

By: Dukes

H.B. No. 2905

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the office of inspector general for the Health and Human
3 Services Commission.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Chapter 531, Government Code, is amended by
6 adding Subchapter R to read as follows:

SUBCHAPTER R. INSPECTOR GENERAL

Sec. 531.701. DEFINITIONS. In this subchapter:

(3) "Office" means the Office of Inspector General.

21 Sec. 531.702. REFERENCE IN OTHER LAW. Notwithstanding any
22 other provision of law, a reference in law or rule to the
23 commission's office of inspector general or the commission's office
24 of investigations and enforcement means the Office of Inspector

1 General.

2 Sec. 531.703. OFFICE OF INSPECTOR GENERAL; ADMINISTRATIVE
3 ATTACHMENT. (a) The office of inspector general is responsible
4 for:

5 (1) the investigation of fraud, waste, and abuse in
6 the provision or funding of health or human services by this state;
7 (2) the enforcement of state law relating to the
8 provision of those services to protect the public; and
9 (3) the prevention and detection of crime relating to
10 the provision of those services.

11 (b) The office is administratively attached to the
12 commission. The commission shall provide to the office
13 administrative support services from the commission and from health
14 and human services agencies.

15 Sec. 531.704. SERVICE LEVEL AGREEMENT; FUNDS. (a) The
16 commission and the office shall enter into a service level
17 agreement that establishes the performance standards and
18 deliverables with regard to administrative support by the
19 commission.

20 (b) The service level agreement must be reviewed at least
21 annually to ensure that services and deliverables are provided in
22 accordance with the agreement.

23 (c) The commission shall request, apply for, and receive for
24 the office any appropriations or other money from this state or the
25 federal government.

26 (d) The commission shall provide to the office for the state
27 fiscal biennium beginning September 1, 2009, the same level of

1 administrative support the commission provided to the office
2 established under former Section 531.102 for the state fiscal
3 biennium beginning September 1, 2007. This subsection expires
4 January 1, 2012.

5 Sec. 531.705. DUTIES OF COMMISSION. (a) The commission
6 shall:

7 (1) provide administrative assistance to the office;
8 and
9 (2) coordinate administrative responsibilities with
10 the office to avoid unnecessary duplication of duties.

11 (b) The commission may not take an action that affects or
12 relates to the validity, status, or terms of an interagency
13 agreement or a contract to which the office is a party without the
14 office's approval.

15 Sec. 531.706. INDEPENDENCE OF OFFICE. (a) Except as
16 otherwise provided by this chapter, the office and inspector
17 general operate independently of the commission.

18 (b) The inspector general and the office staff are not
19 employees of the commission.

20 Sec. 531.707. INSPECTOR GENERAL: APPOINTMENT AND TERM. (a)
21 The governor shall appoint an inspector general to serve as
22 director of the office.

23 (b) The inspector general serves a two-year term that
24 expires on February 1 of each odd-numbered year.

25 Sec. 531.708. CONFLICT OF INTEREST. (a) The inspector
26 general may not serve as an ex officio member on the governing body
27 of a governmental entity.

1 (b) The inspector general may not have a financial interest
2 in the transactions of the office, a health and human services
3 agency, or a health or human services provider.

4 Sec. 531.709. RULEMAKING BY INSPECTOR GENERAL. (a)
5 Notwithstanding Section 531.0055(e) and any other law, the
6 inspector general shall adopt the rules necessary to administer the
7 functions of the office, including rules to address the imposition
8 of sanctions and penalties for violations and due process
9 requirements for imposing sanctions and penalties.

10 (b) A rule, standard, or form adopted by the executive
11 commissioner, the commission, or a health and human services agency
12 that is necessary to accomplish the duties of the office is
13 considered to also be a rule, standard, or form of the office and
14 remains in effect as a rule, standard, or form of the office until
15 changed by the inspector general.

16 (c) The office may submit proposed rules and adopted rules
17 to the commission for publication. The executive commissioner or
18 commission may not amend or modify a rule submitted by the office.

19 (d) The rules must include standards for the office that
20 emphasize:

21 (1) coordinating investigative efforts to
22 aggressively recover money;

23 (2) allocating resources to cases that have the
24 strongest supportive evidence and the greatest potential for
25 recovery of money; and

26 (3) maximizing opportunities for referral of cases to
27 the office of the attorney general.

1 Sec. 531.710. EMPLOYEES; MEDICAL REVIEW OFFICER; TRAINING.

2 (a) The inspector general may employ personnel as necessary to
3 implement the duties of the office.

4 (b) The inspector general shall employ a physician as the
5 medical review officer to perform reviews and provide information
6 and consultation as appropriate when the matter at issue involves
7 or requires medical expertise.

8 (c) The inspector general shall train office personnel to
9 pursue priority Medicaid and other health and human services fraud,
10 waste, and abuse cases efficiently and as necessary.

11 (d) The inspector general may contract with certified
12 public accountants, management consultants, or other professional
13 experts necessary to enable the inspector general and office
14 personnel to independently perform the functions of the inspector
15 general's office.

16 (e) The inspector general may require employees of health
17 and human services agencies to provide assistance to the office in
18 connection with the office's duties relating to the investigation
19 of fraud, waste, and abuse in the provision of health and human
20 services.

21 Sec. 531.711. REVIEW AND AUDIT AUTHORITY. (a) The
22 inspector general may evaluate any activity or operation of a
23 health and human services agency, health or human services
24 provider, or person in this state that is related to the
25 investigation, detection, or prevention of fraud, waste, and abuse
26 or employee misconduct in a state or state-funded health or human
27 services program. A review may include an investigation or other

1 inquiry into a specific act or allegation of, or a specific
2 financial transaction or practice that may involve, impropriety,
3 malfeasance, or nonfeasance in the obligation, spending, receipt,
4 or other use of state money.

5 (b) The executive commissioner, the commission, or a health
6 and human services agency of this state may not impair or prohibit
7 the inspector general from initiating or completing a review.

8 (c) The inspector general may audit and review the use and
9 effectiveness of state funds, including contract and grant funds,
10 administered by a person or state agency receiving the funds in
11 connection with a state or state-funded health or human services
12 program.

13 Sec. 531.712. INITIATION OF REVIEW. The inspector general
14 may initiate a review:

15 (1) on the inspector general's own initiative;
16 (2) at the request of the commission or executive
17 commissioner; or
18 (3) based on a complaint from any source concerning a
19 matter described by Section 531.711.

20 Sec. 531.713. INTEGRITY REVIEW. (a) The office shall
21 conduct an integrity review to determine whether there is
22 sufficient basis to warrant a full investigation on receipt of any
23 complaint of fraud, waste, or abuse of funds in the state Medicaid
24 program from any source.

25 (b) An integrity review must begin not later than the 30th
26 day after the date the office receives a complaint or has reason to
27 believe that Medicaid fraud, waste, or abuse has occurred. An

1 integrity review shall be completed not later than the 90th day
2 after the date the review began.

