agency with the provider's identifying information including the name, specialty, date of birth, Social Security number, national provider identifier, federal taxpayer identification number, and state license or certification number of the provider. Additionally, the state agency is required to screen enrolled providers, require certain disclosure, provide enhanced oversight of certain providers, and comply with reporting of adverse provider actions and provider terminations. By using the federally required process, managed care providers must participate in the same screening and enrollment process as Medicaid and CHIP fee-for-service (FFS) providers.

In July 2021, LDH launched the enrollment portal created by Gainwell Technologies, LLC (Gainwell), the state's current provider enrollment vendor. Although the enrollment portal launched in fiscal year 2022 for existing providers as of March of 2022, new providers were not invited to enroll as this required an amendment to the contract with Gainwell and additional costs. An amendment to the contract was approved in October of 2024 and required Gainwell to maintain compliance with the 21st Century Cures Act and ensure all Medicaid health care providers are enrolled with the State Medicaid Agency, subject to a risk-based screening, and revalidated every five years. LDH began the process of inviting providers to the portal in October of 2024, but did not complete sending invitations until March 2025. Therefore, not all of the Healthy Louisiana managed care providers and dental managed care providers that received payments in fiscal year 2025 were enrolled and screened prior to June 30, 2025.

LDH should ensure all providers are screened and enrolled as required by federal regulations. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 3-4).

Noncompliance with Fee-For-Service Provider Revalidation Requirements

LDH did not timely perform revalidations as required by federal regulations for all Medicaid and CHIP FFS providers. Improper provider revalidation could prevent the state from timely identifying ineligible providers that should be rejected or excluded from participation in the program.

LDH contracted with Gainwell to revalidate providers. In our review of portal system reports for all providers required to be revalidated during the fiscal year ending June 30, 2025, we noted the following:

- 134 (100%) of 134 Durable Medical Equipment providers that were required to be revalidated during or prior to fiscal year 2025 did not have a revalidation completed within the required three-year timeframe. Providers were revalidated between 21 and 161 days late.
- 3 (75%) of 4 other providers that were required to be revalidated during or prior to fiscal year 2025 did not have a revalidation completed within the required five-year timeframe. Providers were revalidated between 515 and 791 days late.

Federal regulations require that Durable Medical Equipment providers revalidate their application for billing privileges every three years and that all other providers, regardless of provider type, be revalidated every five years. LDH did not adequately monitor the contractor to ensure revalidations were completed timely.

LDH should adequately monitor the contractor to ensure all providers are revalidated within the required timeframe in accordance with federal regulations. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 5-6).

Inadequate Internal Controls over Eligibility Determinations

For the sixth consecutive year, LDH lacked adequate internal controls over eligibility determinations in the Medicaid and CHIP programs for the state fiscal year ended June 30, 2025. Federal regulations require that in order to be considered eligible, a beneficiary must meet all eligibility factors and the beneficiary's case record must include facts to support the agency's eligibility decision. Federal regulations also require annual renewal of eligibility. LDH has outlined eligibility criteria and documentation to support determinations and renewals in its Medicaid Eligibility Manual. Proper eligibility determination and redetermination are critical to ensuring appropriate service eligibility, appropriate premium payments, and appropriate federal match rate on expenditures.

From a population of 43,233,730 Medicaid Per-Member-Per-Month (PMPM) and FFS payments totaling \$8.9 billion, a sample of 60 Medicaid payments was selected and the corresponding beneficiary's eligibility was tested to ensure compliance with eligibility federal regulations. Discrepancies related to the beneficiary's case records regarding eligibility determination and redetermination were identified for 20 (33.33%) of the 60 payments tested.

The following errors were noted for Medicaid:

- For one payment, inadequate or incorrect documentation was included in the case record to support the eligibility redetermination.
- For 12 payments, LDH personnel did not accurately perform all required eligibility determinations before renewing the beneficiary.
- For seven payments, LDH personnel did not accurately perform all required eligibility determinations before enrolling or renewing the beneficiary, resulting in the beneficiary being invalidly enrolled.

We noted questioned costs totaling \$312,997 in federal funds in relation to the Medicaid beneficiaries who were invalidly enrolled or whose renewal determination resulted in an erroneous certification of eligibility.

In addition, from a population of 3,078,556 CHIP PMPM and FFS payments totaling \$293 million, a sample of 60 CHIP payments were selected and the corresponding beneficiary's eligibility was tested to ensure compliance with eligibility federal regulations. Discrepancies related to the beneficiary's case records regarding eligibility determination and redetermination were identified for 23 (38.33%) out of 60 payments tested.

The following errors were noted for CHIP:

- For three payments, inadequate or incorrect documentation was included in the case record to support the eligibility redetermination.
- For 10 payments, LDH personnel did not accurately perform all required eligibility determinations before renewing the beneficiary.
- For 10 payments, LDH personnel failed to accurately perform all required eligibility determinations before enrolling or renewing the beneficiary, resulting in the beneficiary being invalidly enrolled.

We noted questioned costs totaling \$13,224 in federal funds in relation to the CHIP beneficiaries who were invalidly enrolled or whose renewal determination resulted in an erroneous certification of eligibility.

Finally, an audit report issued in May of 2025 by the Louisiana Legislative Auditor's Performance Audit Services (PAS) titled Progress Report: Medicaid Residency, concluded that LDH had not improved its processes to identify Medicaid beneficiaries

who no longer reside in Louisiana and, therefore, no longer qualify for the Louisiana Medicaid program. As a result, LDH failed to discontinue coverage for three Medicaid beneficiaries who moved out of state. This resulted in federal questioned costs totaling \$97,187.

LDH did not adhere to established control procedures to ensure case records support eligibility determinations and redeterminations per the federal regulations and the Medicaid Eligibility Manual. LDH should ensure its employees follow procedures and federal regulations relating to eligibility determinations and redeterminations in the Medicaid and CHIP programs to ensure the case records support the eligibility decisions. Management concurred in part with the finding and provided a corrective action plan (see Appendix A, pages 7-10).

