

Report in Brief

Date: January 2021

Report No. A-06-18-02000

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

The Patient Protection and Affordable Care Act gave States the option to expand Medicaid coverage to low-income adults without dependent children. It also mandated changes to Medicaid eligibility rules and established a higher Federal reimbursement rate for services provided to these beneficiaries, which led us to audit whether States were correctly determining eligibility for these newly eligible beneficiaries. States operate and fund Medicaid in partnership with the Federal Government through the Centers for Medicare & Medicaid Services. Louisiana was one of 36 States, along with the District of Columbia, that chose to expand Medicaid coverage.

Our objective was to determine whether Louisiana made Medicaid payments on behalf of newly eligible beneficiaries who did not meet Federal and State eligibility requirements.

How OIG Did This Audit

We reviewed a stratified random sample of 120 newly eligible beneficiaries who had Medicaid payments made on their behalf from July through December 2016. We reviewed supporting documentation to determine whether Louisiana made payments on behalf of beneficiaries who did not meet Federal and State eligibility requirements for the newly eligible (e.g., income, citizenship, and residency requirements).

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.