

ACT 461 REPORT ON FISCAL DEFICIENCIES,
INEFFICIENCIES, FRAUD, OR OTHER SIGNIFICANT ISSUES
DISCLOSED IN GOVERNMENTAL AUDITS

THIRD QUARTER, FISCAL YEAR 2021



REPORT TO THE JOINT LEGISLATIVE
COMMITTEE ON THE BUDGET
ISSUED APRIL 2021

**LOUISIANA LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

April 21, 2021

Chairman Bodi White and Members of the
Joint Legislative Committee on the Budget

Dear Chairman White and Members of the Joint Legislative Committee on the Budget:

Act 461 of the 2014 Regular Session requires the Legislative Auditor to make quarterly and annual reportings to the Joint Legislative Committee on the Budget of certain audits which have findings with a dollar impact of \$150,000 or more relative to waste or inefficiencies, missed revenue collections, erroneous or improper payments or overpayments by the state, theft of money, failure to meet funding obligations such as pension or health benefits, failure to comply with federal fund or grant requirements, failure to comply with state funding requirements, including failure to report as required, misappropriation of funds, errors in or insufficient support for disaster expenditures, accountability of public money associated with various disasters such as the Deepwater Horizon event, and repeat findings.

Attached is our report to meet the requirements of Act 461 for the third quarter of Fiscal Year 2021. That report is linked and referenced to the full reports which contain the applicable findings of interest, as well as management's responses.

We are available to present the information that is of interest to your committee. We hope that this report assists you in your legislative decision-making process.

Sincerely,

A handwritten signature in blue ink, appearing to be "MJW", written over a circular stamp or mark.

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/ch

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STATE AGENCIES

Louisiana Department of Health ([Report Link](#))

- From December 2, 2015, through August 26, 2020, we identified \$455,846 in payments for 4,249 encounters where an individual received Psychosocial Rehabilitation Services (PSR), Community Psychiatric Support and Treatment (CPST), or Crisis Intervention services while in an inpatient setting, which is prohibited according to the Behavioral Health Provider Manual. (*Amount: \$455,846*) (p.3)
- From December 1, 2015, through March 2, 2020, we identified at least \$806,898 in payments for 10,383 instances where two different mental health rehabilitation (MHR) providers were paid for providing the same PSR or CPST service to the same Medicaid recipient on the same day, which is prohibited according to the Behavioral Health Provider Manual. (*Amount: \$806,898*) (p.4)
- From March 20, 2020, through September 12, 2020, we identified at least \$219,965 in payments for 2,546 encounters where MHR providers did not properly code MHR services delivered via telehealth. (*Amount: \$219,965*) (p.4)

Louisiana Workforce Commission ([Report Link](#))

- We found that LWC made approximately \$405.3 million in State and Federal UI payments to individuals who do not appear to have been eligible for these programs based on their income. (*Amount: \$405,395,022*) (p.3)

LOCAL GOVERNMENT AGENCIES

District Attorney for the 14th Judicial District ([Report Link](#))

- We found that, between October 2015 and November 2019, the district attorney allowed pretrial diversion participants and defendants on court-ordered misdemeanor probation to buy out community service hours by purchasing gift cards or money orders and delivering them to the district attorney's office. The gift cards and money orders were then transferred to the foundation, and the funds were used to buy items for annual toy drives, make donations to other charitable organizations, and provide aid to people affected by natural disasters. (*Amount: \$556,598*) (p.7)