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# Improper Payments Panel Our Planned Approach

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# Improper Payments Panel

- LLA approach to natural disaster
  - Proactive
  - Continuous
  - Effective



# Improper Payments Panel

- LLA Current Approach to Medicaid
  - Traditional audit of Louisiana DHH
    - Assurances for CAFR
    - Single Audit Requirements
    - Improper payments
- LLA Planning Alternative Approach
  - Louisiana has moved to managed care
  - Identifying Risk Areas





# Improper Payments Panel

- Identified Risk Areas
  - Complicated Contracts
  - Population of Enrolled Recipients
  - PMPM Actuarial Calculations
    - Data Integrity
    - Impact of Improper Payments
    - Actuarial Assumptions
    - Offsets Reported Properly
    - Unknown Risk of Specialist



# Improper Payments Panel

- Identified Risk Areas
  - Payments To & By MCO
    - Inflated costs and circular effect on the PMPM
    - Risk of False Claims
    - Effectiveness of Program Integrity & SURS Units due to lack of valid encounter data



# Improper Payments Panel

- Identified Risk Areas
  - Payments To & By MCO
    - Underpayments By MCO Resulting in Improper Uncompensated Care Payments (Partner and rural hospitals)
    - Provider network adequacy and use of non-enrolled providers (less oversight)





# Improper Payments Panel

- Identified Risk Areas
  - Calculation of Medical Loss Ratio
    - Complicated
    - Shared Corporate Resources
    - Risk associated with “claims” definition
  - Encounter Data
    - Completeness and accuracy
    - Circumvention of edits required of FFS claims



# Improper Payments Panel

- Identified Risk Areas
  - Service Delivery Monitoring
    - Self-reported data with little verification
    - Less than robust EQR's
  - Multiple MCO's use proprietary, parent-company claims systems; SSAE 16 not on state specific issues





# Improper Payments Panel

- Barriers for State Auditors
  - Data held by multiple MCO's in proprietary systems
  - Expertise
  - Infrastructure
  - Funding