

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 19, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

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.), **Committee Report 2nd House, Substituted**

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. The bill would require the OIG to consult with HHSC in its duties related to managed care organizations and give the OIG authority to adopt rules, in consultation with the executive commissioner. The bill would allow the OIG to commission peace officers to investigate fraud, waste, and abuse in conjunction with appropriate federal authorities.

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

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