

MEDICAID'S COMMITMENT: To save lives by ensuring health coverage for those who need it

A Leader in Reducing Improper Payments

Louisiana Medicaid is a top performer on a national measure of how well state Medicaid programs avoid payment errors. The federal Payment Error Rate Measurement (PERM) estimates improper payments in the Medicaid program.

PERM is not a measure of fraud. While all payments made as a result of fraud are considered "improper payments," not all improper payments constitute fraud. The improper payment rate is a measure of adherence to federal rules and requirements and does not mean these payments should not have been made in the first place.

Program Integrity

LDH is deeply committed to ensuring that taxpayer dollars are spent properly. It continuously strengthens its efforts to combat Medicaid provider fraud, waste and abuse (FWA), ensuring dollars that could otherwise be spent to safeguard the health and welfare of Medicaid enrollees are not diverted.

LDH has added manpower to its program integrity efforts:

- Quadrupling the number of State staff dedicated to the detection and prevention of fraud and abuse in the managed care program.
- Doubling the number of MCO staff for fraud, waste, and abuse investigation in the managed care program.
- A 2017 MCO contract amendment increased the rate of FWA Investigators to enrollees from 1:100,000 to 1:50,000

Introduced new practices and technologies:

- Requiring MCOs to collectively share fraud and abuse tips and complaints
- Notifying the Attorney General's Medicaid Provider Fraud Unit of suspected cases of fraud or abuse, in addition to referral of confirmed cases
- Implementing a new software solution that uses predictive analytics to identify new fraud schemes and prioritize cases with the highest potential for improper payments

These enhancements have yielded a high return on investment, including:

- A 300% increase in tips & complaints shared by MCOs
- 173 MCO notices of suspected fraud and abuse to the Attorney General's Medicaid Provider Fraud Unit
- A 94% increase in MCO referrals of confirmed fraud to the Attorney General's Medicaid Provider Fraud Unit
- A 250% increase in MCO fraud cases

LOUISIANA PERM RATES

2009 | Louisiana had the 5th lowest Medicaid PERM error rate at 3.96%. National average: 8.70%.

2012 | Louisiana had the 3rd lowest Medicaid PERM error rate at 2.3%. National average: 5.8%.

2015 | Louisiana had the 8th lowest Medicaid PERM error rate at 9.5%. National average: 11.5%.

2018 | "When the next cycle of the PERM report comes out, we expect to have similar results."
Dr. Rebekah Gee, LDH Secretary

Medicaid Eligibility and Enrollment System

This new system is the most sophisticated system for program integrity in Medicaid's history.

- The system automatically gathers information from 20 different electronic data sources and uses an automated business rules engine to ensure consistent application of eligibility policy and compliance with federal and state requirements in verifying critical eligibility factors.
- Each quarter, LDH checks wages for all enrollees and automatically reviews eligibility for those with wage earnings above the eligibility limit.
- In May 2019, LDH will begin receiving tax information for use in the Medicaid eligibility determination process. Tax information will provide an additional data point to advance program integrity efforts and verify critical eligibility factors, such as household income.

What About People with High Incomes?

LDH is committed to making sure that those who need care, and who qualify, get coverage. A person who earns too much to qualify should not get Medicaid coverage. Our Recipient Fraud Unit investigates cases of excessive income to identify applicants or enrollees who intentionally misrepresented their circumstances to get Medicaid. Situations like this — even if they are the exception — must be prevented and dealt with. LDH works closely with the Attorney General's Office, gathering evidence and referring potential fraud cases for investigation and prosecution.