*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Chris Magee. I’m the Data Analytics Manager for the Legislative Auditor’s office. This episode of LLA Reports focuses on a newly released report titled “Individual Behavioral Health Service Providers Billing More Than 12 Hours of Services in a Day – Louisiana Department of Health.”

The purpose of this audit was to look at the individual behavioral health service providers who bill Louisiana’s Medicaid program and see if they are following the state law that limits the time they can provide psychosocial rehabilitation or community psychiatric support treatment services to no more than 12 hours in a calendar day.

There are some exceptions to this time limit.

More than 12 hours of services can be provided in a day if the medical necessity for those services is documented, if the services are billed for a group setting, or if the services are billed for crisis intervention or as part of Homebuilders or Functional Family Therapy.

Act 370, which established the 12-hour billing limit, was passed in 2019. Before 2019, there was no limitation on the number of behavioral health services an individual provider could render in one day. Officials with the Attorney General’s Medicaid Fraud Control Unit and staff with the managed care organizations that oversee the Medicaid program reported that fraud cases involving behavioral health services were increasing.

For example, we found that from December 2015 through July 2019, which was prior to the implementation of this law, individual providers billed for more than 12 hours of services in a calendar day 11,707 times. Further, individual providers billed for more than 24 hours of one-on-one services during a single calendar day in 3,144 of those 11,707 instances.

For this report, we analyzed Medicaid data from August 1, 2019, through March 9, 2020, to determine whether individual behavioral health service providers were complying with the 12-hour law.

Overall, we found 315 individual providers billed for more than 12 hours of services in a single calendar day. The payment for this potentially improper billing totaled at least $293,080.

While the Louisiana Department of Health – LDH, for short – is responsible for ensuring providers do not bill for more than 12 hours in a calendar day, the department relies on managed care organizations to make sure the billed amounts are proper.

We found that it is difficult for the managed care organizations – or MCOs – to monitor provider billings because individual providers may work for more than one MCO, and each MCO only has access to its own claims data.

The data we examined showed that only 990 of 4,541 individual behavioral health providers had claims with one MCO, while 3,551 had claims with multiple MCOs.

We also found that individual providers are required to bill for their services through a business licensed by LDH to provide behavioral health services. These licensed companies are called business providers.

However, business providers are not required to ensure individual providers comply with the 12-hour billing law. We identified 1,364 instances where 128 businesses allowed individuals to bill for more than 12 hours of service in a single day.

In addition, we identified 40 individual providers who billed for more than 12 hours of services in a single day for 148 days. However, the billings were split among multiple business providers so that the individual providers did not exceed 12 hours of services through one business provider on those days.

In one case, an individual provider billed for 53.75 hours of services through three business providers over the course of three days, with each day’s billings totaling more than 12 hours.

While each MCO only has access to its own claims data, it also has the ability to prevent providers from exceeding the billing time limit within its own network. We found, however, that this doesn’t always happen. The data showed that $108,657 of the previously mentioned $293,080 in improperly billed services was billed by individual providers to a single MCO in a day.

For example, one provider billed one MCO for 26 hours of services on December 3, 2019, and was paid $709.52 for the 14 excess hours.

As noted before, state law allows Medicaid recipients with a documented medical necessity to receive more than 12 hours of services per day. Because of this provision in law, we analyzed the total hours of services received each day by all recipients.

Of the 43,022 recipients who received at least one behavioral health service between August 2019 and March 2020, we found 22 who received more than 12 hours of services in a calendar day. However, LDH officials said the MCOs had not provided any information to indicate these recipients met the medical necessity exception.

In addition, we found that while LDH has access to all of the MCOs’ claims data, it does not have a process in place – known as an edit check – to monitor compliance with the 12-hour billing law. LDH also has not given guidance to the MCOs about monitoring strategies that they can use to ensure they are complying with the law.

LDH officials said they conduct post-payment reviews and notify MCOs of suspicious records when it appears more than 12 hours of services have been billed in a single day. LDH officials also said that when billing claims span multiple MCOs, they address overpayments through LDH’s Program Integrity Section.

We also found that although the law requires LDH to include the requirements of the 12-hour billing statute in its contracts with the MCOs, the department did not do so before the approval of emergency MCO contracts on December 30, 2019.

LDH said it was not necessary to add the 12-hour billing law requirements to the contracts because the MCOs already must comply with all state and federal laws, regulations, and policies applicable to the contracts. However, we identified at least 25 instances where the MCO contracts did include language requiring compliance with specific state laws.

As a result of our audit, we developed three recommendations to help LDH ensure individual behavioral health providers comply with the 12-hour limit billing law.

Specifically, we recommended that LDH establish edit checks in its system to ensure the provision of behavioral health services for Medicaid recipients meets the requirements outlined in the law.

In addition, we recommended that LDH include the requirements of the 12-hour limit billing law in all of its contracts with the MCOs.

Finally, we recommended that LDH provide guidance to the MCOs on monitoring strategies to help the companies make sure individual providers are complying with the law.

In their response to our report, which is detailed in the appendix, LDH officials disagreed with the first two recommendations and agreed with the third.

Ultimately, the goal of our audit was to help LDH improve compliance with the 12-hour limit billing law so that the state can make the most effective and efficient use of its Medicaid dollars.

We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*