

REPORT HIGHLIGHTS



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Medicare Advantage Compliance Audit of Specific Diagnosis Codes Humana Health Benefit of Louisiana (Contract H1951) Submitted to CMS

Why OIG Did This Audit

- Under the Medicare Advantage (MA) program, CMS makes monthly payments to MA organizations based in part on the health status of the enrollees being covered.
- To determine the health status of enrollees, CMS relies on MA organizations to collect diagnosis codes from its providers and submit these codes to CMS. Some diagnoses are at higher risk for being miscoded, which may result in overpayments from CMS.
- This audit of Humana Health Benefit of Louisiana (Humana) is part of a series of audits in which we are reviewing high-risk diagnosis codes that MA organizations submitted to CMS for use in its risk adjustment program.

What OIG Found

Most of the selected diagnosis codes that Humana submitted to CMS for use in CMS's risk adjustment program did not comply with Federal requirements.

- For 218 of the 240 sampled enrollee-years, medical records did not support the diagnosis codes and resulted in \$553,049 in overpayments.
- On the basis of our sample results, we estimated that Humana received at least \$10.5 million in overpayments for 2017 and 2018.

As demonstrated by the errors found in our sample, Humana's policies and procedures to prevent, detect, and correct noncompliance with CMS's program requirements, as mandated by Federal regulations, could be improved. Due to Federal regulations that limit the use of extrapolation for recovery purposes to 2018 and forward, we limited our recommended recovery to \$5.5 million.

What OIG Recommends

We made three recommendations to Humana: that it refund to the Federal Government the \$5.5 million of estimated overpayments, identify similar instances of noncompliance that occurred after our audit period and refund any resulting overpayments, and continue to examine its compliance procedures to identify areas where improvements can be made to ensure that diagnoses codes that are at high risk for being miscoded comply with Federal requirements (when submitted to CMS for use in CMS's risk adjustment program) and take the necessary steps to enhance those procedures.

Humana did not agree with our findings or with our recommendations.