3 (c) If the findings of an integrity review give the office
4 reason to believe that an incident of fraud involving possible
5 criminal conduct has occurred in the state Medicaid program, the
6 office must take the following action, as appropriate, not later
7 than the 30th day after the completion of the integrity review:

8 (1) if a provider is suspected of fraud involving
9 criminal conduct, the office must refer the case to the state's
10 Medicaid fraud control unit, provided that the criminal referral
11 does not preclude the office from continuing its investigation of
12 the provider or preclude the imposition of appropriate
13 administrative or civil sanctions; or

14 (2) if there is reason to believe that a recipient of
15 funds has defrauded the Medicaid program, the office may conduct a
16 full investigation of the suspected fraud.

17 Sec. 531.714. ACCESS TO INFORMATION. (a) To further a
18 review conducted by the office, the inspector general is entitled
19 to full and unrestricted access to all offices, limited-access or
20 restricted areas, employees, books, papers, records, documents,
21 equipment, computers, databases, systems, accounts, reports,
22 vouchers, or other information, including confidential
23 information, electronic data, and internal records relevant to the
24 functions of the office, maintained by a person, health and human
25 services agency, or health or human services provider in connection
26 with a state or state-funded health or human services program.

27 (b) The inspector general may not access data or other

1 information the release of which is restricted under federal law
2 unless the appropriate federal agency approves the release to the
3 office or its agent.

4 Sec. 531.715. COOPERATION REQUIRED. To further a review
5 conducted by the inspector general's office, the inspector general
6 may require medical or other professional assistance from the
7 executive commissioner, the commission, a health and human services
8 agency, or an auditor, accountant, or other employee of the
9 commission or agency.

10 Sec. 531.716. REFERRAL TO STATE MEDICAID FRAUD CONTROL
11 UNIT. (a) At the time the office learns or has reason to suspect
12 that a health or human services provider's records related to
13 participation in the state Medicaid program are being withheld,
14 concealed, destroyed, fabricated, or in any way falsified, the
15 office shall immediately refer the case to the state's Medicaid
16 fraud control unit.

17 (b) A criminal referral under Subsection (a) does not
18 preclude the office from continuing its investigation of a health
19 or human services provider or the imposition of appropriate
20 administrative or civil sanctions.

21 Sec. 531.717. HOLD ON CLAIM REIMBURSEMENT PAYMENT;
22 EXCLUSION FROM PROGRAMS. (a) In addition to other instances
23 authorized under state or federal law, the office shall impose
24 without prior notice a hold on payment of claims for reimbursement
25 submitted by a health or human services provider to compel
26 production of records related to participation in the state
27 Medicaid program or on request of the state's Medicaid fraud

1 control unit, as applicable.

2 (b) The office must notify the health or human services
3 provider of the hold on payment not later than the fifth working day
4 after the date the payment hold is imposed.

5 (c) The office shall, in consultation with the state's
6 Medicaid fraud control unit, establish guidelines under which holds
7 on payment or exclusions from a state or state-funded program:

8 (1) may permissively be imposed on a health or human
9 services provider; or

10 (2) shall automatically be imposed on a provider.

11 (d) A health or human services provider subject to a hold on
12 payment or excluded from a program under this section is entitled to
13 a hearing on the hold or exclusion. A hearing under this subsection
14 is a contested case hearing under Chapter 2001. The State Office of
15 Administrative Hearings shall conduct the hearing. After the
16 hearing, the office, subject to judicial review, shall make a final
17 determination. The commission, a health and human services agency,
18 and the office of the attorney general are entitled to intervene as
19 parties in the contested case.

20 Sec. 531.718. REQUEST FOR EXPEDITED HEARING. (a) On timely
21 written request by a health or human services provider subject to a
22 hold on payment under Section 531.717, other than a hold requested
23 by the state's Medicaid fraud control unit, the office shall file a
24 request with the State Office of Administrative Hearings for an
25 expedited administrative hearing regarding the hold.

26 (b) The health or human services provider must request an
27 expedited hearing not later than the 10th day after the date the

1 provider receives notice from the office under Section 531.717(b).

2 Sec. 531.719. INFORMAL RESOLUTION. (a) The inspector
3 general shall adopt rules that allow a health or human services
4 provider subject to a hold on payment under Section 531.717, other
5 than a hold requested by the state's Medicaid fraud control unit, to
6 seek an informal resolution of the issues identified by the office
7 in the notice provided under that section.

8 (b) A health or human services provider must seek an
9 informal resolution not later than the 10th day after the date the
10 provider receives notice from the office under Section 531.717(b).

11 (c) A health or human services provider's decision to seek
12 an informal resolution does not extend the time by which the
13 provider must request an expedited administrative hearing under
14 Section 531.718.

15 (d) A hearing initiated under Section 531.717 shall be
16 stayed at the office's request until the informal resolution
17 process is completed.

18 Sec. 531.720. EMPLOYEE REPORTS. The inspector general may
19 require employees at the commission or a health and human services
20 agency to report to the office information regarding fraud, waste,
21 misuse or abuse of funds or resources, corruption, or illegal acts.

22 Sec. 531.721. SUBPOENAS. (a) The inspector general may
23 issue a subpoena to compel the attendance of a relevant witness or
24 the production, for inspection or copying, of relevant evidence in
25 connection with a review conducted under this subchapter.

26 (b) A subpoena may be served personally or by certified
27 mail.

1 (c) If a person fails to comply with a subpoena, the
2 inspector general, acting through the attorney general, may file
3 suit to enforce the subpoena in a district court in this state.

4 (d) On finding that good cause exists for issuing the
5 subpoena, the court shall order the person to comply with the
6 subpoena. The court may hold in contempt a person who fails to obey
7 the court order.

8 (e) The reimbursement of the expenses of a witness whose
9 attendance is compelled under this section is governed by Section
10 2001.103.

11 Sec. 531.722. INTERNAL AUDITOR. (a) In this section,
12 "internal auditor" means a person appointed under Section 2102.006.

13 (b) The internal auditor for a health and human services
14 agency shall provide the inspector general with a copy of the
15 agency's internal audit plan to:

16 (1) assist in the coordination of efforts between the
17 inspector general and the internal auditor; and

18 (2) limit duplication of effort regarding reviews by
19 the inspector general and internal auditor.

20 (c) The internal auditor shall provide to the inspector
21 general all final audit reports concerning audits of any:

22 (1) part or division of the agency;

23 (2) contract, procurement, or grant; and

24 (3) program conducted by the agency.

25 Sec. 531.723. COOPERATION WITH LAW ENFORCEMENT OFFICIALS
26 AND OTHER ENTITIES. (a) The inspector general may provide
27 information and evidence relating to criminal acts to the state

1 auditor's office and appropriate law enforcement officials.

2 (b) The inspector general may refer matters for further
3 civil, criminal, and administrative action to appropriate
4 administrative and prosecutorial agencies, including the attorney
5 general.

6 (c) The inspector general may enter into a memorandum of
7 understanding with a law enforcement or prosecutorial agency,
8 including the office of the attorney general, to assist in
9 conducting a review under this subchapter.

