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Report Highlights

Louisiana Department of Health

Progress Report: Prevention, Detection, and Recovery of Improper Medicaid Payments in Home and Community-Based Services Programs

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Why We Conducted This Audit

This report provides the results of our performance audit of the Louisiana Department of Health's (LDH) progress toward implementing recommendations we made in an audit report issued in September 2011 titled *Prevention, Detection, and Recovery of Improper Medicaid Payments in Home and Community-Based Services Programs*. Louisiana Medicaid offers Home and Community-Based Services (HCBS), including six waivers and Long-Term Personal Care Services (LT-PCS), to Medicaid beneficiaries who are elderly or have disabilities so they can receive long-term care services in their own homes or communities.

What We Found

In this audit, we evaluated whether LDH implemented the nine recommendations related to improper payments. Overall, we found that LDH fully implemented four recommendations, partially implemented two recommendations, and did not implement three recommendations. We also identified approximately \$1.3 million in potentially improper payments and two additional issues that LDH should address to improve its processes for preventing and identifying improper payments. One of these issues resulted in \$2.5 million in improper payments. Our findings are as follows:

- **Although LDH implemented an edit check to prevent direct care workers who work for two different companies from claiming overlapping times for different recipients, a more comprehensive edit is needed.** We identified approximately \$620,000 in potentially improper payments for overlapping services that the edit did not identify during calendar years 2011 to 2015.
- **LDH has not implemented an effective process to prevent payments to providers while recipients were hospitalized or in nursing facilities.** We identified \$326,915 in potentially overlapping claims that were not identified by LDH during its back-end review process during calendar years 2012 to 2015.
- **Since July 2014, LDH has required that direct care workers provide full Social Security numbers (SSN) to help ensure that workers who have been excluded from Medicaid are not providing services.** However, LDH should ensure that workers provide valid SSNs, as we compared SSNs collected by LDH to driver's license data from the Office of Motor Vehicles and found approximately 1,450 workers whose SSNs matched a driver's license with a different name.

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What We Found (Cont.)

- **LDH has not fully implemented the use of a call-in system to capture actual time worked and reduce instances of improper payments.** As a result, LDH could not ensure that direct care workers were reporting their actual arrival and departure times. For example, we identified 52,222 instances where direct care workers were required to travel from 10 to 100 miles between two different locations where they worked consecutive hours, but did not indicate travel time at an approximate cost of \$340,000.
- **Although LDH has developed a process to monitor LT-PCS, it has not implemented a systematic financial monitoring process over all HCBS providers to help ensure that services billed are supported with documentation.** Financial monitoring, including periodically verifying claims to supporting documentation, would help LDH identify additional improper payments.
- **LDH has improved in its assessment of penalties for providers with improper payments and has developed a penalty matrix that helps ensure it assesses fines consistently and appropriately.** From calendar years 2012 to 2016, LDH assessed approximately \$2 million in fines to HCBS providers compared to the \$96,000 it assessed from 2005 to 2010. However, LDH did not always assess fines in accordance with its penalty policy and still does not assess penalties for first offenses.

We also found the following new issues:

- **LDH should ensure that certain HCBS monitoring visits occur when the direct care worker is present and providing services, as required by policy.** We found that approximately 14% of monitoring visits that required observation of services occurred when a worker was not present.
- **LDH does not have a sufficient process to verify that individuals on the Direct Service Worker Registry are not providing services.** We identified approximately 100 workers who provided services totaling \$2.5 million even though they were on the registry for abuse, neglect, or misappropriation of recipient property.