

# REPORT HIGHLIGHTS



October 2026 | OAS-25-04-100

## Louisiana Made Unallowable Managed Care Capitation Payments on Behalf of Incarcerated Medicaid Enrollees

### Why OIG Did This Audit

- Louisiana pays managed care organizations to make services available to eligible Medicaid enrollees in return for a monthly fixed payment (capitation payment) for each enrollee.
- Previous audits found that State Medicaid agencies made unallowable capitation payments on behalf of incarcerated Medicaid enrollees.
- We conducted this audit to determine whether Louisiana made unallowable capitation payments on behalf of incarcerated Medicaid enrollees and to identify the dollar amount of any unallowable capitation payments that were not recovered. We reviewed capitation payments the State agency made to managed care organizations on behalf of 100 incarcerated enrollees.

### What OIG Found

- The State agency made unallowable managed care capitation payments on behalf of 46 of the 100 incarcerated Medicaid enrollees in our stratified random sample, totaling \$143,459 (\$102,822 Federal share).
- On the basis of our sample results, we estimated that during our audit period Louisiana made unallowable capitation payments on behalf of incarcerated Medicaid enrollees totaling at least \$3.7 million (\$2.6 million Federal share).

### What OIG Recommends

We made two recommendations to Louisiana: that it (1) refund \$2,690,745 (Federal share) for unallowable capitation payments made on behalf of incarcerated enrollees and (2) implement processes that consistently and promptly suspend Medicaid managed care enrollments upon receiving incarceration notifications. The full recommendations are in the report.

Louisiana agreed with our recommendations and described actions that it had taken to address them.