10 Sec. 531.724. COOPERATION AND COORDINATION WITH STATE
11 AUDITOR. (a) The state auditor may, on request of the inspector
12 general, provide appropriate information or other assistance to the
13 inspector general or office, as determined by the state auditor.

14 (b) The inspector general may meet with the state auditor's
15 office to coordinate a review conducted under this subchapter,
16 share information, or schedule work plans.

17 (c) The state auditor is entitled to access all information
18 maintained by the inspector general, including vouchers,
19 electronic data, internal records, and information obtained under
20 Section 531.714 or subject to Section 531.731.

21 (d) Any information obtained or provided by the state
22 auditor under this section is confidential and not subject to
23 disclosure under Chapter 552.

24 Sec. 531.725. PREVENTION. (a) The inspector general may
25 recommend to the commission and executive commissioner policies on:

26 (1) promoting economical and efficient administration
27 of state funds administered by an individual or entity that

1 received the funds from a health and human services agency; and
2 (2) preventing and detecting fraud, waste, and abuse
3 in the administration of those funds.

4 (b) The inspector general may provide training or other
5 education regarding the prevention of fraud, waste, or abuse to
6 employees of a health and human services agency. The training or
7 education provided must be approved by the presiding officer of the
8 agency.

9 Sec. 531.726. RULEMAKING BY EXECUTIVE COMMISSIONER. The
10 executive commissioner may adopt rules governing a health and human
11 services agency's response to reports and referrals from the
12 inspector general on issues identified by the inspector general
13 related to the agency or a contractor of the agency.

14 Sec. 531.727. ALLEGATIONS OF MISCONDUCT AGAINST PRESIDING
15 OFFICER. If a review by the inspector general involves allegations
16 that a presiding officer of a health and human services agency has
17 engaged in misconduct, the inspector general shall report to the
18 governor during the review until the report is completed or the
19 review is closed without a finding.

20 Sec. 531.728. PERIODIC REPORTING TO STATE AUDITOR AND
21 EXECUTIVE COMMISSIONER REQUIRED. The inspector general shall
22 timely inform the state auditor and the executive commissioner of
23 the initiation of a review of a health and human services agency
24 program and the ongoing status of each review.

25 Sec. 531.729. REPORTING OFFICE FINDINGS. The inspector
26 general shall report the findings of any review or investigation
27 conducted by the office to:

- (1) the executive commissioner;
- (2) the governor;
- (3) the lieutenant governor;
- (4) the speaker of the house of representatives;
- (5) the state auditor's office; and
- (6) appropriate law enforcement and prosecutorial
ncluding the office of the attorney general, if the
qgest the probability of criminal conduct.

15 Sec. 531.731. INFORMATION CONFIDENTIAL. (a) Except as
16 provided by this section, Sections 531.103, 531.727 through
17 531.730, 531.732, and 531.733, all information and material
18 compiled by the inspector general during a review under this
19 subchapter is:

26 (b) As the inspector general determines appropriate based
27 on evidence sufficient to support an allegation, information

1 relating to a review may be disclosed to:

2 (1) a law enforcement agency;
3 (2) the attorney general's office;
4 (3) the state auditor's office; or
5 (4) the commission.

6 (c) A person that receives information under Subsection (b)
7 may not disclose the information except to the extent that
8 disclosure is consistent with the authorized purpose for which the
9 person first obtained the information.

10 Sec. 531.732. DRAFT OF FINAL REVIEW REPORT; AGENCY
11 RESPONSE. (a) Except in cases in which the office has determined
12 that potential fraud, waste, or abuse exists, the office shall
13 provide a draft of the final review report of any investigation,
14 audit, or review of the operations of a health and human services
15 agency to the presiding officer of the agency before publishing the
16 office's final review report.

17 (b) The health and human services agency may provide a
18 response to the office's draft report in the manner prescribed by
19 the office not later than the 10th day after the date the draft
20 report is received by the agency. The inspector general by rule
21 shall specify the format and requirements of the agency response.

22 (c) Notwithstanding Subsection (a), the office may not
23 provide a draft report to the presiding officer of the agency if in
24 the inspector general's opinion providing the draft report could
25 negatively affect any anticipated civil or criminal proceedings.

26 (d) The office may include any portion of the agency's
27 response in the office's final report.

1 Sec. 531.733. FINAL REVIEW REPORTS; AGENCY RESPONSE. (a)

2 The inspector general shall prepare a final report for each review
3 conducted under this subchapter. The final report must include:

4 (1) a summary of the activities performed by the
5 inspector general in conducting the review;

6 (2) a determination of whether wrongdoing was found;
7 and

8 (3) a description of any findings of wrongdoing.

9 (b) The inspector general's final review reports are
10 subject to disclosure under Chapter 552.

11 (c) All working papers and other documents related to
12 compiling the final review reports remain confidential and are not
13 subject to disclosure under Chapter 552.

14 (d) Not later than the 60th day after the date the office
15 issues a final report that identifies deficiencies or
16 inefficiencies in, or recommends corrective measures in the
17 operations of, a health and human services agency, the agency shall
18 file a response that includes:

19 (1) an implementation plan and timeline for
20 implementing corrective measures; or

21 (2) the agency's rationale for declining to implement
22 corrective measures for the identified deficiencies or
23 inefficiencies or the office's recommended corrective measures, as
24 applicable.

25 Sec. 531.734. STATE AUDITOR AUDITS, INVESTIGATIONS, AND
26 ACCESS TO INFORMATION NOT IMPAIRED. This subchapter or other law
27 related to the operation of the inspector general does not prohibit

1 the state auditor from conducting an audit, investigation, or other
2 review or from having full and complete access to all records and
3 other information, including witnesses and electronic data, that
4 the state auditor considers necessary for the audit, investigation,
5 or other review.

6 Sec. 531.735. AUTHORITY OF STATE AUDITOR TO CONDUCT TIMELY
7 AUDITS NOT IMPAIRED. This chapter or other law related to the
8 operation of the inspector general does not take precedence over
9 the authority of the state auditor to conduct an audit under Chapter
10 321 or other law.

11 Sec. 531.736. BUDGET. (a) The inspector general shall
12 submit a budget in accordance with the reporting requirements of
13 the General Appropriations Act.

14 (b) The inspector general shall submit to the commission a
15 legislative appropriations request and an operating budget in
16 accordance with the service level agreement entered into under
17 Section 531.704 and applicable law.

18 (c) The commission shall submit the office's appropriations
19 request and, if required by or under law, operating budget to the
20 legislature. The request or budget is not subject to review,
21 alteration, or modification by the commission or executive
22 commissioner before submission to the legislature.

23 Sec. 531.737. COSTS. (a) The inspector general shall
24 maintain information regarding the cost of reviews.

25 (b) The inspector general may cooperate with appropriate
26 administrative and prosecutorial agencies, including the office of
27 the attorney general, in recovering costs incurred under this

1 subchapter from nongovernmental entities, including contractors or
2 individuals involved in:

3 (1) violations of applicable state or federal rules or
4 statutes;

5 (2) abusive or wilful misconduct; or

6 (3) violations of a provider contract or program
7 policy.

