

2025 Regular Session

SENATE BILL NO. 24

BY SENATOR MCMATH

FUNDS/FUNDING. Provides for dedication of revenue and use of monies in the Medical Assistance Programs Fraud Detection Fund. (7/1/26)

AN ACT

To amend and reenact R.S. 46:440.1(B) through (E), relative to the Medical Assistance Programs Fraud Detection Fund; to provide for the dedication of certain revenues and for the deposit and use of monies in the fund; to limit the amount of monies in the fund; to provide for the allocation of monies from the fund; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 46:440.1(B) through (E) are hereby amended and reenacted to read as follows:

§440.1. Medical Assistance Programs Fraud Detection Fund

* * *

B. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, and prior to monies being placed in the state general fund, all monies received by ~~the~~ any state entity related to a recovery, fine, or penalty pertaining to the medical assistance programs, including all monetary sanctions assessed against providers and managed care organizations after accounting for any federal

1 share, and excluding any third party liability and estate recoveries as defined
2 by federal regulation, pursuant to a civil award granted or settlement under the
3 provisions of this Part, except for the amount to make the medical assistance
4 programs whole, shall be deposited into the fund.

5 C. ~~Fifty percent of the~~ After allocation of an amount sufficient to fully
6 fund the Medicaid fraud control unit within the office of the attorney general,
7 the remaining monies collected and deposited into in the fund shall be allocated as
8 follows:

9 (1) Fifty percent to the Medicaid Fraud Control Unit fraud control unit
10 within the office of the attorney general.

11 ~~D. (2) Fifty percent of the monies collected and deposited into the fund shall~~
12 ~~be allocated to the Louisiana Department of Health~~ program integrity section. to
13 ~~be used solely for Medicaid fraud detection and for the purposes specified in~~
14 ~~Subsection E of this Section.~~

15 D. The balance of the fund shall not exceed twenty million dollars. Any
16 monies collected pursuant to Subsection B of this Section in excess of the twenty
17 million dollar fund balance shall be used to fund the medical assistance
18 programs.

19 E. The monies in the fund shall be used to fund the Medicaid Fraud
20 Control Unit within the office of the attorney general and the Louisiana
21 Department of Health program integrity section. The monies in the fund shall not
22 be used to replace, displace, or supplant state general funds appropriated for the daily
23 operation of the department Louisiana Department of Health, the office of the
24 attorney general, or the medical assistance programs, ~~and may be appropriated by~~
25 ~~the legislature for the following purposes only:~~

26 ~~(1) To pay costs or expenses incurred by the department or the attorney~~
27 ~~general relative to an action instituted pursuant to this Part.~~

28 ~~(2) To enhance fraud and abuse detection and prevention activities related to~~
29 ~~the medical assistance programs, including the activities of the task force on~~

1 ~~coordination of Medicaid fraud detection and prevention initiatives established~~
 2 ~~pursuant to Subpart D-1 of this Part.~~

3 ~~(3) To pay rewards for information concerning fraud and abuse as provided~~
 4 ~~in Subpart B of this Part.~~

5 ~~(4) To provide a source of revenue for the Medical Assistance Program in the~~
 6 ~~event of a change in federal policy which results in an increase in state participation~~
 7 ~~or a shortfall in state general fund due to a decrease in the official forecast, as~~
 8 ~~defined in R.S. 39:2(30), during a fiscal year.~~

9 Section 2. This Act shall become effective on July 1, 2026; if vetoed by the governor
 10 and subsequently approved by the legislature, this Act shall become effective on the day
 11 following such approval by the legislature or July 1, 2026, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 24 Engrossed

2025 Regular Session

McMath

Present law creates the Medical Assistance Programs Fraud Detection Fund for the purpose of funding Medicaid fraud detection programs within the office of the attorney general and the La. Dept. of Health.

Present law requires all monies received by the state pursuant to a Medicaid-related civil award or settlement, except for the amount to make the medical assistance programs whole, to be deposited into the fund.

Proposed law expands the source of monies deposited into the fund to all monies received by any state entity related to a recovery, fine, or penalty pertaining to the medical assistance programs, including all monetary sanctions assessed against providers and managed care organizations after accounting for any federal share, and excluding any third party liability and estate recoveries as defined by federal regulation.

Present law divides the monies in the fund evenly between the office of the attorney general's Medicaid fraud control unit and the La. Dept. of Health for purposes specified in present law.

Proposed law changes the allocation of funds to first fully fund the Medicaid fraud control unit within the office of the attorney general, then divide the remaining funds evenly between the office of the attorney general's Medicaid fraud control unit and the La. Dept. of Health's program integrity section.

Proposed law limits the fund balance to \$20 million and provides that any monies in excess of the \$20 million fund balance will be used to fund the medical assistance programs.

Present law provides that monies in the fund shall not be used to replace, displace, or

supplant state general funds appropriated for the daily operation of the department or the medical assistance programs and limits the use of monies in the fund to certain purposes.

Proposed law provides that monies in the fund shall not be used to replace, displace, or supplant state general funds appropriated for the daily operation of the La. Dept. of Health, the office of the attorney general, or the medical assistance programs and requires that monies in the fund be used to fund the Medicaid Fraud Control Unit within the office of the attorney general and the Louisiana Department of Health program integrity section.

Effective July 1, 2026.

(Amends R.S. 46:440.1(B)-(E))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Specify that monies received by a state entity are deposited into the fund after accounting for any federal share, and excluding any third party liability and estate recoveries as defined by federal regulation.
2. Add provision requiring that monies in the fund be used to fund the Medicaid Fraud Control Unit within the office of the attorney general and the Louisiana Department of Health program integrity section.
3. Change effective date from effective upon signature of the governor to July 1, 2026.
4. Make technical corrections.