

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION
Revision 1

May 14, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB894 by Buckingham (Relating to the Health and Human Services Commission's auditing of Medicaid managed care organizations and auditing and collection of Medicaid payments, including the commission's management of audit resources.),
Committee Report 2nd House, Substituted

The fiscal implications of the bill cannot be determined at this time, but a significant fiscal impact to the state would be anticipated. Insufficient information is available to calculate a specific cost.

The bill would amend the Government Code to require the Health and Human Services Commission (HHSC), in accordance with federal law, to collect additional information through the electronic visit verification (EVV) system, establish minimum requirements for third-party entities seeking to provide EVV system services, and establish certain compliance standards. HHSC would be required to create a stakeholder work group to solicit input regarding the operation of the EVV system. HHSC would be required to provide notice of any proposed recoupment of an overpayment or debt to hospital providers, no later than 90 days before the overpayment or debt must be paid. The bill would direct HHSC to establish strategies and procedures for managing its audit resources, particularly for auditing and collecting payments from Medicaid managed care organizations. The bill would take effect September 1, 2017.

Certain provisions of the bill could increase operational costs and levels of effort for MCOs. The cost would be primarily dependent on the extent to which HHSC adjusts managed care premiums to account for implementation. Due to insufficient information the fiscal implication of the bill cannot be determined at this time, but a significant net cost to the state would be anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, TBo, KCA, EP