Additional Comments: LDH noted in their response they did not concur with the errors noted for the Medicaid and CHIP renewals related to the Supplemental Nutrition Assistance Program (SNAP) not being properly documented. The errors noted relate to a weakness in internal controls as the system errors noted in the case records resulted in inadequate documentation to support the eligibility redetermination.

LDH also did not concur with one Medicaid error for which there was no documentation of school enrollment for a beneficiary over age 18 on a Children's Choice Waiver. The LDH Medicaid Eligibility Manual states that participants who reach age 18 and remain enrolled in school may continue to receive waiver services until their 21st birthday; participants currently receiving waiver services who reach age 18 and choose to no longer attend school may transition to a Supports Waiver. Therefore, documentation of school enrollment is necessary to determine the appropriate waiver services.

For two of the CHIP errors, LDH did not concur that not all active income found in interfaces was counted in determining eligibility as LDH policy is to utilize the highest income reported by the Louisiana Workforce Commission (LWC) at the time of processing. However, use of the policy without consideration of other available information may result in noncompliance. In the cases noted, the use of the highest income reported by LWC resulted in the use of incomplete or older returned income data, which affected the eligibility determinations.

Noncompliance with Disproportionate Share Hospital Payments

LDH exceeded the federally allocated 2020 Disproportionate Share Hospital (DSH) funding limit by \$3,162,186, resulting in federal questioned costs of \$2,114,237. This is the second consecutive year that LDH exceeded a federally allocated DSH funding limit.

LDH makes payments for uncompensated costs to qualifying hospitals that serve a large number of Medicaid and uninsured individuals. These payments are known as DSH payments. Federal regulations and LDH's State Plan Amendment 4.19 limit DSH payments on a state-wide basis to the annual DSH allotments. The allotment is

capped and represents the maximum federal matching payments a state is permitted to claim. The allotment does not have to be spent in the specific allotment year but can be applied indefinitely until completely utilized.

The overage occurred due to an inadequate reconciliation between the agency's actual DSH expenditures and the federal allotment. LDH failed to consider additional payments previously made and federally reimbursed during their calculation of the remaining 2020 DSH federal allotment. LDH should ensure an adequate review of their calculations to verify that all federal payments are included to prevent the department from exceeding the federal DSH allotment in the future. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 11-12).

Inadequate Controls over Billing for Behavioral Health Services

For the seventh consecutive year, LDH, the managed care organizations (MCOs), and Magellan Health Services (Magellan) did not have adequate controls in place to ensure that behavioral health services in the Medicaid and CHIP programs were properly billed and that improper encounters were denied. For fiscal year 2025, we identified approximately \$15.8 million in encounters for services between July 1, 2024, and June 30, 2025, that were paid by the MCOs and Magellan even though the encounters do not appear to comply with LDH's encounter coding requirements and/or approved fee schedules. The billing errors could be avoided by LDH, the MCOs, and Magellan applying system edits that would flag encounters for further review when encounter coding and/or fee schedule requirements are not followed. Our analysis identified the following instances of billing errors:

- Providers were paid \$10,851,041 for 155,873 encounters that were billed using incorrect procedure and modifier codes. LDH's fee schedule outlines procedure codes for services and the applicable billing rates. Some services require that procedure codes also contain modifier codes which indicate information such as the age of the recipient, location where the service was provided, the educational background of the person providing the service, and the license(s) they have obtained. Without the required modifiers, the encounter does not contain enough information to determine that the billing was appropriate.
- Providers were paid \$4,937,407 for 50,574 encounters that exceeded LDH's specialized behavioral health services fee schedules. The approved fee schedules outline different rates depending on the procedure code and modifier codes. The MCOs can optionally pay more than the minimum LDH fee schedule. However, LDH does not currently maintain a list of these providers and therefore cannot determine if an encounter paid at an excessive rate was improperly billed.

It is important that encounter data is accurate because LDH and other stakeholders, such as the Medicaid Fraud Control Unit within the Attorney General's Office, use this data to identify improper payments and potential fraud. LDH also uses this encounter data to establish per member per month rates for the MCOs.

In following its corrective action plan from fiscal year 2022, LDH contracted with the External Quality Reviewer (EQR) to validate a representative sample of encounters against the Medicaid fee schedule on file at the time of service delivery, inclusive of modifier utilization. Implementation of this protocol began in fiscal year 2023 and has continued through fiscal year 2025. However, auditors noted that for the third year in a row the EQR's analysis did not review the use of location modifiers in encounters.

LDH management should ensure that agency personnel are adequately monitoring the EQR contract and that the proper validations are being conducted to ensure encounters are coded correctly. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 13-14).

Noncompliance with and Inadequate Controls over Subrecipient Monitoring Requirements – Office of Behavioral Health

LDH, Office of Behavioral Health (OBH) did not comply with subrecipient monitoring requirements for the Block Grants for Prevention and Treatment of Substance Abuse (SAPT) program for the fiscal year ending June 30, 2025. SAPT program expenditures totaled \$39.3 million during fiscal year 2025, with approximately \$28.4 million provided to 10 subrecipients. While OBH identified the SAPT award name and assistance listing number to its subrecipients via an Interagency Transfer Agreement, the letter did not address all applicable requirements. In addition, OBH was unable to provide documentation of reviews performed to evaluate each subrecipient's risk of noncompliance. Finally, OBH did not adequately monitor subrecipients to ensure expenditures were for allowable activities, allowable costs, and within the period of performance. Failure to perform adequate monitoring impairs OBH's ability to ensure that program funds passed through to subrecipients are spent in accordance with program regulations and increases the risk of improper payments.

Federal regulations require the pass-through entity to clearly identify subawards to the subrecipient and convey certain required federal award information including requirements imposed by federal statutes, regulations, and the terms and conditions of the federal award. Regulations also require the pass-through entity to evaluate each subrecipient's risk of noncompliance. Pass-through entities are required to monitor the activities of the subrecipients as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals.