8 Sec. 531.738. ADMINISTRATIVE OR CIVIL PENALTY; INJUNCTION.

9 (a) The office may:

10 (1) act for a health and human services agency in the
11 assessment by the office of administrative or civil penalties the
12 agency is authorized to assess under applicable law; and

13 (2) request that the attorney general obtain an
14 injunction to prevent a person from disposing of an asset
15 identified by the office as potentially subject to recovery by the
16 office due to the person's fraud, waste, or abuse.

17 (b) If the office imposes an administrative or civil penalty
18 under Subsection (a) for a health and human services agency:

19 (1) the health and human services agency may not
20 impose an administrative or civil penalty against the same person
21 for the same violation; and

22 (2) the office shall impose the penalty under
23 applicable rules of the office, this subchapter, and applicable
24 laws governing the imposition of a penalty by the health and human
25 services agency.

26 Sec. 531.739. PEACE OFFICER INVESTIGATORS. (a) An
27 investigator assigned to conduct investigations for the office may

1 be a commissioned peace officer. The number of commissioned peace
2 officers assigned to conduct investigations may not exceed 15
3 percent of the office's full-time equivalent positions.

4 (b) A commissioned peace officer or otherwise designated
5 law enforcement officer employed by the office is not entitled to
6 supplemental benefits from the law enforcement and custodial
7 officer supplemental retirement fund unless the officer transfers
8 from a position, without a break in service, that qualifies for
9 supplemental retirement benefits from the fund.

10 SECTION 2. Section 531.001, Government Code, is amended by
11 adding Subdivision (4-a) to read as follows:

12 (4-a) "Office of inspector general" means the office
13 of inspector general established under Subchapter R.

14 SECTION 3. Section 531.008(c), Government Code, is amended
15 to read as follows:

16 (c) The executive commissioner shall establish the
17 following divisions and offices within the commission:

18 (1) the eligibility services division to make
19 eligibility determinations for services provided through the
20 commission or a health and human services agency related to:

21 (A) the child health plan program;

22 (B) the financial assistance program under
23 Chapter 31, Human Resources Code;

24 (C) the medical assistance program under Chapter
25 32, Human Resources Code;

26 (D) the nutritional assistance programs under
27 Chapter 33, Human Resources Code;

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1 (E) long-term care services, as defined by
2 Section 22.0011, Human Resources Code:

3 (F) community-based support services identified
4 or provided in accordance with Section 531.02481; and

5 (G) other health and human services programs, as
6 appropriate:

7 (2) [the office of inspector general to perform fraud
8 and abuse investigation and enforcement functions as provided by
9 Subchapter C and other law.]

10 [(3)] the office of the ombudsman to:

11 (A) provide dispute resolution services for the
12 commission and the health and human services agencies; and

13 (B) perform consumer protection functions
14 related to health and human services:

17 (4) [(-5)] an internal audit division to conduct a
18 program of internal auditing in accordance with [Government Code,]
19 Chapter 2102.

20 SECTION 4. Sections 531.103(a), (c), and (d), Government
21 Code, are amended to read as follows:

22 (a) The [commission, acting through the commission's]
23 office of inspector general[–] and the office of the attorney
24 general shall enter into a memorandum of understanding to develop
25 and implement joint written procedures for processing cases of
26 suspected fraud, waste, or abuse, as those terms are defined by
27 state or federal law, or other violations of state or federal law

1 under the state Medicaid program or other program administered by
2 the commission or a health and human services agency, including the
3 financial assistance program under Chapter 31, Human Resources
4 Code, a nutritional assistance program under Chapter 33, Human
5 Resources Code, and the child health plan program. The memorandum
6 of understanding shall require:

7 (1) the office of inspector general and the office of
8 the attorney general to set priorities and guidelines for referring
9 cases to appropriate state agencies for investigation,
10 prosecution, or other disposition to enhance deterrence of fraud,
11 waste, abuse, or other violations of state or federal law,
12 including a violation of Chapter 102, Occupations Code, in the
13 programs and maximize the imposition of penalties, the recovery of
14 money, and the successful prosecution of cases;

15 (1-a) the office of inspector general to refer each
16 case of suspected provider fraud, waste, or abuse to the office of
17 the attorney general not later than the 20th business day after the
18 date the office of inspector general determines that the existence
19 of fraud, waste, or abuse is reasonably indicated;

20 (1-b) the office of the attorney general to take
21 appropriate action in response to each case referred to the
22 attorney general, which action may include direct initiation of
23 prosecution, with the consent of the appropriate local district or
24 county attorney, direct initiation of civil litigation, referral to
25 an appropriate United States attorney, a district attorney, or a
26 county attorney, or referral to a collections agency for initiation
27 of civil litigation or other appropriate action;

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5 (A) the agency and division to which the case is
6 referred for investigation;

7 (B) the date on which the case is referred; and

8 (C) the nature of the suspected fraud, waste, or
9 abuse;

13 (4) the office of the attorney general to ensure that
14 information relating to each case investigated by that office is
15 available to each division of the office with responsibility for
16 investigating suspected fraud, waste, or abuse;

20 (6) representatives of the office of inspector general
21 and of the office of the attorney general to meet not less than
22 quarterly to share case information and determine the appropriate
23 agency and division to investigate each case; and

24 (7) the office of inspector general and the office of
25 the attorney general to submit information requested by the
26 comptroller about each resolved case for the comptroller's use in
27 improving fraud detection.

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13 (d) The office of inspector general [commission] and the
14 office of the attorney general may not assess or collect
15 investigation and attorney's fees on behalf of any state agency
16 unless the office of inspector general, the office of the attorney
17 general, or another [other] state agency collects a penalty,
18 restitution, or other reimbursement payment to the state.

19 SECTION 5. Section 531.1031(a)(2), Government Code, is
20 amended to read as follows:

21 (2) "Participating agency" means:

22 (A) the Medicaid fraud enforcement divisions of
23 the office of the attorney general; [and]

24 (B) each board or agency with authority to
25 license, register, regulate, or certify a health care professional
26 or managed care organization that may participate in the state
27 Medicaid program; and

(C) the office of inspector general.

2 SECTION 6. Section 531.104(a), Government Code, is amended
3 to read as follows:

4 (a) The office of inspector general [commission] and the
5 attorney general shall execute a memorandum of understanding under
6 which the office [commission] shall provide investigative support
7 as required to the attorney general in connection with cases under
8 Subchapter B, Chapter 36, Human Resources Code. Under the
9 memorandum of understanding, the office [commission] shall assist
10 in performing preliminary investigations and ongoing
11 investigations for actions prosecuted by the attorney general under
12 Subchapter C, Chapter 36, Human Resources Code.

13 SECTION 7. Section 531.105, Government Code, is amended to
14 read as follows:

15 Sec. 531.105. FRAUD DETECTION TRAINING. [(a)] The office
16 of inspector general [commission] shall develop and implement a
17 program to provide annual training to contractors who process
18 Medicaid claims and appropriate staff of the health and human
19 services agencies [Texas Department of Health and the Texas
20 Department of Human Services] in identifying potential cases of
21 fraud, waste, or abuse under the state Medicaid program. The
22 training provided to the contractors and staff must include clear
23 criteria that specify:

24 (1) the circumstances under which a person should
25 refer a potential case to the office [commission]; and

26 (2) the time by which a referral should be made.

