*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 LLA’s Performance Audit Services. This episode of LLA Reports focuses on our new report titled “Oversight of Medicaid Quality Care.”

This report provides the results of our audit of the Louisiana Department of Health – or LDH. The purpose of this audit was to evaluate LDH’s oversight of Managed Care Organizations – or MCOs – to ensure Medicaid beneficiaries are receiving quality care and necessary services.

We found that while LDH withholds 1 percent of per-member, per-month fees as part of its incentive program to encourage the MCOs to improve their quality of care, the design of the program allows the MCOs to receive the funds without improving their performance.

For example, of the $283.6 million dollars withheld between calendar years 2018 and 2022, LDH paid the MCOs $32.2 million dollars for instances when they met their performance target, but their performance decreased from the prior year.

We also found that LDH does not use Medicaid data as part of its Quality Strategy to identify beneficiaries who have not received any services or who have not received services recommended based on their demographics, such as age and gender.

In addition, LDH paid the MCOs $720.5 million dollars to manage the care of nearly 50,000 beneficiaries who appeared to have been continuously enrolled in Medicaid for 13 to 60 months between January 2018 and December 2022 but who received no services.

We found, too, that LDH does not have a consolidated database of beneficiary complaints that would allow the department to perform comprehensive tracking and trend analysis. Using available complaint data, we found that the majority of beneficiary complaints were related to a lack of quality care or a lack of access to care.

Additionally, we found that the MCO provider directories and networks were inaccurate and listed providers who did not provide Medicaid services.

LDH’s provider directory audits found an accuracy rate of 49.4 percent between May 2018 and February 2023, and we found that 33.2 percent of the providers listed in network adequacy reports did not provide Medicaid services between July and December 2022.

As a result of our report, we developed 10 recommendations.

We recommendedLDH evaluate the design of the quality withhold incentive program and implement strategies to further strengthen the program. Those strategies could include imposing penalties for declining performance on withhold measures, preventing or reducing payments to the MCOs for report-only measures, preventing the MCOs from receiving payment without demonstrating improvement on quality measures from the previous year, and increasing the per-member, per-month withhold rate.

We also recommended that LDH analyze its Medicaid data to identify beneficiaries who receive no services over certain periods of time to ensure that they are still eligible for Medicaid and that the MCOs conduct appropriate outreach activities.

In addition, we recommended that LDH analyze its Medicaid data to identify groups of beneficiaries who should receive certain services, such as mammograms or colorectal screenings, but routinely do not, to ensure the MCOs conduct appropriate outreach activities.

Additionally, we recommended that LDH create a database that captures complaints received and resolved by customer services representatives – or CSRs – and that the department capture similar types of information across MCO complaint reports, complaints submitted to CSRs, complaints submitted to LDH management, and complaints from any other source to create a comprehensive database.

We recommended as well that LDH compile this complaint information into a master database and perform analyses to identify the areas with the highest level of concern for beneficiaries.

We also recommended that LDH routinely analyzenetwork adequacy reports to proactively review the accuracy of the reports and analyze Medicaid data to help validate the network adequacy reports submitted by the MCOs.

Finally, we recommended LDH use the results from any network adequacy analyses to determine if additional penalties are warranted.

As part of its response, which is included in the report as Appendix A, LDH agreed with seven of the recommendations and disagreed with three of the recommendations.

*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.*