Non-federal entities receiving federal awards are required to establish, document, and maintain internal controls designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award. OBH did

not have an adequate system of internal controls to ensure compliance with subrecipient monitoring requirements.

OBH management should develop and strengthen its system of internal controls to ensure that subrecipients are provided all required information, an evaluation is performed and documented to determine a subrecipient's risk of noncompliance, and that all subrecipients are adequately monitored to ensure compliance with federal statutes, regulations, and the terms and conditions of the subaward. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 15-17).

Noncompliance with Earmarking Requirements – Office of Behavioral Health

LDH, OBH exceeded certain earmarking requirements for the SAPT program. In our review of the four SAPT grants that ended during fiscal year 2025, two of the four grants exceeded the 5% maximum amount allowed to be expended related to intervention services for the HIV disease, resulting in federal questioned costs of \$341,408.

Federal regulations limit states to obligating and expending no more than 5% of the award for projects that support making early intervention services for HIV disease available to individuals at treatment sites.

OBH did not effectively monitor the HIV expenditures to ensure earmarking requirements were not being exceeded. OBH should strengthen its system of internal controls to ensure that earmarking requirements are not being exceeded for each SAPT grant awarded. Management partially concurred with the finding and provided a corrective action plan (see Appendix A, pages 18-19).

Additional comments: Although management acknowledged expenditures exceeded the HIV set-aside limit, management did not concur with the total amount of questioned costs. Management responded that \$157,111 of the \$341,408 questioned costs was not applicable due to Substance Abuse and Mental Health Services Administration (SAMHSA)'s decision to terminate the Substance Use Prevention, Treatment, and Recovery Services (SUPTRS) American Rescue Plan Act (ARPA) grant for cause, which removed the obligation to meet requirements for those services. At the time of termination, the 5% maximum amount based on the grant allotment had already been exceeded. In addition, no documentation was provided to support the earmarking requirement was no longer applicable for this grant.

Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act – Office of Behavioral Health

LDH, OBH did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the SAPT program. As of June 30, 2025, OBH had not entered subaward information into the federal system for 10 subawards of \$30,000 or more totaling \$23,457,985.

Federal regulations require the non-federal entity to report certain information about each obligating action that equals or exceeds \$30,000 in federal funds for a subaward to a non-federal entity into the federal reporting system no later than the end of the month following the month in which the obligation was made. Non-federal entities receiving federal awards are required to establish, document, and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award.

OBH did not have an adequate system of internal controls to ensure compliance with FFATA reporting requirements. Noncompliance with FFATA reporting requirements prevents the public from having access to accurate and timely information regarding the administration of federal awards.

OBH should develop and strengthen its system of internal controls to ensure that appropriate personnel are timely entering the required award information for FFATA reporting in accordance with federal requirements. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 20-21).

Annual Comprehensive Financial Report – State of Louisiana

As a part of our audit of the Annual Comprehensive Financial Report for the year ended June 30, 2025, we considered internal control over financial reporting and examined evidence supporting LDH's Medical Vendor payments (Agency 306) non-payroll expenditures, federal revenue, Medicaid current and non-current accruals, and federal disallowed costs.

Based on the results of these procedures, we reported a finding related to Inadequate Controls over Annual Financial Reporting, as described previously, which will also be included in the Single Audit for the year ended June 30, 2025. In addition, the account balances and classes of transactions tested, as adjusted, are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2025, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on LDH's major federal programs, as follows:

- WIC Special Supplemental Nutrition Program for Women, Infants, and Children (Assistance Listing 10.557)

- Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing 93.323)
- Children’s Health Insurance Program (Assistance Listing 93.767)
- Medicaid Cluster (Assistance Listings 93.775, 93.777, and 93.778)
- Block Grants for Prevention and Treatment of Substance Abuse (Assistance Listing 93.959)

Those tests included evaluating the effectiveness of LDH’s internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether LDH complied with applicable program requirements. In addition, we performed certain procedures on information submitted by LDH to the Division of Administration’s Office of Statewide Reporting and Accounting Policy for the preparation of the state’s Schedule of Expenditures of Federal Awards (SEFA) and on the status of the prior-year findings for the preparation of the state’s Summary Schedule of Prior Audit Findings, as required by Uniform Guidance.

Based on the results of these Single Audit procedures, we reported findings located in the Current-year Findings section. These findings will also be included in the Single Audit for the year ended June 30, 2025. In addition, LDH’s information submitted for the preparation of the state’s SEFA and the state’s Summary Schedule of Prior Audit Findings, as adjusted, is materially correct.

Trend Analysis

We compared the most current and prior-year financial activity using LDH’s Annual Fiscal Reports and/or system-generated reports and obtained explanations from LDH’s management for any significant variances.

Other Reports

The Louisiana Legislative Auditor has other audit sections that issue reports regarding LDH. These reports are available on the Louisiana Legislative Auditor’s website.

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of LDH. The nature of the recommendations, their implementation costs, and their potential impact on the operations of LDH should be considered in reaching decisions on courses of action. The findings related to LDH’s compliance with applicable laws and regulations should be addressed immediately by management.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

ABS:NM:JPT:BQD:aa

LDH2025

APPENDIX A: MANAGEMENT'S RESPONSES



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

VIA E-MAIL ONLY

November 18, 2025

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

Re: Inadequate Controls over Annual Financial Reporting

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated October 16, 2025 regarding a reportable audit finding related to Inadequate Controls over Annual Financial Reporting. LDH appreciates the opportunity to provide this response to your office's findings.

Finding: Inadequate Controls over Annual Financial Reporting

Recommendation: LDH management should strengthen its internal control over the financial reporting process to ensure accuracy of amounts provided to fiscal by program sections. In addition, management should perform a thorough review that will identify preparation errors and correct those errors before submission of reports to OSRAP for inclusion in the state's Annual Comprehensive Financial Report.

LDH Response: LDH partially concurs with the finding and recommendations.

