NOTICE OF INTENT

Department of Health

Bureau of Health Services Financing

Medicaid Program Integrity—Fraud, Waste and Abuse Recovery

(LAC 50:I.4205, 4209, 4211, 4403, 4409, 4421, 4603 and 4611)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:I.4205, 4209, 4211, 4403, 4409, 4421, 4603, and 4611 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

On May 20, 2026, the Department of Health, Bureau of Health Services Financing promulgated a Rule that repealed the previous provisions governing Medicaid Program Integrity and replaced them with updated language. The department now proposes to amend these provisions to address comments received during the public comments period for that Rulemaking. These proposed changes are to clarify language and do not alter existing practice.

The proposed Rule text below has been drafted utilizing plain language principles to ensure clarity and accessibility

for all users. It has also been reviewed and tested for compliance with web accessibility standards.

Title 50

PUBLIC HEALTH—MEDICAL ASSISTANCE

Part I. Administration

Subpart 5. Medicaid Program Integrity

Chapter 41. Fraud, Waste and Abuse Recovery

Subchapter C. Provider Obligations and Prohibited Conduct

§4205. Compliance Review

A. …

B. A compliance review may be initiated as its own action or as part of an investigation, pre-payment or post-payment review.

C. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and 46:437.1-46:440.3.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 52:691 (May 2026), amended by the Department of Health, Bureau of Health Services Financing, LR 52:

Subchapter C. Provider Obligations and Prohibited Conduct

§4209. Provider Obligations

A. – M.3. …

N. Providers shall conduct all employee and non-employee screening requirements that state or federal law, regulation, or sub-regulatory guidance requires. This includes:

1. – 3. …

O. All employee and non-employee screening shall be done in the frequency the law or regulation requires.

1. – 2. Repealed.

P. If a provider discovers they have employed or otherwise affiliated with an excluded or disqualified person, the provider shall immediately terminate the relationship.

1. – 1.d. ...

2. Claims that do not result from an excluded person's services are not required to be reported pursuant to Subsections C and D. In such an instance, the provider shall identify the claims an excluded person's services may have contributed to upon the department's or other health oversight entity's request.

3. Failure to notify the department within the timeframe this Subsection requires will not be deemed a violation if the provider can show good cause why the deadline was missed.

Q. – W. ...

X. Providers shall accept the Medicaid payment as payment in full when they accept a Medicaid beneficiary as a patient or

client, unless the program specifically authorized the provider to charge a fee to the Medicaid beneficiary.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and 46:437.1-46:440.3.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 52:692 (May 2026), amended by the Department of Health, Bureau of Health Services Financing, LR 52:

§4211. Prohibited Conduct

A. A provider shall not:

1. – 2. …

3. fail to notify BHSF, within 10 business days of discovery, of employment or affiliation with an excluded person. If it is determined the failure to disclose this information was done knowingly, the provider’s enrollment may be voided back to the date of the concealment;

4. – 4.f. …

5. if it is determined a failure to disclose required information Sub-paragraph §4211.A.4 requires was done knowingly, the provider's enrollment may be voided back to the date of the concealment.

A.6. – B. …

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and 46:437.1-46:440.3.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 52:693 (May 2026), amended by the Department of Health, Bureau of Health Services Financing, LR 52:

Subchapter D. Administrative Sanctions and Appeals

§4403. Final Sanctions

A. – B. …

C. When a sanction is imposed pursuant to this Section, the provider shall be responsible for reasonable costs of investigation the department incurred. This includes costs for the department’s time and expenses that its employees, agents, or contractors incurred. The department may waive recovery of costs and expenses when resolving an action.

D. – G. …

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and 46:437.1-46:440.3.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 52:694 (May 2026), amended by the Department of Health, Bureau of Health Services Financing, LR 52:

§4409. Mandatory Exclusion

A. The BHSF director and the PIU section chief shall exclude any provider from the Medicaid program if the provider has:

1. – 3. …

4. agreed to be excluded as part of a resolution of an action pursued by any health oversight agency; or

A.5. – E. …

F. Upon written request from an excluded individual, a mandatory exclusion shall be removed if the criminal action upon which an exclusion is based is dismissed, overturned, set aside, or reversed on appeal.

1. The excluded individual shall submit supporting documentation that the criminal action was dismissed, overturned, set aside, or reversed on appeal.

2. …

3. A dismissal based upon completion of a deferred prosecution arrangement, such as a pre-trial intervention program, is not subject to this provision.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and 46:437.1-46:440.3.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 52:695 (May 2026), amended by the Department of Health, Bureau of Health Services Financing, LR 52:

§4421. Requirements for Suspension of Payments for a Credible Allegation of Fraud

A. ...

B. The requirements for the issuance of a withholding pursuant to LAC 50:I.4417 shall be applicable to a suspension of payments for a credible allegation of fraud, except:

B.1. – C. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and 46:437.1-46:440.3.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 52:698 (May 2026), amended by the Department of Health, Bureau of Health Services Financing, LR 52:

Subchapter F. Miscellaneous

§4603. Extended Payment Term

A. Any extended payment term allowed by LAC 50:I.4601.B and C of this Chapter shall be in writing and contain at the minimum:

A.1. – B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and 46:437.1-46:440.3.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 52:699 (May 2026), amended by the Department of Health, Bureau of Health Services Financing, LR 52:

§4611. Confidentiality

A. All contents of investigations and reviews conducted pursuant to this Chapter shall remain confidential until entry of the final sanction. The only persons that may review the contents of an investigatory file are:

1. the parties to an action or their authorized agents and representatives;

2. – 5. …

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and 46:437.1-46:440.3.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 52:700 (May 2026), amended by the Department of Health, Bureau of Health Services Financing, LR 52:

Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will have no impact on family functioning, stability and autonomy as described in R.S. 49:972.

Poverty Impact Statement

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on child, individual, or family poverty

in relation to individual or community asset development as described in R.S. 49:973.

Small Business Analysis

In compliance with the Small Business Protection Act, the economic impact of this proposed Rule on small businesses has been considered. It is anticipated that this proposed Rule will have no impact on small businesses.

Provider Impact Statement

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, no direct or indirect cost to the provider to provide the same level of service and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

Public Comments

Interested persons may submit written comments to Tangela Womack, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. Womack is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is August 19, 2026.

Public Hearing

Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on August 10, 2026. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on August 27, 2026, in Room 118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether a public hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after August 10, 2026. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing.

Bruce D. Greenstein

Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Medicaid Program Integrity—Fraud, Waste and Abuse Recovery

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that implementation of this proposed rule will have no programmatic fiscal impact to the state other than the cost of promulgation for FY 26-27. It is anticipated that

$604 will be expended in FY 26-27 for the state’s administrative expense for promulgation of this proposed rule and the final rule.

This proposed rule amends the provisions governing Medicaid Program Integrity to address comments received during the public comment period for the rule that became effective May 20, 2026. These are changes to clarify language and do not alter existing practice.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that implementation of this proposed rule will have no effect on revenue collections other than the federal share of the promulgation costs for FY 26-27. It is anticipated that $603 will be collected in FY 26-27 for the federal share of the expense for promulgation of this proposed rule and the final rule.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

This proposed rule is not anticipated to result in a fiscal impact on affected persons, small businesses, or non-governmental

groups as it only clarifies language and does not alter existing practice.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This proposed rule has no known effect on competition and employment.