Fiscal Note On: **HB**   **89**   HLS 161ES   190

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 23, 2016 8:53 AM	**Author:** STOKES
Dept./Agy.: DHH, Attorney General, Legislative Auditor	
Subject: Redirects allocation of Medical Assistance Program Fraud	**Analyst:** Willis Brewer

FUNDS/FUNDING   OR -$400,000 FF RV See Note   Page 1 of 1

Provides relative to allocation and uses of monies dedicated to the Medical Assistance Programs Fraud Detection Fund (Item #7)

Present law provides the Medical Assistance Programs Fraud Detection Fund. All monies deposited into the fund result from civil awards granted or settlements related to medical fraud. Present law allocates 50% of the monies to the office of the attorney general and 50% to the Department of Health and Hospital. Proposed law revises present law to add the Legislative Auditor as an allocation entity and redistributes the allocation of revenues collected and deposited into the fund as follows: 45% to the office of attorney general, 45% to the Department of Health and Hospital, and 10% to the Legislative Auditor.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	($400,000)	($400,000)	($400,000)	($400,000)	($400,000)	**($2,000,000)**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	($400,000)	($400,000)	($400,000)	($400,000)	($400,000)	**($2,000,000)**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**($400,000)**	**($400,000)**	**($400,000)**	**($400,000)**	**($400,000)**	**($2,000,000)**

EXPENDITURE EXPLANATION

This bill redistributes the allocation of monies collected and deposited into the Medical Assistance Programs Fraud Detection Fund between three agencies, by reducing the allocation from DHH and the Attorney General by five percent each and allocating the balance of ten percent to the Legislative Auditor. Based on the REC forecast of $2,000,000 projected to be deposited into the fund for FY 2016-2017, $200,000 of this fund would be allocated to the Legislative Auditor while DHH and the Attorney General would be allocated the remaining $1.8 million ($900,000 each based on the language). Under this example, DHH and the Attorney General allocation would be $100,000 lower than under the present law. This fiscal note does not assume reallocation of previous fund balances.

The ten percent allocation to the Legislative Auditor will be used to initiate medicaid fraud detection associated with managed care. The Legislative Auditor anticipates any allocation will be used to offset the expenses associated with validation of the managed care organizations claims data, analysis of claims data received by managed care organization, and review of actuarial assumptions and methods.

Both the Department of Health and Hospitals and Attorney General use these funds to draw federal matching funds. As an illustrative example, DHH's $100,000 loss would result in a total loss of $200,000 (50/50 match) related to Program Integrity expenditures. Attorney General's $100,000 loss would result in a total loss of $400,000 (25/75 match) related to medicaid fraud control unit expenditures.

NOTE: To the extent other means of finance are not available to replace the loss of federal funds to the Attorney General or DHH, a loss of federal fund expenditures will be realized.

REVENUE EXPLANATION

Both the Department of Health and Hospitals and Attorney General use these funds to draw federal matching funds. As an illustrative example, DHH's $100,000 loss would result in a loss of $100,000 federal funds for a total loss of $200,000 (50/50 match) related to Program Integrity. Attorney General's $100,000 loss would result in a loss of $300,000 federal funds for a total loss of $400,000 (25/75 match) related to medicaid fraud control unit.

Senate	Dual Referral Rules	House	
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}	*Evan Brasseaux*
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}	**Evan Brasseaux** **Staff Director**