LDH does not concur with this being the fifth consecutive year for this finding. The specific causes and adjustments identified during the FY 2025 review differ from those noted in prior audits.

LDH does concur the Annual Financial Report requires adjustments. The department continues to make progress in identifying and resolving the root causes of reporting variances as they arise.

Mr. Michael J. Waguespack, CPA
LDH Response to Inadequate Controls over Annual Financial Reporting
November 18, 2025
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Corrective Action Plan: LDH Fiscal has reinforced supervisory review procedures and enhanced coordination between fiscal and program staff to ensure the accuracy and completeness of financial data used in the Annual Financial Report. These efforts include ongoing refinement of review controls and validation processes for data provided by internal and external sources. The anticipated completion date is August 30, 2026.

You may contact Elizabeth Anderson, Accountant Manager 3-MFR at (225) 342-9515 or via email at elizabeth.anderson2@la.gov and Myieshea Dillon, Comptroller-MFR at (225) 342-5701 or via email at myieshea.dillon3@la.gov. The corrective action plan will be monitored by Helen Harris, LDH Fiscal Director.

Sincerely,



Bruce D. Greenstein
Secretary



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

VIA E-MAIL ONLY

December 17, 2025

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

Re: Noncompliance with Managed Care Provider Enrollment and Screening Requirement

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated December 4, 2025 titled Noncompliance with Managed Care Provider Enrollment and Screening Requirement. LDH appreciates the opportunity to provide this response to your office's findings.

Finding: Noncompliance with Managed Care Provider Enrollment and Screening Requirement.

Recommendation: LDH should ensure all providers are screened and enrolled as required by federal regulations.

LDH Response: LDH concurs with the LLA's finding and has determined the factors that resulted in certain providers not being enrolled as required.

Corrective Action: Both system enhancements and procedural modifications are necessary to ensure that all providers are appropriately screened and enrolled. LDH has identified the following contributing factors and has initiated the requisite corrective actions with Gainwell Technologies:

1. Certain Fee-for-Service (FFS) providers undergoing a change of ownership (CHOW) did not have their updated National Provider Identifier (NPI) accurately reflected in the provider enrollment portal, causing them to be classified as unenrolled.

Corrective Action Plan: The strengthening of the current process will ensure that all new CHOW updates received are recorded as part of standard daily operations within both the FFS and Provider Enrollment Portal environments. In parallel, the development of a defined solution path for automating the historical CHOW reconciliation remains underway, with full end-to-end automation identified as a longer-term 2026 priority milestone. This project is presently in tech assessment status.

2. Some providers were not invited to initiate the enrollment process because they did not meet the established eligibility criteria.

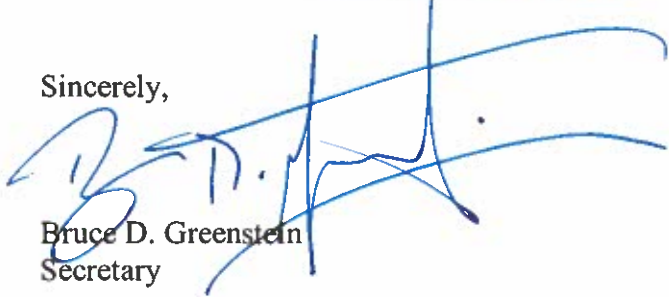
Corrective Action Plan: A comprehensive review of the established inclusion criteria will be conducted to determine which criteria should be amended, retained, or removed. Corresponding procedural and system modifications will be implemented to ensure that all eligible providers are appropriately invited to enroll. Corrective action is expected to be completed by March 31, 2026.

3. Certain durable medical equipment (DME) provider records were configured in a manner that inadvertently excluded them from the active provider population displayed in the enrollment portal.

Corrective Action Plan: A comprehensive review of DME provider records associated with the exclusionary provider cancel reason code 38 will be conducted to identify records eligible for reactivation. Records verified as holding valid and current accreditation will be reprocessed for inclusion in the Provider Enrollment Portal, whereas records with unresolved compliance issues will remain inactive until the required documentation is received. Corrective action is expected to be completed by March 31, 2026.

You may contact Seth Gold, Medicaid Executive Director at (225) 219-7810 or via e-mail at Seth.Gold@la.gov or Brandon Bueche, Medicaid Deputy Director at (225) 384-0460 or via e-mail at Brandon.Bueche@la.gov with any questions about this matter.

Sincerely,



Bruce D. Greenstein
Secretary

BG/sg



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

VIA E-MAIL ONLY

December 19, 2025

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

Re: Noncompliance with Fee-for-Service Provider Revalidation Requirements

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated December 8, 2025, titled Noncompliance with Fee-for-Service Provider Revalidation Requirements. LDH appreciates the opportunity to provide this response to your office's findings.

Finding: Noncompliance with Fee-for-Service Provider Revalidation Requirements.

Recommendation: LDH should adequately monitor the contractor to ensure all providers are revalidated within the required timeframe in accordance with federal regulations.

LDH Response: LDH concurs with the LLA's finding that 134 Durable Medical Equipment (DME) providers due for their three (3) year revalidation were not completed within the allowable timeframe and three (3) other providers due for their five (5) year revalidation were not completed timely.

Corrective Action: In 2024, LDH identified upcoming revalidations for DME providers, who are required to revalidate every three years. To ensure timely execution, LDH established weekly "Revalidation" meetings with Gainwell Technologies, LDH's contracted vendor, and documented the process.

Revalidation notifications were scheduled for distribution at the end of 2024 to give providers adequate time to meet their deadlines. However, Gainwell Technologies failed to complete the necessary system updates to support the revalidation effort. As a result, the notifications were not sent as committed. This failure caused direct delays in

Mr. Michael J. "Mike" Waguespack, CPA
Noncompliance with Fee-for-Service Provider Revalidation Requirements
December 19, 2025
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distributing revalidation invitation letters and emails. On December 30th, LDH also identified additional overdue revalidations that Gainwell had not addressed and immediately escalated the issue.

