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Report Highlights

Monitoring of Medicaid Claims Using All-Inclusive Code (T1015)

Louisiana Department of Health

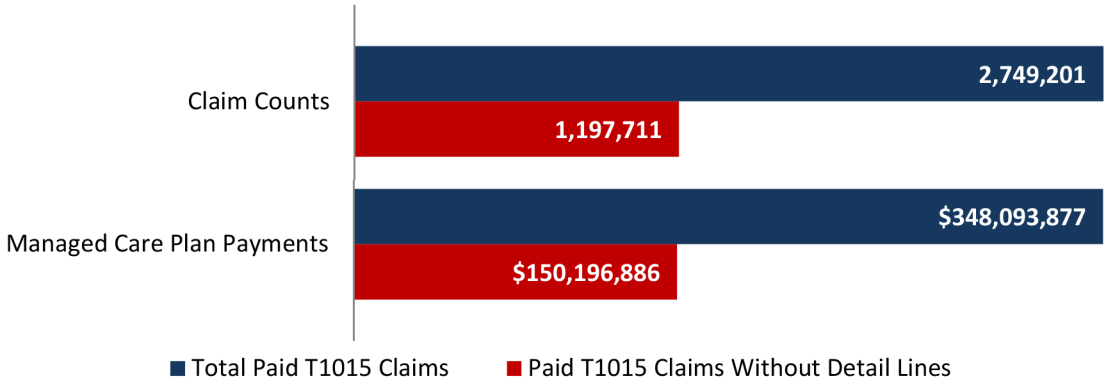
Audit Control # 80180006
Medicaid Audit Unit • October 2017

Why We Conducted This Work

We conducted this work to determine if the Louisiana Department of Health (LDH) is monitoring all-inclusive T1015 encounter claims to ensure appropriate services are delivered and proper claim amounts are paid. LDH is responsible for the administration of the Louisiana Medicaid program, including monitoring of all claims payments made by LDH and the managed care plans.

What We Found

Based on the results of our review, LDH did not monitor T1015 all-inclusive claims paid by the managed care plans from February 1, 2012, through December 30, 2016. Of the $348,093,877 paid by the managed care plans for T1015 claims, the claims data submitted to LDH lacked accompanying detail lines for $150,196,886 (43%). Without this claim detail, LDH could not adequately monitor T1015 all-inclusive claims paid by the managed care plans to ensure appropriate services were provided and proper claim amounts were paid.



Source: Compiled by LLA staff using LDH claims data – claims submitted (*Time Key* field) to LDH from February 2012 through December 2016.

Additionally, without the required detail lines linked to the T1015 claim, there is a risk that the detail lines were "unbundled," meaning they were paid separately by the health plan rather than paid together using previously agreed-upon rates. There is also a risk that the services provided as part of the encounter were for non-covered services. These instances could represent improper payments by the health plans. Also for these instances, future payment rates could be impacted if encounter claim submissions that violated LDH policy were used as experience data in future rate setting. Managed care health plan claims submissions are used by an LDH contractor for premium rate setting.

We provided recommendations to LDH management that included investigating the instances of encounter claims without detail lines and determining appropriate action, as well as frequently reviewing claims edits related to managed care claims submissions to ensure edits are aligned with adequate monitoring of the Medicaid program, including potential bypasses.

View the full report, including management's response, at **www.lla.la.gov**.