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## Report Highlights

# Improper Payments for Deceased Medicaid Recipients

**Louisiana Department of Health**

Audit Control # 80170008

Medicaid Audit Unit • November 2017

## Why We Conducted This Audit

This audit is in follow-up to a report issued by our office in October 2013 titled *Medicaid Participant Fees Paid for Deceased Individuals in the Louisiana Behavioral Health Partnership and Bayou Health Programs – Department of Health and Hospitals*. In that report we found that LDH paid approximately \$1.85 million in per-member per-month (PMPM) payments for 1,727 deceased individuals in Managed Care Organizations (MCO) between February 1, 2012, and June 30, 2013. The purpose of our follow-up analysis was to determine if there were improper payments for deceased Medicaid recipients between July 2013 and August 2017.

## What We Found

Overall, we found that, while LDH has improved its process for identifying deceased Medicaid recipients, it needs to further strengthen this process as we identified \$717,820 in improper payments for 712 deceased Medicaid recipients in MCO plans and FFS. In addition, we found that the MCOs paid for \$42,602 in encounters that occurred after the date of death for 181 Medicaid recipients. We found that:

- **LDH paid \$637,745 in improper PMPM payments for 203 deceased Medicaid recipients between July 2013 and August 2017.** While LDH recouped \$5,107,354 in PMPMs for 12,238 deceased Medicaid recipients from July 2013 through August 2017, the 203 Medicaid recipients in this PMPM analysis were not identified by LDH through its monthly recoupment process.
- **LDH also paid \$80,075 in fee-for-service (FFS) payments directly to providers who submitted claims for services provided to 517 deceased Medicaid recipients.** These FFS payments were for services that took place after the date of death of the Medicaid recipient, which could indicate fraud or improper billing. LDH did recoup \$144,552 in FFS payments for 109 recipients from July 2013 through August 2017.

**Total Improper PMPM and FFS Payments by Fiscal Year - Fiscal Year 2013 through 2018**

Fiscal Year	PMPMs		FFS	
	Recipients	Payments	Recipients	Payments
2014	58	\$37,776	150	\$25,256
2015	63	47,530	164	21,684
2016	41	58,293	105	22,936
2017	120	463,662	99	10,199
2018*	74	30,484	0	0
<b>Totals</b>	<b>203**</b>	<b>\$637,745</b>	<b>517**</b>	<b>\$80,075</b>

Source: Prepared by legislative auditor's staff using LDH Medicaid and Vital Records data.

\* Represents PMPMs and FFS payments through August 2017.

\*\* The totals for each year for FFS and PMPMs do not equal the overall total due to recipients spanning over multiple years. Also, the combined totals from FFS and PMPMs does not equal the overall total identified in the analysis because some recipients are in both populations due to different coverage over time.

- **We also identified \$42,602 in improper payments by MCOs to providers who submitted claims for services provided to 181 deceased Medicaid recipients.** Billing for services that took place after a Medicaid recipient became deceased could indicate fraud or improper billing by providers.

View the full report, including management's responses, at [www.lla.la.gov](http://www.lla.la.gov).