27 (b) The Texas Department of Health and the Texas

1 ~~Department of Human Services, in cooperation with the commission,~~
2 ~~shall periodically set a goal of the number of potential cases of~~
3 ~~fraud, waste, or abuse under the state Medicaid program that each~~
4 ~~agency will attempt to identify and refer to the commission. The~~
5 ~~commission shall include information on the agencies' goals and the~~
6 ~~success of each agency in meeting the agency's goal in the report~~
7 ~~required by Section 531.103(c).]~~

8 SECTION 8. Sections 531.106(f) and (g), Government Code,
9 are amended to read as follows:

10 (f) Cases [~~The commission shall refer cases~~] identified by
11 the technology shall be referred to the [~~commission's~~] office of
12 inspector general [~~investigations and enforcement~~] or the office of
13 the attorney general, as appropriate.

14 (g) Each month, the learning or neural network technology
15 implemented under this section must match bureau of vital
16 statistics death records with Medicaid claims filed by a provider.
17 If the commission or the office of inspector general determines
18 that a provider has filed a claim for services provided to a person
19 after the person's date of death, as determined by the bureau of
20 vital statistics death records, [~~the commission shall refer~~] the
21 case shall be referred for investigation to the office of inspector
22 general or the office of the attorney general, as appropriate [~~to~~
23 ~~the commission's office of investigations and enforcement~~].

24 SECTION 9. Section 531.1061, Government Code, is amended to
25 read as follows:

26 Sec. 531.1061. FRAUD INVESTIGATION TRACKING SYSTEM. (a)
27 The office of inspector general [~~commission~~] shall use an automated

1 fraud investigation tracking system [through the commission's
2 ~~office of investigations and enforcement~~] to monitor the progress
3 of an investigation of suspected fraud, waste, abuse, or
4 insufficient quality of care under the state Medicaid program.

5 (b) For each case of suspected fraud, waste, abuse, or
6 insufficient quality of care identified by the learning or neural
7 network technology required under Section 531.106, the automated
8 fraud investigation tracking system must:

9 (1) receive electronically transferred records
10 relating to the identified case from the learning or neural network
11 technology;

12 (2) record the details and monitor the status of an
13 investigation of the identified case, including maintaining a
14 record of the beginning and completion dates for each phase of the
15 case investigation;

16 (3) generate documents and reports related to the
17 status of the case investigation; and

18 (4) generate standard letters to a provider regarding
19 the status or outcome of an investigation.

20 (c) Each [~~The commission shall require each~~] health and
21 human services agency that performs any aspect of the state
22 Medicaid program shall [~~to~~] participate in the implementation and
23 use of the automated fraud investigation tracking system as
24 directed by the office.

25 SECTION 10. Section 531.1062(a), Government Code, is
26 amended to read as follows:

27 (a) The office of inspector general [~~commission~~] shall use

1 an automated recovery monitoring system to monitor the collections
2 process for a settled case of fraud, waste, abuse, or insufficient
3 quality of care under the state Medicaid program.

4 SECTION 11. Sections 531.107(a) and (f), Government Code,
5 are amended to read as follows:

6 (a) The Medicaid and Public Assistance Fraud Oversight Task
7 Force advises and assists the [~~commission and the commission's~~]
8 office of inspector general [~~investigations and enforcement~~] in
9 improving the efficiency of fraud investigations and collections.

10 (f) At least once each fiscal quarter, the [~~commission's~~]
11 office of inspector general [~~investigations and enforcement~~] shall
12 provide to the task force:

13 (1) information detailing:

14 (A) the number of fraud referrals made to the
15 office and the origin of each referral;

16 (B) the time spent investigating each case;

17 (C) the number of cases investigated each month,
18 by program and region;

19 (D) the dollar value of each fraud case that
20 results in a criminal conviction; and

21 (E) the number of cases the office rejects and
22 the reason for rejection, by region; and

23 (2) any additional information the task force
24 requires.

25 SECTION 12. Sections 531.108 and 531.109, Government Code,
26 are amended to read as follows:

27 Sec. 531.108. FRAUD PREVENTION. (a) The [~~commission's~~]

1 office of inspector general [~~investigations and enforcement~~] shall
2 compile and disseminate accurate information and statistics
3 relating to:

4 (1) fraud prevention; and

5 (2) post-fraud referrals received and accepted or
6 rejected from the office's [~~commission's~~] case management system or
7 the case management system of a health and human services agency.

8 (b) The office of inspector general [~~commission~~] shall[~~÷~~

9 [~~(1)~~] aggressively publicize successful fraud
10 prosecutions and fraud-prevention programs through all available
11 means, including the use of statewide press releases [~~issued in~~
12 ~~coordination with the Texas Department of Human Services; and~~

13 [~~(2) ensure that a toll-free hotline for reporting~~
14 ~~suspected fraud in programs administered by the commission or a~~
15 ~~health and human services agency is maintained and promoted, either~~
16 ~~by the commission or by a health and human services agency~~].

17 (c) The office of inspector general [~~commission~~] shall
18 develop a cost-effective method of identifying applicants for
19 public assistance in counties bordering other states and in
20 metropolitan areas selected by the office [~~commission~~] who are
21 already receiving benefits in other states. If economically
22 feasible, the office [~~commission~~] may develop a computerized
23 matching system.

24 (d) The office of inspector general [~~commission~~] shall:

25 (1) verify automobile information that is used as
26 criteria for eligibility; and

27 (2) establish a computerized matching system with the

1 Texas Department of Criminal Justice to prevent an incarcerated
2 individual from illegally receiving public assistance benefits
3 administered by the commission.

4 (e) The office of inspector general ~~[commission]~~ shall
5 submit to the governor and Legislative Budget Board a semiannual
6 report on the results of computerized matching of office and
7 commission information with information from neighboring states,
8 if any, and information from the Texas Department of Criminal
9 Justice. The report may be consolidated with any other report
10 relating to the same subject matter the office ~~[commission]~~ is
11 required to submit under other law.

12 Sec. 531.109. SELECTION AND REVIEW OF CLAIMS. (a) The
13 office of inspector general ~~[commission]~~ shall annually select and
14 review a random, statistically valid sample of all claims for
15 reimbursement under the state Medicaid program, including the
16 vendor drug program, for potential cases of fraud, waste, or abuse.

17 (b) In conducting the annual review of claims under
18 Subsection (a), the office of inspector general ~~[commission]~~ may
19 directly contact a recipient by telephone or in person, or both, to
20 verify that the services for which a claim for reimbursement was
21 submitted by a provider were actually provided to the recipient.

22 (c) Based on the results of the annual review of claims, the
23 office of inspector general and the commission shall determine the
24 types of claims at which office and commission resources for fraud,
25 waste, and abuse detection should be primarily directed.

