



**State of Louisiana**  
**Department of Health and Hospitals**  
Bureau of Health Services Financing  
**BAYOU HEALTH**

Sent Via Certified Mail

October 18, 2013

Ms. Rebecca Engelman, Executive Director  
LaCare  
10000 Perkins Rowe  
Block G, 4<sup>th</sup> Floor  
Baton Rouge, LA 70810

RE: Cash Disbursement Journal and Supplemental Data Files

Dear Ms. Engelman:

The quality of the cash disbursement journal and supplemental data files LaCare has been submitting to Myers & Stauffer, LC (MSLC) continues to be problematic, as Michelle Renée and I discussed with you on September 18, 2013. Ms. Renée summarized the issues discussed in that meeting via e-mail on September 25, 2013, and the pertinent portions of that e-mail are reiterated below for your convenience:

Some initial files have had formatting issues and data quality issues, which has required numerous resubmissions. Each iteration of a file MSLC receives requires resources to review and identify any remaining problems in the file. In many instances, the feedback regarding problems MSLC has provided to LaCare has been identified previously and/or been discussed during a conference call with LaCare staff.

Common issues include problems with formatting, transaction dates, transaction types, accounting for adjustments and voids properly, and various other issues. The file MSLC received on May 6, 2013 was error free and MSLC indicated that all other months should be submitted in the same manner. However, the subsequent files had a number of identical issues that had been discussed and corrected in earlier versions of the data files.

Efforts to resolve the issues noted in Ms. Renée's e-mail have required a voluminous number of telephone calls and e-mails between LaCare, MSLC, and DHH, as well as many hours of effort by MSLC to review and analyze the problematic files. This level of effort is disproportionate to that required for the other prepaid plans.

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The amount of resources being expended by MSLC and funded by the department to address the issues related to LaCare's data is substantial. In the month of August only, MSLC worked 162 hours on activities related to ensuring the quality of data submitted by the prepaid plans. Of this total number of hours, MSLC spent 107 hours, or 66% of its time, on issues related to LaCare's submissions. This compares to only 26 hours (16%) and 29 hours (18%) spent working on the submissions from the other two prepaid plans.

In addition to the contacts between LaCare and MSLC, there have been numerous conversations between Molina and LaCare regarding these issues. In an effort to provide even more assistance, an EDI Technical Assistance session was conducted by Molina with LaCare's staff on August 19, 2013. LaCare's process document was reviewed during the session and LaCare staff demonstrated an understanding of how to submit the data accurately. The document required a few changes, and LaCare was to make those changes and resubmit it to DHH for final review. As of October 1, 2013, the revised document had not been provided to DHH. Also, during the technical assistance session, LaCare staff mentioned that approximately 90,000 medical adjustments need to be submitted, but the department has been unable to confirm that these adjustments have been submitted to Molina.

A limited amount of funds are available in the department's contract with MSLC and the department can no longer fund MSLC's efforts related to LaCare's faulty data submissions. The requirements have been outlined clearly by MSLC on multiple occasions and LaCare is expected to comply with those requirements and submit data that is complete.

The department requests that LaCare submit a Corrective Action Plan (CAP) outlining the steps to be taken by LaCare to provide complete data files to MSLC and a date certain by which this will occur, including the date by which the process document discussed in the technical assistance meeting will be submitted. If the 90,000 adjustments have not been submitted to Molina, the date by which this submission will occur should also be included in the CAP. The CAP should be submitted to Michelle Renée by Friday, October 25, 2013. The failure of LaCare to submit a CAP or its failure to comply with the terms of the CAP may result in financial penalty.

Should you have any questions, please do not hesitate to contact Michelle or me.

Sincerely,

Mary T. C. Johnson  
Medicaid Deputy Director-Bayou Health

MJ/sg

c: Ruth Kennedy  
Michelle Renée  
Jen Steele  
Darlene White