The revalidation process has since been completed and LDH provided updated records reflecting the date providers completed revalidation after June 30, 2025, or were deactivated.

LDH directed Gainwell Technologies to submit a Corrective Action Plan (CAP) outlining how they will prevent a recurrence of this failure. As part of the corrective action plan, Gainwell Technologies created a standard operating procedure (SOP) for the provider enrollment unit to ensure revalidation letters and emails are issued to all providers due for revalidation. The SOP includes quality checks to ensure appropriate tasks are completed by the appropriate team members regarding activities. Additionally, LDH is considering all appropriate options against Gainwell Technologies, including CAPs and potential fines.

You may contact Seth Gold, Medicaid Executive Director, at (225) 219-7810 or via e-mail at Seth.Gold@la.gov or Brandon Bueche, Medicaid Deputy Director, at (225) 384-0460 or via e-mail at Brandon.Bueche@la.gov with any questions about this matter.

Sincerely,



Bruce D. Greenstein
Secretary

BG/sg



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

VIA E-MAIL ONLY

February 23, 2026

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

Re: Inadequate Internal Controls over Eligibility Determinations

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated January 27, 2026, titled Inadequate Internal Controls over Eligibility Determinations. LDH appreciates the opportunity to provide this response to your office's findings.

Finding: Inadequate Internal Controls over Eligibility Determinations.

Recommendation: LDH should ensure its employees follow procedures and federal regulations relating to eligibility determinations and redeterminations in the Medicaid and CHIP programs to ensure the case records support the eligibility decisions.

LDH Response: LDH concurs in part with LLA's finding of inadequate internal controls over eligibility determinations.

For the Medicaid finding noted as not accurately processing SNAP renewal, LDH concurs in part. The eligibility determination system accurately processed the SNAP renewal as an administrative renewal. The issue identified was limited to inaccurate automated case note language. This documentation issue did not impact eligibility outcomes and was corrected effective December 2024.

For the 12 Medicaid findings noted as not obtaining required determinations prior to renewing eligibility, LDH concurs.

- Seven (7) findings occurred during the effective period of the \$0 income waiver under Section 1902(e) (14) (A), and the system applied waiver-approved income

verification logic consistent with LDH policy. Following the expiration of the waiver, system logic was updated and completed in August 2025 to align with post-waiver renewal requirements.

- For one (1) finding verification was provided but not reflected in the case record due to analyst execution. This was discussed with the analyst on October 15, 2025.
- For three (3) findings the system retained existing resource information when external asset verification interfaces returned no results, consistent with LDH Asset Verification System (AVS) policy and procedures designed to prevent the introduction of unverifiable data. System logic was updated and completed in October 2025.
- For one (1) finding the system renewed eligibility consistent with existing renewal processing rules. LDH has reviewed this scenario and will evaluate whether additional procedural or system safeguards are appropriate.

For the seven (7) Medicaid findings noted as not obtaining required determinations prior to renewing eligibility which resulted in beneficiaries being invalidly enrolled, LDH concurs in part.

- Six (6) findings resulted in case analysts failing to properly follow policy/procedures prior to determining or continuing eligibility. Ongoing training is in progress.
- For the finding noted as not documenting school enrollment for the beneficiary over age 18 on Children's Choice Waiver, LDH does not concur. School enrollment is not a condition of eligibility; therefore, LDH is not required to not verify school enrollment when determining eligibility. Children's Choice and Support Waiver programs are initiated by the Office of Citizen's with Developmental Disabilities (OCDD) who determines the appropriate waiver program for the beneficiary. (OCDD) notifies LDH of the necessary action or updates to the service type when a transition of waiver services takes place.

For the three (3) CHIP findings noted as not accurately processing SNAP renewal, LDH concurs in part. The eligibility determination system accurately processed the SNAP renewal as an administrative renewal. The issue identified was limited to inaccurate automated case note language. This documentation issue did not impact eligibility outcomes and was corrected effective December 2024.

For the 10 CHIP findings noted as not obtaining required documentation prior to renewing eligibility, LDH concurs.

- Seven (7) findings occurred during the effective period of the \$0 income waiver under Section 1902(e) (14) (A), and the system applied waiver-approved income verification logic consistent with LDH policy. Following expiration of the waiver, system logic was updated in July 2025 to align with post-waiver renewal requirements.

- Two (2) findings, the system completed renewals consistent with interface results available at the time of processing. The case record reflected unemployment income; however, interfaces returned no income found.
- One (1) finding the analyst did not verify reported income in adherence with policy and procedures.

For the 10 CHIP findings noted as not obtaining required documentation prior to renewing eligibility which resulted in beneficiaries being invalidly enrolled, LDH concurs in part.

- Two (2) findings, the system completed renewals consistent with interface results available at the time of processing. The case record reflected unemployment income; however, interfaces returned no income found. This system enhancement is in progress.
- Four (4) findings the analyst did not obtain required income verification in adherence with policy and procedures. Training is ongoing.
- One (1) finding did not address unemployment income and household discrepancy. The system completed renewals consistent with interface results available at the time of processing. The case record reflected unemployment income; however, interfaces returned no income found. The clerical staff failed to remove a beneficiary from the household during data entry. Training is ongoing.
- One (1) finding occurred during the effective period of the \$0 income waiver under Section 1902(e) (14) (A), and the system applied waiver-approved income verification logic consistent with LDH policy. Following expiration of the waiver, system logic was updated in August 2025 to align with post-waiver renewal requirements.
- For the two (2) findings noted as not counting all active income found in interfaces, LDH does not concur. The eligibility determination system utilized the highest income reported by LWC at the time of case processing, consistent with LDH policy.

Corrective Actions: LDH will continue to utilize findings from internal case reviews, appeal outcomes, external audit, and other monitoring activities to perform root cause analysis. Where appropriate, LDH has requested system enhancements and will continue to assess system functionality in coordination with Policy, Procedures, and Legal to ensure alignment with program requirements and program integrity.

