

1-1 By: Hughes S.B. No. 2458  
1-2 (In the Senate - Filed March 13, 2025; March 25, 2025, read  
1-3 first time and referred to Committee on Health & Human Services;  
1-4 April 14, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 14, 2025,  
1-6 sent to printer.)

1-7 COMMITTEE VOTE

| 1-8  |           | Yea | Nay | Absent | PNV |
|------|-----------|-----|-----|--------|-----|
| 1-9  | Kolkhorst | X   |     |        |     |
| 1-10 | Perry     | X   |     |        |     |
| 1-11 | Blanco    | X   |     |        |     |
| 1-12 | Cook      | X   |     |        |     |
| 1-13 | Hall      | X   |     |        |     |
| 1-14 | Hancock   | X   |     |        |     |
| 1-15 | Hughes    | X   |     |        |     |
| 1-16 | Miles     | X   |     |        |     |
| 1-17 | Sparks    | X   |     |        |     |

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 2458 By: Perry

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to the review of claims and recovery of overpayments by  
1-22 Medicaid recovery audit contractors.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 544.0504, Government Code, is amended to  
1-25 read as follows:

1-26 Sec. 544.0504. RECOVERY AUDIT CONTRACTORS. (a) To the  
1-27 extent required under Section 1902(a)(42), Social Security Act (42  
1-28 U.S.C. Section 1396a(a)(42)), the commission shall establish a  
1-29 program under which the commission contracts with one or more  
1-30 recovery audit contractors to:

1-31 (1) identify Medicaid underpayments and overpayments,  
1-32 including underpayments and overpayments under the Medicaid  
1-33 managed care program; and

1-34 (2) recover the overpayments.

1-35 (b) An overpayment under Subsection (a)(2) may be recovered  
1-36 from either the provider or the managed care organization.

1-37 (c) A recovery audit contractor may not:

1-38 (1) initiate a review of a claim unless:

1-39 (A) the office of inspector general or the  
1-40 office's designee:

1-41 (i) determines that the review would be  
1-42 cost-effective; and

1-43 (ii) approves the review; and

1-44 (B) at least one year has elapsed since the date  
1-45 the claim was received; or

1-46 (2) initiate a recovery effort on a claim if a managed  
1-47 care organization has notified the office of inspector general that  
1-48 the organization is auditing the claim.

1-49 (d) On request by a recovery audit contractor or the office  
1-50 of inspector general, a managed care organization or provider who  
1-51 is the subject of a review conducted under this section shall submit  
1-52 to the contractor or office all information necessary to perform  
1-53 the review not later than the date specified in the request. All  
1-54 information and materials obtained under this section are  
1-55 confidential under Section 544.0259(e).

1-56 (e) The executive commissioner by rule shall adopt a process  
1-57 for appeals related to overpayments identified by a recovery audit  
1-58 contractor under this section.

1-59 (f) The commission may contract with a third party to  
1-60 administer Subsection (b) or the appeals process adopted under

Subsection (e).

(g) The executive commissioner, in consultation with the office of inspector general, may adopt rules necessary to implement this section.

SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 3. The Health and Human Services Commission is required to implement the changes in law made by this Act to Section 544.0504, Government Code, only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the commission may, but is not required to, implement those changes in law using other money available to the commission for that purpose.

SECTION 4. This Act takes effect September 1, 2025.

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