26 SECTION 13. Sections 531.110(a), (c), (d), (e), and (f),
27 Government Code, are amended to read as follows:

1 (a) The office of inspector general [~~commission~~] shall
2 conduct electronic data matches for a recipient of assistance under
3 the state Medicaid program at least quarterly to verify the
4 identity, income, employment status, and other factors that affect
5 the eligibility of the recipient.

6 (c) The commission and other health and human services
7 agencies [~~Texas Department of Human Services~~] shall cooperate with
8 the office of inspector general [~~commission~~] by providing data or
9 any other assistance necessary to conduct the electronic data
10 matches required by this section.

11 (d) The office of inspector general [~~commission~~] may
12 contract with a public or private entity to conduct the electronic
13 data matches required by this section.

14 (e) The office of inspector general [~~commission~~], or a
15 health and human services agency designated by the office
16 [~~commission~~], by rule shall establish procedures to verify the
17 electronic data matches conducted by the office [~~commission~~] under
18 this section. Not later than the 20th day after the date the
19 electronic data match is verified, the commission and other health
20 and human services agencies [~~Texas Department of Human Services~~]
21 shall remove from eligibility a recipient who is determined to be
22 ineligible for assistance under the state Medicaid program.

23 (f) The office of inspector general [~~commission~~] shall
24 report biennially to the legislature the results of the electronic
25 data matching program. The report must include a summary of the
26 number of applicants who were removed from eligibility for
27 assistance under the state Medicaid program as a result of an

1 electronic data match conducted under this section.

2 SECTION 14. Section 531.1112, Government Code, is amended
3 to read as follows:

4 Sec. 531.1112. STUDY CONCERNING INCREASED USE OF TECHNOLOGY
5 TO STRENGTHEN FRAUD DETECTION AND DETERRENCE; IMPLEMENTATION. (a)
6 The commission and the ~~commission's~~ office of inspector general
7 shall jointly study the feasibility of increasing the use of
8 technology to strengthen the detection and deterrence of fraud in
9 the state Medicaid program. The study must include the
10 determination of the feasibility of using technology to verify a
11 person's citizenship and eligibility for coverage.

12 (b) The commission shall implement any methods the
13 commission and the ~~commission's~~ office of inspector general
14 determine are effective at strengthening fraud detection and
15 deterrence.

16 SECTION 15. Section 531.113, Government Code, is amended to
17 read as follows:

18 Sec. 531.113. MANAGED CARE ORGANIZATIONS: SPECIAL
19 INVESTIGATIVE UNITS OR CONTRACTS. (a) Each managed care
20 organization that provides or arranges for the provision of health
21 care services to an individual under a government-funded program,
22 including the Medicaid program and the child health plan program,
23 shall:

24 (1) establish and maintain a special investigative
25 unit within the managed care organization to investigate fraudulent
26 claims and other types of program waste or abuse by recipients and
27 service providers; or

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14 (3) a description of the managed care organization's
15 procedures for educating and training personnel to prevent fraud,
16 waste and abuse;

17 (4) the name, address, telephone number, and fax
18 number of the individual responsible for carrying out the plan;

19 (5) a description or chart outlining the
20 organizational arrangement of the managed care organization's
21 personnel responsible for investigating and reporting possible
22 acts of fraud, waste, or abuse;

23 (6) a detailed description of the results of
24 investigations of fraud, waste, and abuse conducted by the managed
25 care organization's special investigative unit or the entity with
26 which the managed care organization contracts under Subsection
27 (a)(2); and

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4 (c) If a managed care organization contracts for the
5 investigation of fraudulent claims and other types of program waste
6 or abuse by recipients and service providers under Subsection
7 (a)(2), the managed care organization shall file with the
8 [commission's] office of inspector general:

9 (1) a copy of the written contract;

16 (d) The [commission's] office of inspector general may
17 review the records of a managed care organization to determine
18 compliance with this section.

19 (e) The inspector general [commissioner] shall adopt rules
20 as necessary to accomplish the purposes of this section.

21 SECTION 16. Sections 531.114(b) and (g), Government Code,
22 are amended to read as follows:

23 (b) If after an investigation the office of inspector
24 general [commission] determines that a person violated Subsection
25 (a), the office [commission] shall:

26 (1) notify the person of the alleged violation not
27 later than the 30th day after the date the office [commission]

1 completes the investigation and provide the person with an
2 opportunity for a hearing on the matter; or

3 (2) refer the matter to the appropriate prosecuting
4 attorney for prosecution.

5 (g) The inspector general [~~commission~~] shall adopt rules as
6 necessary to implement this section.

7 SECTION 17. Section 533.005(a), Government Code, is amended
8 to read as follows:

9 (a) A contract between a managed care organization and the
10 commission for the organization to provide health care services to
11 recipients must contain:

12 (1) procedures to ensure accountability to the state
13 for the provision of health care services, including procedures for
14 financial reporting, quality assurance, utilization review, and
15 assurance of contract and subcontract compliance;

16 (2) capitation rates that ensure the cost-effective
17 provision of quality health care;

18 (3) a requirement that the managed care organization
19 provide ready access to a person who assists recipients in
20 resolving issues relating to enrollment, plan administration,
21 education and training, access to services, and grievance
22 procedures;

23 (4) a requirement that the managed care organization
24 provide ready access to a person who assists providers in resolving
25 issues relating to payment, plan administration, education and
26 training, and grievance procedures;

27 (5) a requirement that the managed care organization

1 provide information and referral about the availability of
2 educational, social, and other community services that could
3 benefit a recipient;

4 (6) procedures for recipient outreach and education;

5 (7) a requirement that the managed care organization
6 make payment to a physician or provider for health care services
7 rendered to a recipient under a managed care plan not later than the
8 45th day after the date a claim for payment is received with
9 documentation reasonably necessary for the managed care
10 organization to process the claim, or within a period, not to exceed
11 60 days, specified by a written agreement between the physician or
12 provider and the managed care organization;

13 (8) a requirement that the commission, on the date of a
14 recipient's enrollment in a managed care plan issued by the managed
15 care organization, inform the organization of the recipient's
16 Medicaid certification date;

17 (9) a requirement that the managed care organization
18 comply with Section 533.006 as a condition of contract retention
19 and renewal;

20 (10) a requirement that the managed care organization
21 provide the information required by Section 533.012 and otherwise
22 comply and cooperate with the ~~commission's~~ office of inspector
23 general;

24 (11) a requirement that the managed care
25 organization's usages of out-of-network providers or groups of
26 out-of-network providers may not exceed limits for those usages
27 relating to total inpatient admissions, total outpatient services,

1 and emergency room admissions determined by the commission;

2 (12) if the commission finds that a managed care
3 organization has violated Subdivision (11), a requirement that the
4 managed care organization reimburse an out-of-network provider for
5 health care services at a rate that is equal to the allowable rate
6 for those services, as determined under Sections 32.028 and
7 32.0281, Human Resources Code;

8 (13) a requirement that the organization use advanced
9 practice nurses in addition to physicians as primary care providers
10 to increase the availability of primary care providers in the
11 organization's provider network;

12 (14) a requirement that the managed care organization
13 reimburse a federally qualified health center or rural health
14 clinic for health care services provided to a recipient outside of
15 regular business hours, including on a weekend day or holiday, at a
16 rate that is equal to the allowable rate for those services as
17 determined under Section 32.028, Human Resources Code, if the
18 recipient does not have a referral from the recipient's primary
19 care physician; and

20 (15) a requirement that the managed care organization
21 develop, implement, and maintain a system for tracking and
22 resolving all provider appeals related to claims payment, including
23 a process that will require:

24 (A) a tracking mechanism to document the status
25 and final disposition of each provider's claims payment appeal;

26 (B) the contracting with physicians who are not
27 network providers and who are of the same or related specialty as

1 the appealing physician to resolve claims disputes related to
2 denial on the basis of medical necessity that remain unresolved
3 subsequent to a provider appeal; and

4 (C) the determination of the physician resolving
5 the dispute to be binding on the managed care organization and
6 provider.