To reduce recurrence of identified case processing trends, LDH will continue to:

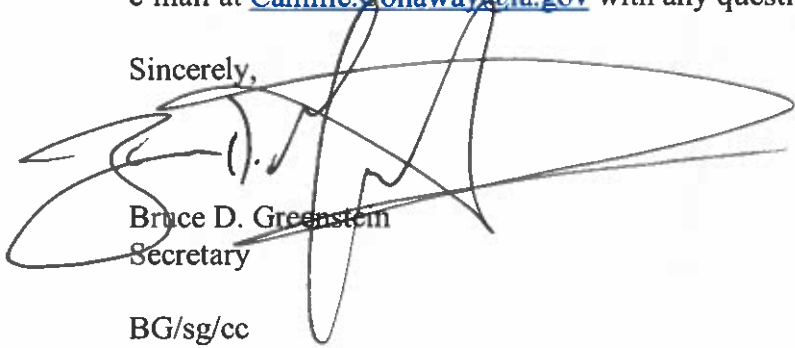
- Assess and update policy and procedures as needed. Provide refresher training for staff.
- Conduct internal supervisory and quality assurance reviews.

These actions are intended to strengthen internal controls while maintaining alignment with federal and state requirements.

Mr. Michael J. "Mike" Waguespack, CPA
Inadequate Internal Controls Over Eligibility Determinations
February 23, 2026
Page 4

You may contact Seth Gold, Medicaid Director at (225) 219-7810 or via e-mail at Seth.Gold@la.gov or Camille Conaway, Executive Director Economic Independence via e-mail at Camille.Conaway@la.gov with any questions about this matter.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to be "Bruce D. Greenstein". The signature is written over the typed name and extends across the width of the page.

Bruce D. Greenstein
Secretary

BG/sg/cc



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

VIA E-MAIL ONLY

November 5, 2025

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

**Re: Noncompliance with Disproportionate Share Hospital
Payments**

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated October 22, 2025 titled Noncompliance with Disproportionate Share Hospital Payments. LDH appreciates the opportunity to provide this response to your office's findings.

Finding: Noncompliance with Disproportionate Share Hospital Payments

Recommendation: *LDH should ensure an adequate review of their calculations to verify that all federal payments are included to prevent the department from exceeding the federal DSH allotment in the future.*

LDH Response: LDH concurs with the finding of noncompliance with 2020 disproportionate share hospital payments as the global DSH allotment was exceeded for that FFY.

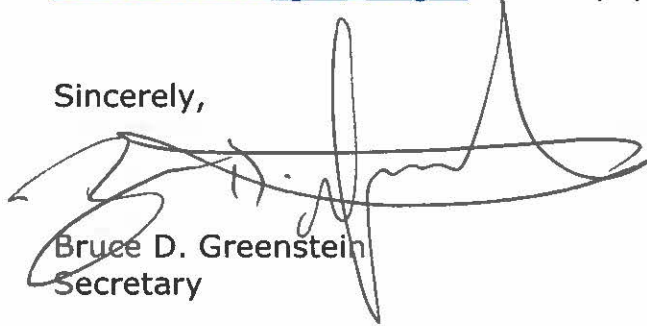
Corrective Action: The department will recoup funds from the facility that was overpaid and return the FFP portion of that overpayment to CMS. The Department will also return the FFP portion of the remaining amount that was payments in excess of the global allotment to CMS.

Mr. Michael J. "Mike" Waguespack, CPA
Noncompliance with Disproportionate Share Hospital Payments
November 5, 2025
Page 2

We have implemented a process to review the available DSH balances to verify that all federal payments are included to prevent the department from exceeding the federal DSH allotment. Any adjustments resulting from potential overpayments which would increase the available DSH state allotment cap shall not be recognized until recoupment is finalized and complete.

You may contact Drew Maranto, LDH Undersecretary at (225) 219-7810 or via e-mail at Drew.Maranto@la.gov or Jackie Cummings, Medicaid Program Manager 4 at (225) 342-7505 or via e-mail at Jackie.Cummings2@la.gov with any questions about this matter.

Sincerely,



Bruce D. Greenstein
Secretary

BG/dm



State of Louisiana

Louisiana Department of Health
Office of Behavioral Health

VIA E-MAIL ONLY

January 14, 2026

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

RE: Inadequate Controls over Billing for Behavioral Health Services

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated January 5, 2026, titled Inadequate Controls over Billing for Behavioral Health Services. LDH appreciates the opportunity to provide this response to your office's findings.

Finding: Inadequate Controls over Billing for Behavioral Health Services

Recommendation: LDH management should ensure that agency personnel are adequately monitoring the EQR contract and that the proper validations are being conducted to ensure encounters are coded correctly.

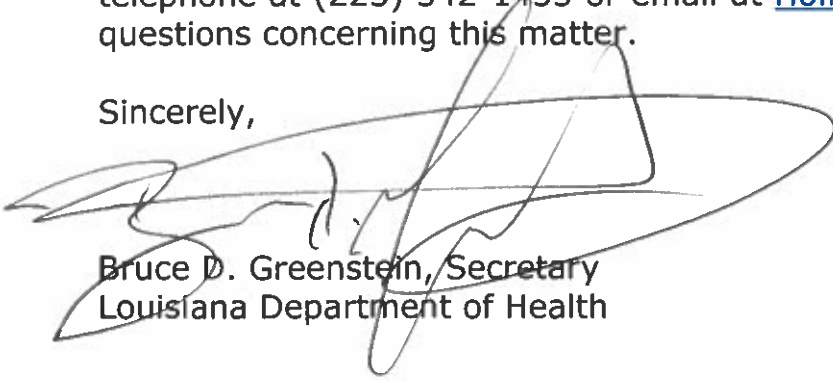
LDH Response: LDH concurs with the recommendation.

Corrective Action Plan: The Office of Behavioral Health and Medicaid staff shall develop additional standards required by CMS for the EQR contractor to ensure the issues raised by the LLA are addressed. Additionally, Internal Audit staff will review the standards and provide an independent evaluation of the adequacy of the solution.

