LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 24** SLS 25RS 271
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

REVISED

Date: April 28, 2025 9:05 AM
Author: MCMATH
Dept./Agy.: Department of Health/Attorney General
Subject: Medical Assistance Programs Fraud Detection Fund
Analyst: Anthony Shamis

FUNDS/FUNDING OR INCREASE SD RV See Note

Provides for dedication of revenue and use of monies in the Medical Assistance Programs Fraud Detection Fund. (gov sig)

Present law relative to the Medical Assistance Programs Fraud Detection Fund, provides for the dedication of certain revenues and for the deposit and use of certain money in the fund, as well as to provide for the allocation of money from the fund. Proposed law expands the sources of money deposited from Medicaid related civil awards or settlements to all money received by any state entity related to a recovery, fine, or penalty pertaining to the medical assistance programs. Proposed law requires that after the Medicaid Fraud Control Unit within the Attorney General's Office (AG) is fully funded, that 50% be allocated to the AG's fraud control unit & 50% be allocated to the Department of Health's Program Integrity Section. The balance of the fund shall not exceed $20 M. Any excess collections will be used to fund medical assistance programs.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	**SEE BELOW**	**SEE BELOW**	**SEE BELOW**	**SEE BELOW**	**SEE BELOW**	
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	**INCREASE**	**INCREASE**	**INCREASE**	**INCREASE**	**INCREASE**	
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	**INCREASE**	**INCREASE**	**INCREASE**	**INCREASE**	**INCREASE**	
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

EXPENDITURE EXPLANATION

Proposed law modifies the current allocation of revenues from the Medical Assistance Programs Fraud Fund with the intent to first fully fund the AG's Medicaid Fraud Control Unit, then allocates additional collections between the AG's Medicaid Fraud Control Unit and Medicaid's Program Integrity Section at 50%/50%, with a cap of $20 M. Any collections over the $20 M cap will be used to fund Medicaid. Impact depends on actual collections deposited into the fund, which could potentially impact expenditures for both the AG's office and Medicaid's Program Integrity Section. To the extent that new revenues from recoveries, fines, or penalties pertaining to the Medicaid program are not sufficient to cover monies now being received by Medicaid and the AG's office, there is a potential expenditure impact to both agencies. Presumably with the expansion of collections, additional revenues will be collected to cover existing amounts.

Present law requires all monies received by the state from Medicaid related civil awards or settlements be deposited into the Medical Assistance Program's Fraud Detection fund and be split 50%/50% between the AG's Medicaid Fraud Control Unit and the Louisiana Department of Health (LDH).

Proposed law expands sources of monies deposited into the fund to include all monetary sanctions assessed against providers and MCOs. LDH will be required to return the federal share of any new recoveries.

Proposed law requires that the AG's Medicaid Fraud Control Unit be fully funded ($3.2 M state match as indicated by the AG's Office, but the amount is not explicitly detailed in the bill) before any additional collections are split 50%/50% between the AG's Medicaid Fraud Control Unit and the Medicaid Program integrity Section. If the full balance in the fund is allocated to the AG's office (depending on actual collections), Medicaid's Administrative program would require approximately $930,000 to cover current Program Integrity expenses appropriated to the Fraud Fund. In addition, the LDH Office of the Secretary would require $175,000 to cover current expenditures currently appropriated from the Fraud Fund.

Proposed law limits the fund balance to $20 M and requires any collections in excess of the $20 M balance be used to fund the medical assistance program. Based on current collections and Revenue Estimating Conference forecasts, of under $2M per year, it is unlikely that the balance will be over $20 M unless collections increase significantly from the expanded sources of collections.

See Expenditure Explanation on Page 2

REVENUE EXPLANATION

There could potentially be an indeterminable increase in revenue collections from expanding revenue collection sources, however, the increase is indeterminable at this time. The sources of revenues being deposited into the fund are increasing from Medicaid related civil awards and settlement to all monies by any state entity related to recovery, fine, or penalty pertaining to the medical assistance program, including providers and MCOs.

Senate Dual Referral Rules

[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}

[ ] 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}

House

[x] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}

[ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer

LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 24** SLS 25RS 271
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

REVISED

Date: April 28, 2025 9:05 AM
Author: MCMATH
Dept./Agy.: Department of Health/Attorney General
Subject: Medical Assistance Programs Fraud Detection Fund
Analyst: Anthony Shamis

CONTINUED EXPLANATION from page one:

Note: To the extent Third Party Liability (TPL) recoveries are subject to the proposed law, there would be a potential additional revenue impact of up to $27 M (State/Federal), based on information provided by LDH, that would be diverted to the Medical Assistance Programs Fraud Fund. TPL refers to the function of identifying and coordinating with other entities responsible for paying for a recipient's medical expenses before Medicaid does, ensuring Medicaid acts as a payer of last resort. This means that if a Medicaid beneficiary has other health insurance (like Medicare, employer-sponsored insurance, or private health insurance), that insurance is the primary payer.

Senate Dual Referral Rules

[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}

[ ] 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}

House

[x] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}

[ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer