

# **PROGRESS REPORT: DECEASED MEDICAID BENEFICIARIES**

LOUISIANA DEPARTMENT OF HEALTH

PERFORMANCE AUDIT SERVICES  
DATA ANALYTICS UNIT

**August 6, 2025**

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August 6, 2025

The Honorable J. Cameron Henry, Jr.,  
President of the Senate  
The Honorable Phillip R. DeVillier,  
Speaker of the House of Representatives

Dear President Henry and Speaker DeVillier:

This report provides the results of our progress report of the Louisiana Department of Health (LDH). The purpose of this review was to analyze the progress made by LDH to improve its processes to identify and remove Medicaid coverage for beneficiaries who are deceased and, as a result, do not qualify for Louisiana's Medicaid program. In addition, we analyzed whether additional third-party data sources could identify deceased Medicaid beneficiaries not identified by LDH's current processes. We also conducted this review, in part, to further the goals of the Governor's Fiscal Responsibility Program, known as LA DOGE.

Overall, we found that while LDH appears to be identifying and removing deceased Medicaid beneficiaries through the various state and federal sources it currently uses, LDH could identify additional deceased Medicaid beneficiaries if it included additional third-party data sources such as obituaries, the Social Security Administration's Death Master File, and other state's Vital Records databases.

We found that LDH made approximately \$9.6 million in per-member per-month payments to managed care organizations for 1,072 beneficiaries after their date of death. These beneficiaries were identified as deceased through various datasets.

The report contains our findings, conclusions, and recommendations. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the Louisiana Department of Health for its assistance during this review.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

MJW/ch  
MEDICAID DECEASED PROGRESS REPORT





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# Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



## Progress Report: Deceased Medicaid Beneficiaries Louisiana Department of Health

August 2025

Audit Control # 40250013

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### Introduction

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We evaluated the progress made by the Louisiana Department of Health (LDH) to improve its processes to identify and remove Medicaid coverage for beneficiaries who are deceased and, as a result, do not qualify for Louisiana's Medicaid program. We conducted this progress report to follow-up on a November 2017 LLA report in which we identified Medicaid beneficiaries who were deceased and therefore no longer qualified for Louisiana's Medicaid program.<sup>1</sup> In addition, we analyzed whether additional third-party data sources could identify deceased Medicaid beneficiaries not identified by LDH's current processes. We also conducted this review, in part, to further the goals of the Governor's Fiscal Responsibility Program, known as LA DOGE.<sup>2</sup>

LDH administers the Medicaid program to provide health and medical services for uninsured and medically-indigent citizens. Under LDH's current full-risk prepaid managed care model, it pays a fixed per-member per-month (PMPM) fee to Managed Care Organizations (MCOs) for the administration of health benefits and payment of all claims.<sup>3</sup> However, LDH is responsible for determining Medicaid beneficiary eligibility and enrolling applicants into and removing ineligible beneficiaries from Louisiana's Medicaid program. The number of Medicaid beneficiaries in Louisiana increased 12.8%, from 1,448,703 in July 2016<sup>4</sup> to 1,634,380 in March 2025,<sup>5</sup> which is the last month of Medicaid data we had at the time of our analysis.

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<sup>1</sup> [Improper Payments for Deceased Medicaid Recipients](#)

<sup>2</sup> The Fiscal Responsibility Program, also known as LA DOGE, was created through an executive order ([Executive Order Number JML 24-176](#)) by Governor Jeff Landry on December 12, 2024, to monitor state spending and ensure Louisiana government operates in the most efficient and effective manner.

<sup>3</sup> A managed care model is an arrangement for health care in which an organization acts as a gatekeeper or intermediary between the person seeking care and the physician. For the purposes of this report, the term MCO refers to Louisiana's six Healthy Louisiana plans and two dental benefit program managers.

<sup>4</sup> July 2016 was the first month Louisiana provided expanded Medicaid coverage for the Adult group.

<sup>5</sup> Medicaid enrollment reached a peak of 2,055,782 in May 2023.

In addition to other requirements, one of the primary eligibility requirements for the Medicaid program is that beneficiaries should not be deceased. Per federal regulation, LDH is required to identify deceased Medicaid beneficiaries, remove them from Medicaid, and attempt recovery of PMPMs made after their date of death. Unlike most other data analyses LDH performs to identify potentially ineligible Medicaid beneficiaries, this analysis is one of only two for which LDH's contracts with the MCOs allow recoupment of any payments made on behalf of a Medicaid beneficiary after the date they were no longer eligible for the Medicaid program.<sup>6</sup> According to LDH, as of March 2025, it used various state and federal sources to identify deceased Medicaid beneficiaries (*see text box at right*).

**Death sources used by LDH:**

- Louisiana Vital Records
- Social Security Administration
- Centers for Medicare and Medicaid Services
- MCOs
- Louisiana Department of Children and Family Services

The objective of this review was:

**To analyze progress made by LDH to improve its processes to identify and remove Medicaid coverage for beneficiaries who are deceased and no longer qualify.**

Our results are summarized on the next page and discussed in detail throughout the remainder of the report. Appendix A contains LDH's response, and Appendix B contains our scope and methodology.

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<sup>6</sup> The other data analysis in which LDH is able to recoup payments in this manner is based on incarceration status. LDH can also recoup payments related to fraud.

## Objective: To analyze progress made by LDH to improve its processes to identify and remove Medicaid coverage for beneficiaries who are deceased and no longer qualify.

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Overall, we found that while LDH appears to be identifying and removing deceased Medicaid beneficiaries through the various state and federal sources it currently uses,<sup>7</sup> LDH could identify additional deceased Medicaid beneficiaries if it included additional third-party data sources such as obituaries, the Social Security Administration's (SSA) Death Master File (DMF),<sup>8</sup> and other states' Vital Records databases. Our previous report identified \$637,745 in potential improper PMPM payments for 203 deceased Medicaid recipients in MCO plans between July 2013 and August 2017 based on LDH's Vital Records database alone. For this progress report we specifically found that:

- **LDH paid approximately \$9.6 million<sup>9</sup> in PMPMs for 1,072 beneficiaries from February 2019 through March 2025 for Medicaid coverage after their date of death.<sup>10</sup>** None of these Medicaid beneficiaries received Medicaid services after their date of death, further indicating that they are deceased. We identified 511 (47.7%) beneficiaries through obituaries, 210 (19.6%) through LDH Vital Records data, 168 (15.7%) through the SSA DMF, 133 (12.4%) through a combination of LDH Vital Records data and third-party sources, and 50 (4.6%) through Vital Records databases from 13 other states.

Our findings and recommendations are discussed in more detail in the following section.

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<sup>7</sup> This report only analyzes PMPMs paid for deceased Medicaid beneficiaries after their date of death who also had no services after their date of death.

<sup>8</sup> While LDH has historically used a file from the SSA to identify deceased beneficiaries as referenced on page 2 of this report, that file only includes deaths of individuals who are listed in Social Security Income files. The SSA has more comprehensive files that contain additional death records from other various federal, state, and commercial sources.

<sup>9</sup> This amount is under-reported, as it only includes PMPMs for dental coverage for the months July 2024 through March 2025 and does not include the PMPMs paid by LDH to MCOs for health coverage. This is due to LDH making lump-sum capitation payments to the MCOs for these months while awaiting approval of a July 1, 2024, rate certification from the Office of State Procurement.

<sup>10</sup> Of the \$9,603,074 in PMPMs paid on behalf of deceased Medicaid beneficiaries identified as part of this report, we identified \$7,660,597 (79.8%) solely through third-party data sources.

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**LDH paid approximately \$9.6 million in PMPMs for 1,072 beneficiaries from February 2019 through March 2025 for Medicaid coverage after their date of death.**

LDH's Eligibility Manual requires that deaths of beneficiaries enrolled in Louisiana's Medicaid program must be reported to LDH within 10 days of the death. When LDH identifies that a beneficiary has died through reported information or a data source, LDH policy and federal regulations require LDH to remove their Medicaid coverage after independently verifying that the beneficiary is deceased.

**We used third-party data sources and LDH's Vital Records data to identify \$9,603,074 in PMPMs paid to MCOs on behalf of 1,072 Medicaid beneficiaries from February 2019 through March 2025 for Medicaid coverage after their date of death.** These Medicaid beneficiaries also received no Medicaid services after their date of death, further indicating that they are deceased. While LDH currently uses various methods to identify deceased individuals, it could incorporate additional third-party data sources into its eligibility process to strengthen its ability to identify additional deceased Medicaid beneficiaries. These third-party data sources include data from the SSA DMF, obituaries, and Vital Records databases from 13 other states. We used these three datasets to identify 729 (68.0%) of the 1,072 Medicaid beneficiaries and \$7,660,597 (79.8%) of the \$9,603,074 in PMPMs paid on behalf of deceased Medicaid beneficiaries identified as part of this review. These 729 Medicaid beneficiaries were not included in LDH's Vital Records data.

We also identified 210 deceased Medicaid beneficiaries and \$412,893 (4.3%) in PMPMs paid on their behalf solely through LDH's Vital Records data (not through the third-party data sources listed above), which LDH currently uses as part of its eligibility process to identify deceased Medicaid beneficiaries. These 210 Medicaid beneficiaries had a median of 23.5 days between their date of death and the latest PMPM paid on their behalf, whereas the deaths identified through obituaries and the SSA DMF had medians of 617.0 days and 799.0 days respectively. This indicates that LDH removed Medicaid coverage for beneficiaries identified through its Vital Records data shortly after identifying that the beneficiaries were deceased. Exhibit 1 shows the amount in PMPMs paid and the number of Medicaid beneficiaries identified in our results by data source, as well as the median number of days between the Medicaid beneficiaries' deaths and the latest PMPM paid on their behalf by LDH, from February 2019 through March 2025.



<b>Exhibit 1</b>			
<b>Beneficiaries and PMPMs Identified by Data Source(s)</b>			
<b>February 2019 through March 2025</b>			
<b>Data Source</b>	<b>Beneficiaries Identified</b>	<b>PMPMs Identified After Date of Death</b>	<b>Median Days Between Death and Latest PMPM</b>
Obituaries	511	\$5,219,902	617.0
SSA DMF	168	2,057,797	799.0
SSA DMF and LDH Vital Records*	61	784,874	700.0
Obituaries and LDH Vital Records*	72	744,710	90.5
LDH Vital Records*	210	412,893	23.5
13 Other State's Vital Records Data	50	382,898	457.0
<b>Total</b>	<b>1,072</b>	<b>\$9,603,074</b>	<b>418.0</b>
*Represents individuals identified through LDH's current use of LDH Vital Records. <b>Source:</b> Prepared by legislative auditor's staff using information from LDH and third-party data sources.			

After identifying these potentially deceased Medicaid beneficiaries, we provided the results of our analyses to LDH for its review in May 2025 and to ensure that those beneficiaries who were truly deceased were removed from the Medicaid program. According to LDH, as of June 26, 2025, it planned to withhold approximately \$4 million in PMPMs from the MCOs during its next monthly payment to recoup PMPMs previously paid to MCOs on behalf of beneficiaries after their date of death based on the agency's review of these results.

**Recommendation 1:** LDH should determine whether to utilize additional third-party data sources as part of its eligibility determination process to identify deceased Medicaid beneficiaries.

**Summary of Management's Response:** LDH agreed with this recommendation and stated that it is in the process of obtaining the Social Security Administration Death Master File and incorporating this data feed as a third-party data source. See Appendix A for LDH's full response.



## **APPENDIX A: MANAGEMENT'S RESPONSE**

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Jeff Landry  
GOVERNOR



Bruce D. Greenstein  
SECRETARY

**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**VIA E-MAIL ONLY**

July 30, 2025

Mr. Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

**Re: Progress Report: Deceased Medicaid Beneficiaries**

Dear Mr. Waguespack:

The Louisiana Department of Health (LDH) acknowledges receipt of correspondence from the Louisiana Legislative Auditor (LLA) dated July 23, 2025 titled Progress Report: Deceased Medicaid Beneficiaries. LDH appreciates the opportunity to provide this response to your office's conclusions and recommendations.

**Conclusion 1:** LDH paid approximately \$9.6 million in PMPMs for 1,072 beneficiaries from February 2019 through March 2025 for Medicaid coverage after their death date.

**Recommendation 1:** *LDH should determine whether to utilize additional third-party data sources as part of its eligibility determination process to identify deceased Medicaid beneficiaries.*

**LDH Response:** LDH concurs with the recommendation.

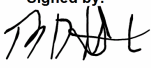
LDH is in the process of working with the U.S. Department of Treasury to gain the necessary approvals to receive the Social Security Administration Death Master File. Once this file is obtained, LDH will work to incorporate this data feed as a third-party data source.

A.1

Mr. Michael J. "Mike" Waguespack, CPA  
Progress Report: Deceased Medicaid Beneficiaries  
July 30, 2025  
Page 2

You may contact Kimberly Sullivan, Medicaid Director at (225) 219-7810 or via e-mail at [Kimberly.Sullivan@la.gov](mailto:Kimberly.Sullivan@la.gov) or Mitzi Hochheiser, Medicaid Deputy Director at (225) 954-0022 or via e-mail at [Mitzi.Hochheiser@la.gov](mailto:Mitzi.Hochheiser@la.gov) with any questions about this matter.

Sincerely,

Signed by:  
  
A1A38309C9B84C0...  
Bruce D. Greenstein  
Secretary

BG/ks

## APPENDIX B: SCOPE AND METHODOLOGY

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This report provides the results of our data analytics unit progress report of the Louisiana Department of Health's (LDH) processes to identify and remove coverage for Medicaid beneficiaries who are deceased and no longer qualify. We conducted this progress report under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. This review primarily covered the period of February 1, 2019, through March 31, 2025. Our objective was:

**To analyze progress made by LDH to improve its processes to identify and remove Medicaid coverage for beneficiaries who are deceased and no longer qualify.**

To conduct this analysis, we performed the following steps:

- Contacted LDH regarding the status of implementing recommendations made in the November 2017 audit report that analyzed LDH's processes to identify deceased Medicaid beneficiaries.
- Researched relevant federal and state laws, rules, and regulations.
- Researched relevant LDH policies, procedures, and informational bulletins.
- Researched relevant Centers for Medicare and Medicaid Services policies, procedures, and other documentation.
- Met with LDH staff to gain an understanding of the processes used to identify and remove Medicaid beneficiaries who are deceased.
- Obtained Medicaid data from LDH, including claims and encounters and beneficiary eligibility information.
- Obtained Vital Records data from LDH.
- Obtained Medicaid monthly enrollment numbers from LDH.
- Obtained data from third-party sources to identify potentially deceased Medicaid beneficiaries through obituaries, the Social Security Administration's Death Master File, and 13 other states' Vital Records data.
- Used SQL, Audit Command Language, and Excel to analyze data to identify potentially deceased Medicaid beneficiaries.
- Discussed and provided the results of our analyses to LDH management and incorporated edits throughout the report.