Mr. Michael J. Waguespack, CPA
Inadequate Controls over Billing for Behavioral Health Services
January 14, 2026
Page 2

You may contact Holly Howat, OBH Interim Assistant Secretary, by telephone at (225) 342-1435 or email at Holly.Howat@la.gov with any questions concerning this matter.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Bruce D. Greenstein". The signature is written over the printed name and title below it.

Bruce D. Greenstein, Secretary
Louisiana Department of Health



State of Louisiana

Louisiana Department of Health
Office of Behavioral Health

VIA E-MAIL ONLY

January 9, 2026

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

Re: **Noncompliance with and Inadequate Controls over Subrecipient Monitoring Requirements**

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated December 22, 2025, titled Noncompliance with and Inadequate Controls over Subrecipient Monitoring Requirements. LDH appreciates the opportunity to provide this response to your office's findings.

Finding: Noncompliance with and Inadequate Controls over Subrecipient Monitoring Requirements

Recommendation: OBH management should develop and strengthen its system of internal controls to ensure that subrecipients are provided all required information, an evaluation is performed and documented to determine a subrecipient's risk of noncompliance, and that all subrecipients are adequately monitored to ensure compliance with federal statutes, regulations, and the terms and conditions of the subaward.

LDH Response: OBH Concurs with the finding and recommendation.

Corrective Action: The Office of Behavioral Health (OBH) has implemented the following measures to address and resolve the auditor's recommendations:

1. Develop and strengthen its system of internal controls to ensure that Subrecipients are provided all required information.

Response: OBH has developed and implemented a standardized Subrecipient Subaward Agreement to ensure full compliance with 2 CFR 200.332(b). Effective the start of Fiscal Year 2026, this agreement formally communicates all essential award data, including:

- Federal Award Identification Number (FAIN), date, and project description;
- Unique Entity Identifier (UEI); and
- Assistance Listings Number (ALN).

2. An evaluation is performed and documented to determine a Subrecipient's risk of noncompliance.

Response: To improve fiscal and programmatic oversight of our block grant awards, OBH is developing a Risk Assessment Tool designed to assess each subrecipient's potential for fraud and noncompliance as required by 2 CFR 200.332(c). The final draft of the tool will be completed by January 16, 2026 and mandatory for all subrecipient monitoring activities beginning January 21, 2026.

3. All Subrecipients are adequately monitored to ensure compliance with federal statutes, regulations, and the terms and conditions of the subaward.

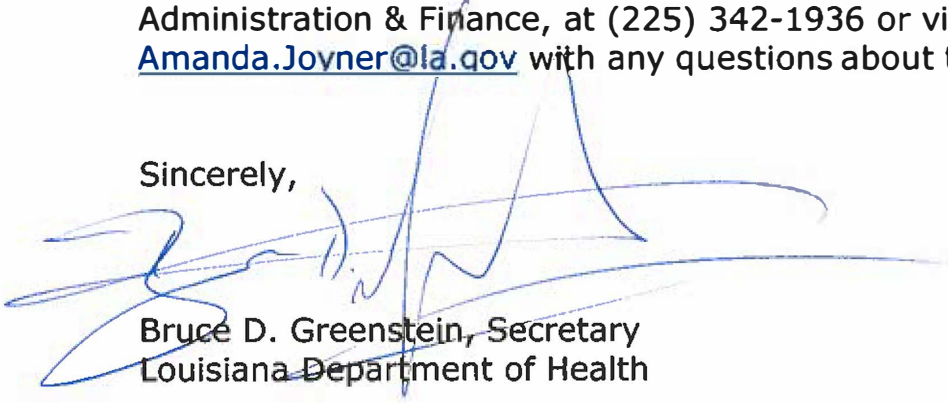
Response: During the period of review, OBH addressed a temporary staffing gap caused by the retirement of the internal auditor responsible for fiscal oversight. Monitoring duties were

Mr. Michael J. Waguespack, CPA
Noncompliance with and Inadequate Controls over Subrecipient Monitoring Requirements
January 9, 2026
Page 3

successfully reorganized and transitioned to the Grants Management section. OBH refilled the key position in January 2025. Subsequently, OBH updated its Accountability Plan (AP) Monitoring Tool and established a definitive schedule for 2026 subrecipient reviews. This schedule includes both virtual and on-site engagements, as detailed in the 2026 AP Review Calendar.

You may contact Amanda Joyner, OBH Deputy Assistant Secretary, Administration & Finance, at (225) 342-1936 or via e-mail at Amanda.Joyner@la.gov with any questions about this matter.

Sincerely,



Bruce D. Greenstein, Secretary
Louisiana Department of Health



State of Louisiana

Louisiana Department of Health
Office of Behavioral Health

VIA E-MAIL ONLY

January 14, 2026

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

Re: **Noncompliance with Earmarking Requirements**

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated January 12, 2026, titled Noncompliance with Earmarking Requirements. LDH appreciates the opportunity to provide this response to your office's findings.

Finding: Noncompliance with Earmarking Requirements

Recommendation: OBH should strengthen its system of internal controls to ensure that earmarking requirements are not being exceeded.

LDH Response: OBH partially concurs with the finding and recommendation.

Corrective Action: The following addresses the two SUPTRS grants noted as exceeding the 5% set-aside requirement for HIV expenditures resulting in a total of \$341,408 in federal questioned costs.

