



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 24** SLS 25RS 271
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

| | | |
|--|---------|--------------------------------|
| Date: June 10, 2025 | 9:48 AM | Author: MCMATH |
| Dept./Agy.: Department of Health/Attorney General | | |
| Subject: Medical Assistance Programs Fraud Detection Fund | | Analyst: Anthony Shamis |

FUNDS/FUNDING EN INCREASE SD RV See Note Page 1 of 1
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, after accounting for any federal share, and excluding any third party liability (TPL) and estate recoveries as defined by federal regulation. Proposed law requires that monies in the fund shall be used to fund the Medicaid Fraud Control Unit within the Attorney General’s Office (AG) and the Program Integrity Section within the Louisiana Department of Health (LDH). Proposed law provides that after the Medicaid Fraud Control Unit within the AG’s Office is fully funded, 50% allocated to the AG’s fraud control unit and 50% allocated to the LDH Program Integrity Section. The balance of the fund shall not exceed \$20 M. Any excess collections will be used to fund medical assistance programs. Proposed law shall become effective on July 1, 2025; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval by the legislature or July 1, 2025, whichever is later.

| 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 to 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 (after accounting for any federal share, excluding any TPL and estate recoveries) 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 to 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 revenues increase significantly from the expanded sources of collections.

Note: Third Party Liability (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.

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 (after accounting for any federal share, and excluding any TPL and estate recoveries) by any state entity related to recovery, fine, or penalty pertaining to the medical assistance program, including providers and MCOs.

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| Senate | Dual Referral Rules | House | |
| <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} | |
| <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} | |
| | | | <div>Patrice Thomas Deputy Fiscal Officer</div> |