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Report Highlights

DHH - Office of Behavioral Health
Louisiana Behavioral Health Partnership

Experience of Four Human Services Districts/Authorities During Implementation and Transition

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Why We Conducted This Audit

We conducted this audit to provide information on the implementation and transition issues for the Louisiana Behavioral Health Partnership as experienced by four human services districts/authorities: Capital Area Human Services District, South Central Louisiana Human Services Authority, Metropolitan Human Services District, and Florida Parishes Human Services Authority.

What We Found

The Louisiana Behavioral Health Partnership (LBHP) transferred management of all state behavioral health programs from the Office of Behavioral Health (OBH) to Magellan Health Services (Magellan).

District/authority management reported being impacted by this transition in several ways including, but not limited to, the following:

- **Confusion and a lack of understanding on how services were to be provided to treat Medicaid eligible substance abuse patients between the ages of 18 and 20** since there are no juvenile facilities in the state that are OBH--certified to treat this population.
- **Claims payments have been problematic and caused extra time and expense to track and reconcile.** Capital Area Human Services District estimated a $270,000 increase in salary and related benefits costs for claims and administrative functions since the LBHP implementation.
- Because the changes in claims billing, fee schedules, and coding issues, **numerous district/authority claims have been rejected and denied. The districts/authorities may not be able to collect for these services** because they have been unable to file or correct the claims prior to the billing expiration dates.
- The districts/authorities that had not already implemented an electronic health records system were required to use Magellan's Clinical Advisor. **The amount forfeited for canceling existing system contracts totaled $254,376.** Clinical Advisor has been problematic for the districts/authorities.
- Required provider agreements significantly changed which district/authority services are billed, who can provide billable services, and how claims are filed.
- The self-generated **revenue budgets are overly optimistic** and currently not being met.

DHH Fiscal did not have adequate processes and controls to ensure that claims payments were identified, reconciled, and properly classified timely in the state's accounting system so that the districts/authorities could access funds paid by Magellan for their services. As a result, the districts/authorities did not have access to funds which could potentially limit their ability to deliver future services.

For the first year of operation through February 2013, **Magellan payments, totaling approximately $4 million, were deposited into 10 different accounts. These deposits had not been reconciled with the Magellan payment registers since the program began.**

Our review noted that certain requirements contained in the Magellan contract were not met regarding implementation planning. In addition, significant technical requirements were not met for the electronic health records system. Although the contract allows DHH-OBH to impose sanctions, no sanctions were imposed.