

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 29, 2015**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB207 by Hinojosa (Relating to the authority and duties of the office of inspector general of the Health and Human Services Commission.), **Conference Committee Report**

**No significant fiscal implication to the State is anticipated.**

The bill would partially implement the Sunset Advisory Commission (SAC) recommendations concerning the Office of the Inspector General (OIG) within the Health and Human Services Commission (HHSC).

The bill would require the OIG to undergo special review by SAC in six years. The bill would require the OIG to establish priorities to guide its investigation processes, change the timelines for different phases of the investigation process, define OIG's role in managed care oversight, and require the OIG to conduct quality assurance reviews and require a peer review of sampling methodology used in its investigative process. Additionally, the bill would streamline the credible allegation of fraud (CAF) hold hearing process, clarify good cause exceptions for OIG's application of a CAF hold, require the OIG to pay all costs for CAF hold hearings at State Office of Administrative Hearings (SOAH), and change pharmacies' rights when under an OIG audit.

The bill would require the OIG and HHSC to coordinate audit and oversight activities of managed care organizations. Additionally, the bill would prohibit the OIG from performing duplicative criminal history background checks.

While implementing the provisions of the bill may have some cost, it is assumed that the provisions of the bill can be implemented within existing resources at the OIG and at SOAH.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 529 Health and Human Services Commission, 360 State Office of Administrative Hearings, 515 Board of Pharmacy

**LBB Staff:** UP, CH, FR, MB, NB, WP, TW, ER