7 SECTION 18. Section 533.012(c), Government Code, is amended
8 to read as follows:

9 (c) The ~~commission's~~ office of inspector general
10 ~~investigations and enforcement~~ shall review the information
11 submitted under this section as appropriate in the investigation of
12 fraud in the Medicaid managed care program.

13 SECTION 19. Section 21.014(b), Human Resources Code, is
14 amended to read as follows:

15 (b) The ~~person employed by the department as~~ inspector
16 general appointed under Subchapter R, Chapter 531, Government Code,
17 shall make reports to and consult with the agency director
18 ~~chairman of the board~~ regarding:

19 (1) the selection of internal audit topics;
20 (2) the establishment of internal audit priorities;
21 and

22 (3) the findings of each regular or special internal
23 audit initiative.

24 SECTION 20. Section 32.003, Human Resources Code, is
25 amended by adding Subdivision (5) to read as follows:

26 (5) "Office of inspector general" means the office of
27 inspector general established under Subchapter R, Chapter 531,

1 Government Code.

2 SECTION 21. Section 32.0291, Human Resources Code, is
3 amended to read as follows:

4 Sec. 32.0291. PREPAYMENT REVIEWS AND POSTPAYMENT HOLDS.

5 (a) Notwithstanding any other law, the office of inspector general
6 or department may:

7 (1) perform a prepayment review of a claim for
8 reimbursement under the medical assistance program to determine
9 whether the claim involves fraud, waste, or abuse; and

10 (2) as necessary to perform that review, withhold
11 payment of the claim for not more than five working days without
12 notice to the person submitting the claim.

13 (b) Notwithstanding any other law, the office of inspector
14 general ~~[department]~~ may impose a postpayment hold on payment of
15 future claims submitted by a provider if the office ~~[department]~~
16 has reliable evidence that the provider has committed fraud, waste,
17 abuse, or wilful misrepresentation regarding a claim for
18 reimbursement under the medical assistance program. The office
19 ~~[department]~~ must notify the provider of the postpayment hold not
20 later than the fifth working day after the date the hold is imposed.

21 (c) On timely written request by a provider subject to a
22 postpayment hold under Subsection (b), the office of inspector
23 general ~~[department]~~ shall file a request with the State Office of
24 Administrative Hearings for an expedited administrative hearing
25 regarding the hold. The provider must request an expedited hearing
26 under this subsection not later than the 10th day after the date the
27 provider receives notice from the office of inspector general

1 [department] under Subsection (b). The office of inspector general
2 [department] shall discontinue the hold unless the office
3 [department] makes a prima facie showing at the hearing that the
4 evidence relied on by the office of inspector general [department]
5 in imposing the hold is relevant, credible, and material to the
6 issue of fraud, waste, abuse, or wilful misrepresentation.

7 (d) The inspector general [department] shall adopt rules
8 that allow a provider subject to a postpayment hold under
9 Subsection (b) to seek an informal resolution of the issues
10 identified by the office of inspector general [department] in the
11 notice provided under that subsection. A provider must seek an
12 informal resolution under this subsection not later than the
13 deadline prescribed by Subsection (c). A provider's decision to
14 seek an informal resolution under this subsection does not extend
15 the time by which the provider must request an expedited
16 administrative hearing under Subsection (c). However, a hearing
17 initiated under Subsection (c) shall be stayed at the office's
18 [department's] request until the informal resolution process is
19 completed.

20 SECTION 22. Section 32.032, Human Resources Code, is
21 amended to read as follows:

22 Sec. 32.032. PREVENTION AND DETECTION OF FRAUD, WASTE, AND
23 ABUSE. The inspector general [department] shall adopt reasonable
24 rules for minimizing the opportunity for fraud, waste, and abuse,
25 for establishing and maintaining methods for detecting and
26 identifying situations in which a question of fraud, waste, or
27 abuse in the program may exist, and for referring cases where fraud,

1 waste, or abuse appears to exist to the appropriate law enforcement
2 agencies for prosecution.

3 SECTION 23. Sections 32.0321(a) through (d), Human
4 Resources Code, are amended to read as follows:

5 (a) The office of inspector general [department] by rule may
6 recommend to the department and the department by rule may require
7 that each provider of medical assistance in a provider type that has
8 demonstrated significant potential for fraud, waste, or abuse to
9 file with the department a surety bond in a reasonable amount. The
10 office and the department by rule shall each require a provider of
11 medical assistance to file with the department a surety bond in a
12 reasonable amount if the office [department] identifies a pattern
13 of suspected fraud, waste, or abuse involving criminal conduct
14 relating to the provider's services under the medical assistance
15 program that indicates the need for protection against potential
16 future acts of fraud, waste, or abuse.

17 (b) The bond under Subsection (a) must be payable to the
18 department to compensate the department for damages resulting from
19 or penalties or fines imposed in connection with an act of fraud,
20 waste, or abuse committed by the provider under the medical
21 assistance program.

22 (c) Subject to Subsection (d) or (e), the office of
23 inspector general and the department by rule may require each
24 provider of medical assistance that establishes a resident's trust
25 fund account to post a surety bond to secure the account. The bond
26 must be payable to the department to compensate residents of the
27 bonded provider for trust funds that are lost, stolen, or otherwise

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1 unaccounted for if the provider does not repay any deficiency in a
2 resident's trust fund account to the person legally entitled to
3 receive the funds.

4 (d) The office of inspector general and the department may
5 not require the amount of a surety bond posted for a single facility
6 provider under Subsection (c) to exceed the average of the total
7 average monthly balance of all the provider's resident trust fund
8 accounts for the 12-month period preceding the bond issuance or
9 renewal date.

10 SECTION 24. Section 32.0322(a), Human Resources Code, is
11 amended to read as follows:

12 (a) The office of inspector general and the department may
13 obtain from any law enforcement or criminal justice agency the
14 criminal history record information that relates to a provider
15 under the medical assistance program or a person applying to enroll
16 as a provider under the medical assistance program.