OBH acknowledges the expenditures exceed the HIV set-aside limit. However, \$157,111 of the \$341,408 in questioned costs is not applicable due to SAMHSA's decision to terminate the SUPTRS ARPA Supplement grant for cause, which removed the obligation to meet

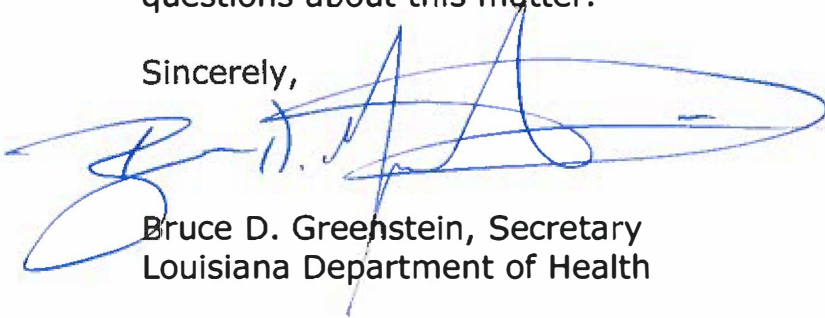
requirements for those services.

To enhance OBH internal controls and ensure strict adherence to earmarking caps, OBH is implementing the following measures:

- **Budgetary Alignment:** OBH will strictly maintain the 5% statutory cap for HIV services within the annual SUPTRS budget.
- **Enhanced Monitoring:** In addition to monthly subrecipient expenditure reviews to identify and rectify potential overages, OBH will utilize Accountability Plan (AP) audits to verify that set-aside funds are applied exclusively to mandated services.
- **Contractual Enforcement:** All subrecipient agreements will now include fixed spending ceilings for HIV services to ensure compliance with the set-aside maximum.

You may contact Amanda Joyner, OBH Deputy Assistant Secretary, at (225) 342-2540 or via e-mail at Amanda.Joyner@la.gov with any questions about this matter.

Sincerely,



Bruce D. Greenstein, Secretary
Louisiana Department of Health

Jeff Landry
GOVERNOR



Bruce D. Greenstein
SECRETARY

State of Louisiana
Louisiana Department of Health
Office of Behavioral Health

December 22, 2025

Michael J. “Mike” Waguespack, CPA,
Louisiana Legislative Auditor
1600 N 3rd Street
Baton Rouge, LA 70802

**RE: Noncompliance with Reporting Requirements for the Federal Funding
Accountability and Transparency Act (FFATA) for the Year Ending June 30,
2025**

Dear Mr. Waguespack,

It has come to my attention the Single Audit of Louisiana performed on Louisiana Department of Health/Office of Behavioral Health (LDH/OBH) has rendered a finding that requires an explanation. As Secretary of LDH, I am committed to ensuring transparency and addressing any concerns raised during the audit process.

First, I would like to express my gratitude to the audit team for their thorough examination of our operations. We value the opportunity to improve and grow through constructive feedback.

It is essential to note that we take these findings seriously and are committed to addressing them promptly. We have already begun implementing corrective measures to rectify the identified issue and prevent recurrence in the future. OBH corrective action plan, which outlines the status of action taken to correct the internal control weakness and finding of noncompliance related to the FFATA reporting requirements for the Block Grants for Substance Use, Prevention, Treatment and Recovery (SUPTRS) program, is as follows:

LLA Request	OBH Response
Issue	Noncompliance with Reporting Requirements for the FFATA
Agree or Disagree	Yes, OBH agrees with LLA finding.

Mr. Michael J. Waguespack, CPA
 Noncompliance with Reporting Requirements for the FFATA
 December 22, 2025
 Page 2

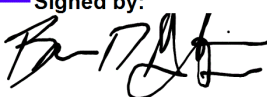
LLA Request	OBH Response
Planned Corrective Action	(1) OBH is updating its internal control procedures to include the FFATA Reporting Requirements, in accordance with 2 CFR Part 170. (2) OBH developed a FFATA Data Form, to obtain information on its Subrecipients to include the entity's name, unique Entity ID (UEI), address, principle place of performance(s), congressional district, summary of Federal subaward(s) and executive compensation information. Subrecipients will be required to certify the accuracy and completeness of their information submitted. Subrecipients will also be required to provide supporting documentation upon request. (3) OBH will update SAM.gov to include OBH SUPTRS FY2025 FFATA Reporting Data.
Responsible Person	Holly Howat, Interim OBH Assistant Secretary
Planned Completion Date	(1) December 31, 2025 (2) December 31, 2025. See attached draft FFATA Certification Data Form. (3) January 9, 2026

Furthermore, I have attached a copy of the OBH FFATA Data Form to substantiate our explanations and demonstrate our commitment to compliance and continuous improvement.

I want to assure you that LDH remains dedicated to upholding the highest standards of integrity, transparency, and accountability. We appreciate the opportunity to address the audit findings and welcome any further inquiries or feedback.

Thank you for your attention to this matter. Should you require additional information or clarification, please do not hesitate to contact me directly.

Sincerely,

Signed by:

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Bruce D. Greenstein, Secretary
 Louisiana Department of Health

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Louisiana Department of Health (LDH) for the period from July 1, 2024, through June 30, 2025, to provide assurances on financial information significant to the State of Louisiana's Annual Comprehensive Financial Report, and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2025.

- We evaluated LDH's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to LDH.
- Based on the documentation of LDH's controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the Annual Comprehensive Financial Report.
- We performed procedures on the WIC Special Supplemental Nutrition Program for Women, Infants, and Children (Assistance Listing 10.557); Epidemiology and Laboratory Capacity for Infectious Diseases (Assistance Listing 93.323); Children's Health Insurance Program (Assistance Listing 93.767); Medicaid Cluster (Assistance Listings 93.775, 93.777, and 93.778); and Block Grants for Prevention and Treatment of Substance Abuse (Assistance Listing 93.959) for the year ended June 30, 2025, as a part of the 2025 Single Audit.
- We performed certain procedures on information for the preparation of the state's Schedule of Expenditures of Federal Awards and on the status of prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings for the year ended June 30, 2025, as a part of the 2025 Single Audit.
- We compared the most current and prior-year financial activity using LDH's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from LDH's management for significant variances.

The purpose of this report is solely to describe the scope of our work at LDH and not to provide an opinion on the effectiveness of LDH's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review LDH's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. LDH's accounts are an integral part of the State of Louisiana's Annual Comprehensive Financial Report, upon which the Louisiana Legislative Auditor expresses opinions.