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Joanne Chiedi
Acting Inspector General
United States Department of Health and Human Services
330 Independence Ave., SW
Washington, DC 20201

Inspector General Chiedi:

I write today to notify you of an issue that I believe warrants your immediate attention and investigation. As you are likely aware, in early 2016, Louisiana Governor John Bel Edwards signed an executive order to expand Medicaid. Since then, over 500,000 Louisianians have enrolled in Medicaid Expansion. Over 50,000 of those individuals have since been disenrolled in the program because it was discovered they were never eligible to receive benefits in the first place. A report issued by the Louisiana Legislative Auditor in November 2018 found that Louisiana may have misspent as much as \$85 million of taxpayer money over 20 months for people enrolled in the Expansion program who did not qualify. A previous request has been submitted to CMS to investigate this fraud within the Louisiana Medicaid program.

On April 11, 2018, Louisiana State University released a report, entitled "Medicaid Expansion and the Louisiana Economy." The report was commissioned by the Louisiana Department of Health ("LDH") and prepared by Dr. Jim Richardson and the Public Administration Institute at Louisiana State University ("LSU"). It is my understanding that LDH used federal Medicaid dollars to fund this study. Among other things, the report included findings that Medicaid Expansion in Louisiana has helped the state save \$317 million and create 19,200 new jobs. See: <http://gov.louisiana.gov/assets/MedicaidExpansion/MedicaidExpansionStudy.pdf>

Recently it has come to my attention that information contained in the 2018 Medicaid Expansion Report is false. It has been further brought to my attention that the false statements made in that report may have been deliberately false. More specifically, the statement that Medicaid Expansion created 19,200 jobs, which the State of Louisiana has repeatedly publicized when discussing the impact of Medicaid expansion, is untrue and is based on a flawed methodology.

CMS data reveals that subsidized enrollment on Louisiana's Exchange fell by nearly half, from 170,806 in March 2016 to 93,865 in March 2018. Over 96% of that decline came from the individuals who now qualify for expansion and therefore moved from the Exchange to Medicaid. When analyzing the economic impact of Medicaid Expansion, it is imperative that the analysis takes into account this reduction in federal subsidies by subtracting the federal tax credits that otherwise would have been paid for individuals with incomes between 100% and 138% of

poverty for coverage on the Exchange. Indeed, North Carolina recently issued a similar economic impact study and acknowledged that a sound and accurate analysis must take this issue into account.

Because the study commissioned by LDH ignored this critical data source, it overstated the economic impact attributable to Medicaid Expansion by hundreds of millions of dollars and thousands of jobs. More concerning is that I have reason to believe that LDH and the LSU team knowingly and intentionally ignored this data in order to achieve inaccurate but more desirous findings.

Section 515 of the 2018 Department of Labor-HHS spending bill, Consolidated Appropriations Act specifically prohibits states from using federal Medicaid funding to disseminate deliberately false or misleading statements:

SEC. 515. (a) None of the funds made available in this Act may be used to request that a candidate for appointment to a Federal scientific advisory committee disclose the political affiliation or voting history of the candidate or the position that the candidate holds with respect to political issues not directly related to and necessary for the work of the committee involved.

(b) **None of the funds made available in this Act may be used to disseminate information that is deliberately false or misleading.**

[Public Law 115-141, 132 Stat. 439]

As stated above, I have reason to believe that the Louisiana Department of Health has violated this law by using federal dollars to commission and distribute a study that contained findings that are deliberately false and misleading. Furthermore, I am aware that LDH has commissioned a follow-up report from LSU that will be published soon. I fear that the new report will contain similar false or misleading statements.

In light of this, I respectfully request that the Office of the Inspector General initiate an investigation into whether LDH has used to federal Medicaid dollars to disseminate knowingly false and misleading statements. My charge as a United States Congressman is to protect the interests of my District and my State. This includes ensuring that Louisiana uses federal dollars wisely, and legally.

I am happy to make myself available to answer any questions you might have.

Sincerely,



Ralph Abraham, MD
MEMBER OF CONGRESS