

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 27, 2017

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: SB894 by Buckingham (Relating to auditing and verification of information under certain health and human services programs, including the collection of certain payments following an investigation.), **Conference Committee Report**

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) conduct a review of the electronic visit verification (EVV) system by March 31, 2018 and, in accordance with federal law, to collect additional information through the EVV system, 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 specify that the State Auditor's Office (SAO) shall consider the performance of certain health and human service program audits when devising the state audit plan. In accordance with Section 321.013, Government Code, all additional duties and responsibilities prescribed by the bill would be proposed in the SAO annual audit plan submitted to the Legislative Audit Committee.

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