



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 213** HLS 21RS 296  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 29, 2021	10:21 AM	<b>Author:</b> BACALA
<b>Dept./Agy.:</b> LDR/LDH/LLA		<b>Analyst:</b> Shane Francis
<b>Subject:</b> Data-sharing between LDR, LDH and the Legislative Auditor		

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

Proposed law authorizes the secretary of the La. Department of Revenue (LDR) to disclose individual-level state income tax return data to the legislative auditor or the secretary of La. Dept. of Health (LDH) for the exclusive purposes of detecting fraud within Medicaid. Proposed law adds to the secretary of LDH's duties to take such steps to ensure accuracy in Medicaid eligibility determinations and to work cooperatively with other state departments and officials, including but not limited to the attorney general, the legislative auditor, and LDR in preventing fraud and fulfilling other applicable requirements of present law relative to Medicaid program integrity.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	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>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

All three agencies impacted by proposed law estimate expenditure increases.

The LA Department of Health (LDH) anticipates additional labor demand in its Program Integrity division to investigate findings discovered by the Legislative Auditor and identifies a need for 2 Program Monitor positions at \$72,010 each per year, with additional operating and equipment expenses totaling \$189,371 in the first year and \$246,901 in subsequent years. Further delineation of non-personnel expenses has been requested. These cost estimates are predicated on the assumption of higher potential fraud detections by the La Legislative Auditor that would exceed existing investigative capacity beginning in proposed legislation's first year of implementation.

The LA Legislative Auditor (LLA) reports fraud detection efforts introduced in proposed legislation will be dispersed among their existing staff of 25 auditors and expects necessary background checks and similar federal requirements to sum to \$2,000 in one-time expenses. It is difficult then to put into context LDH's assumption of higher detected fraud volume that would necessitate the creation of 2 program monitor positions to investigate, particularly since this volume is predicated on LLA detecting existing fraud that LDH's Program Integrity division and enrollment processes currently do not. The Legislative Fiscal Office cannot corroborate the workload necessity detailed by LDH. To the degree that staffing levels are less than that estimated by LDH, costs would decrease proportionally.

The LA Department of Revenue (LDR) anticipates compiling data associated with Medicaid enrollees to report to the LLA. Initial LDR estimates project that proposed legislation will require the creation of 2 T.O positions with total staffing costs of \$190,263 per year. Additional information received from LDR after the bill's first hearing indicates a need for up to 4 additional T.O positions (6 total) to properly facilitate interagency collaboration; the total cost of all 6 positions would be \$481,695. Again, LFO cannot corroborate the workload necessity detailed by LDR. To the degree that staffing levels are less than that estimated by LDR, costs would decrease proportionally.

Note: If proposed legislation detects significant fraud within the Medicaid program, expenditures within LDH would likely decrease, subject to the efficacy of enforcement, which would lead to the decrease in both SGF and federal funds.

**REVENUE EXPLANATION**

Proposed legislation does not have an estimated impact on state revenues. However, LDR expresses concern over a potential \$29 million loss in revenue through Federal Tax Information (FTI)-based discoveries if proposed legislation leads to the termination of the FTI sharing program between LDR and the IRS that may result from extending tax data access to the LLA. Because of long-standing integration of FTI into LDR's tax system, the potential dissolution of existing agreements as a result of proposed legislation can materially decrease revenue collections. However, LFO cannot corroborate this estimate or speak to its likeliness.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 <b>Alan M. Boxberger</b> Staff Director
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	