



Report Highlights

Louisiana Department of Health

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Why We Conducted This Audit

We performed certain procedures at the Louisiana Department of Health (LDH) as a part of the Annual Comprehensive Financial Report of the State of Louisiana, the Single Audit of the State of Louisiana, and to evaluate LDH's accountability over public funds for the period July 1, 2024, through June 30, 2025.

What We Found

In state fiscal year 2025, LDH resolved 9 of 14 findings reported in the prior year, with five findings repeated in this report. In total, nine findings were reported as follows:

- 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 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.
- 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. As a result, LDH cannot ensure the accuracy of provider information obtained from the 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.
- LDH did not timely perform revalidations as required by federal regulations for all Medicaid and CHIP fee-for-service providers. Improper provider revalidation could prevent the state from timely identifying ineligible providers that should be rejected or excluded from participation in the program.
- For the sixth consecutive year, LDH lacked adequate internal controls over eligibility determinations in the Medicaid and CHIP programs for the state fiscal year ending June 30, 2025.

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What We Found (Cont.)

- LDH exceeded the federally allocated 2020 Disproportionate Share Hospital (DSH) funding limit by \$3.2 million, resulting in federal questioned costs of \$2.1 million. This is the second consecutive year that LDH exceeded a federally allocated DSH funding limit.
- For the seventh consecutive year, LDH, the managed care organizations, and Magellan Health Services did not have adequate controls in place to ensure that behavioral health services in the Medicaid and CHIP programs were properly billed and improper encounters were denied.
- 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.
- LDH, OBH exceeded certain earmarking requirements for the SAPT program. Two of the four SAPT grants that ended during fiscal year 2025 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.
- LDH, OBH did not comply with Federal Funding Accountability and Transparency Act 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 \$23.5 million.