

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 480** HLS 18RS 449  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 2, 2018	5:28 PM	<b>Author:</b> BACALA
<b>Dept./Agy.:</b> LA Dept. of Revenue/LA Legislative Auditor		<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Audit of LDR Records for Purposes of Medicaid Audits		

MEDICAID RE INCREASE GF EX See Note Page 1 of 1  
 Provides for Medicaid eligibility determination functions and Medicaid fraud detection and prevention

Proposed law allows the LA Legislative Auditor to access individual state income tax return data for the purpose of ensuring accuracy of Medicaid eligibility determinations; detecting and preventing fraud in the Medicaid program; and fulfilling the requirements of the Medical Assistance Programs Integrity Law. Proposed law amends present law, allowing the LA Dept. of Revenue to disclose individual state income tax return data to the LA Legislative Auditor for the express purposes of ensuring accuracy of Medicaid eligibility determinations; detecting and preventing fraud in the Medicaid program; and fulfilling the requirements of the Medical Assistance Programs Integrity Law. Proposed law allows LDR to enter in any memorandum of understanding, cooperative endeavor agreement, or any other type of agreement to facilitate data sharing with the LA Legislative Auditor.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u><b>\$0</b></u>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u><b>\$0</b></u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to result in one-time SGF expenditures for the LA Dept. of Revenue in FY 19 totaling \$25,680. Furthermore, proposed law may result in LDR requiring 1 additional T.O. position with total salary and related benefits of \$70,029 to the extent data requests made pursuant to the proposed legislation are unable to be fulfilled utilizing existing staff and resources. Lastly, the LA Legislative Auditor (LLA) reports that the proposed legislation may be implemented at no additional cost. Proposed law allows LDR to share individual state income tax data with the LA Legislative Auditor (LLA) for the purpose of carrying out the Medical Assistance Programs Integrity Law.

LDR anticipates compiling data associated with Medicaid enrollees, which the department would then report to the LLA. To implement the data sharing, LDR anticipates incurring a one-time cost of \$25,680 to design, develop, and test a data sharing mechanism with the LLA. Furthermore, to the extent data compiling and reporting to the LLA is unable to be fulfilled by existing LDR staff, the department reports potentially requiring 1 Tax Specialist position with total salary and related benefits of \$70,029 annually. LDR reports that it anticipates this position operating on an ongoing basis and matching personal income tax data to Medicaid enrollment data for an estimated 2,500 persons per month. Furthermore, LDR anticipates having to perform manual research for some non-matches, as well as potentially provide information for enrollees claimed as dependents and answer any questions that LLA audit staff may have. For reference, the LDR anticipates the employee matching information for an estimated 80 individuals per day.

The LLA reports that proposed law will not result in any additional expenditures, as the proposed legislation grants the LLA additional authority to access individual state income tax data for the purpose of carrying out the Medical Assistance Programs Integrity Law. Furthermore, the LLA anticipates compiling Medicaid enrollee data and to utilize the authority granted under proposed law to match enrollee data against state personal income tax returns for the purposes of auditing Medicaid enrollment as part of the normal audit process, rather than having LDR perform that duty.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 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}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**