17 SECTION 25. Section 32.070(d), Human Resources Code, is
18 amended to read as follows:

19 (d) This section does not apply to a computerized audit
20 conducted using the Medicaid Fraud Detection Audit System or an
21 audit or investigation of fraud, waste, and abuse conducted by the
22 Medicaid fraud control unit of the office of the attorney general,
23 the office of the state auditor, the office of ~~the~~ inspector
24 general, or the Office of Inspector General in the United States
25 Department of Health and Human Services.

26 SECTION 26. Section 33.015(e), Human Resources Code, is
27 amended to read as follows:

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11 SECTION 27. Article 2.12, Code of Criminal Procedure, is
12 amended to read as follows:

13 Art. 2.12. WHO ARE PEACE OFFICERS. The following are peace
14 officers:

15 (1) sheriffs, their deputies, and those reserve
16 deputies who hold a permanent peace officer license issued under
17 Chapter 1701, Occupations Code;

18 (2) constables, deputy constables, and those reserve
19 deputy constables who hold a permanent peace officer license issued
20 under Chapter 1701, Occupations Code;

21 (3) marshals or police officers of an incorporated
22 city, town, or village, and those reserve municipal police officers
23 who hold a permanent peace officer license issued under Chapter
24 1701, Occupations Code;

25 (4) rangers and officers commissioned by the Public
26 Safety Commission and the Director of the Department of Public
27 Safety;

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1 (5) investigators of the district attorneys', criminal
2 district attorneys', and county attorneys' offices;

3 (6) law enforcement agents of the Texas Alcoholic
4 Beverage Commission;

11 (10) law enforcement officers commissioned by the
12 Parks and Wildlife Commission;

13 (11) airport police officers commissioned by a city
14 with a population of more than 1.18 million that operates an airport
15 that serves commercial air carriers.

16 (12) airport security personnel commissioned as peace
17 officers by the governing body of any political subdivision of this
18 state, other than a city described by Subdivision (11), that
19 operates an airport that serves commercial air carriers;

20 (13) municipal park and recreational patrolmen and
21 security officers;

22 (14) security officers and investigators commissioned
23 as peace officers by the comptroller;

24 (15) officers commissioned by a water control and
25 improvement district under Section 49.216, Water Code;

26 (16) officers commissioned by a board of trustees
27 under Chapter 54, Transportation Code;

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(17) investigators commissioned by the Texas Medical Board:

7 (19) county park rangers commissioned under
8 Subchapter E, Chapter 351, Local Government Code;

9 (20) investigators employed by the Texas Racing
10 Commission;

11 (21) officers commissioned under Chapter 554,
12 Occupations Code;

13 (22) officers commissioned by the governing body of a
14 metropolitan rapid transit authority under Section 451.108,
15 Transportation Code, or by a regional transportation authority
16 under Section 452.110, Transportation Code;

17 (23) investigators commissioned by the attorney
18 general under Section 402.009, Government Code;

19 (24) security officers and investigators commissioned
20 as peace officers under Chapter 466, Government Code;

21 (25) an officer employed by the Department of State
22 Health Services under Section 431.2471, Health and Safety Code;

23 (26) officers appointed by an appellate court under
24 Subchapter F, Chapter 53, Government Code;

25 (27) officers commissioned by the state fire marshal
26 under Chapter 417, Government Code;

27 (28) an investigator commissioned by the commissioner

1 of insurance under Section 701.104, Insurance Code;

2 (29) apprehension specialists and inspectors general

3 commissioned by the Texas Youth Commission as officers under

4 Sections 61.0451 and 61.0931, Human Resources Code;

5 (30) officers appointed by the inspector general of

6 the Texas Department of Criminal Justice under Section 493.019,

7 Government Code;

8 (31) investigators commissioned by the Commission on

9 Law Enforcement Officer Standards and Education under Section

10 1701.160, Occupations Code;

11 (32) commission investigators commissioned by the

12 Texas Private Security Board under Section 1702.061(f),

13 Occupations Code;

14 (33) the fire marshal and any officers, inspectors, or

15 investigators commissioned by an emergency services district under

16 Chapter 775, Health and Safety Code;

17 (34) officers commissioned by the State Board of

18 Dental Examiners under Section 254.013, Occupations Code, subject

19 to the limitations imposed by that section; ~~and~~

20 (35) investigators commissioned by the Texas Juvenile

21 Probation Commission as officers under Section 141.055, Human

22 Resources Code; and

23 (36) officers commissioned by the office of inspector

24 general established under Subchapter R, Chapter 531, Government

25 Code.

26 SECTION 28. Sections 531.102 and 531.1021, Government Code,

27 are repealed.

1 SECTION 29. (a) The repeal by this Act of Section 531.102, 2 Government Code, does not affect the validity of a complaint, 3 investigation, or other proceeding initiated under that section 4 before the effective date of this Act. A complaint, investigation, 5 or other proceeding initiated under that section is continued in 6 accordance with the changes in law made by this Act.

7 (b) The repeal by this Act of Section 531.1021, Government 8 Code, does not affect the validity of a subpoena issued under that 9 section before the effective date of this Act. A subpoena issued 10 under that section before the effective date of this Act is governed 11 by the law that existed when the subpoena was issued, and the former 12 law is continued in effect for that purpose.

13 SECTION 30. (a) The person serving as inspector general 14 under Section 531.102(a-1), Government Code, on the effective date 15 of this Act shall serve as the inspector general appointed under 16 Subchapter R, Chapter 531, Government Code, as added by this Act, 17 until February 1, 2011, and may be reappointed under Subchapter R, 18 Chapter 531, if the person has the qualifications required under 19 that subchapter.

20 (b) Not later than February 1, 2011, the governor shall 21 appoint an inspector general for the Office of Inspector General 22 under Subchapter R, Chapter 531, Government Code, as added by this 23 Act, to a term expiring February 1, 2013.

24 SECTION 31. On the effective date of this Act:

25 (1) all functions, activities, employees, rules, 26 forms, money, property, contracts, memorandums of understanding, 27 records, and obligations of the office of inspector general under

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1 Section 531.102(a-1), Government Code, become functions,
2 activities, employees, rules, forms, money, property, contracts,
3 memorandums of understanding, records, and obligations of the
4 Office of Inspector General established under Subchapter R, Chapter
5 531, Government Code, as added by this Act, without a change in
6 status; and

7 (2) all money appropriated or budgeted for the office
8 of inspector general under Section 531.102(a-1), Government Code,
9 including money for providing administrative support, is
10 considered appropriated for the use of the Office of Inspector
11 General established under Subchapter R, Chapter 531, Government
12 Code, as added by this Act.

13 SECTION 32. If before implementing any provision of this
14 Act a state office or agency determines that a waiver or
15 authorization from a federal agency is necessary for implementation
16 of that provision, the office or agency affected by the provision
17 shall request the waiver or authorization and may delay
18 implementing that provision until the waiver or authorization is
19 granted.

20 SECTION 33. This Act takes effect immediately if it
21 receives a vote of two-thirds of all the members elected to each
22 house, as provided by Section 39, Article III, Texas Constitution.
23 If this Act does not receive the vote necessary for immediate
24 effect, this Act takes effect September 1, 2009.