Louisiana Did Not Correctly Determine Medicaid Eligibility for Some Newly Enrolled Beneficiaries

What OIG Found
For our sample of 120 beneficiaries, Louisiana made Medicaid payments on behalf of 115 who met eligibility requirements for the new adult group. However, for the remaining five beneficiaries, Louisiana made payments on behalf of four beneficiaries who did not meet requirements and one beneficiary who may not have met requirements. Our audit covered 408,509 newly eligible beneficiaries for whom the State agency made Medicaid payments totaling $1.2 billion (100 percent Federal share). Based on our sample results, we estimated that Louisiana made Medicaid payments of $20.1 million (100 percent Federal share) on behalf of 16,358 beneficiaries who did not meet requirements. These deficiencies occurred because Louisiana did not always meet Federal and State requirements when making eligibility determinations because analysts did not always follow the State’s established procedures.

What OIG Recommends and Louisiana’s Comments
We recommend that Louisiana: (1) promptly provide notice and cancel the eligibility of beneficiaries identified with income over the allowable limit; (2) educate State analysts on established policies and procedures regarding requirements to promptly provide notice and cancel eligibility, verify income, and provide retroactive eligibility; and (3) redetermine, if necessary, the current Medicaid eligibility status of the sampled beneficiaries for whom income or dependent verifications did not meet Federal and State requirements.

Louisiana agreed with our recommendations and described actions it had taken. Louisiana disagreed with some of our findings and provided additional documentation under separate cover to support its stance on the findings with which it disagreed. Based on our review of Louisiana’s comments and additional documentation, we revised some of our findings and reduced our estimate of Medicaid payments and beneficiaries who did not meet requirements.

The full report can be found at https://oig.hhs.gov/oas/reports/region6/61802000.asp.