

Amend CSSB 563 (house committee printing) by adding the following appropriately numbered section to read as follows and renumbering subsequent sections accordingly:

SECTION \_\_\_\_\_. (a) Section 531.1063, Government Code, is amended by amending Subsection (g) and adding Subsections (h) and (i) to read as follows:

(g) The commission shall implement ~~[may extend]~~ the program statewide as provided by Subsection (h) ~~[to additional counties]~~ if the commission determines that statewide implementation ~~[expansion]~~ would be cost-effective.

(h) The commission shall adopt a plan to implement the program statewide in phases and shall terminate the statewide implementation at any stage of the process if the commission determines that statewide implementation would not be cost-effective. The plan must include for each phase:

(1) a description of the policies and procedures to be tested concerning the handling of lost, forgotten, or stolen cards carrying a fingerprint image or situations in which a fingerprint match cannot be confirmed;

(2) a determination of whether the commission will require children or persons who are elderly or disabled to participate in the phase and the reason or reasons for including children or persons who are elderly or disabled in the phase; and

(3) a description of the manner and location in which the fingerprint images will be initially collected.

(i) In developing the plan required by Subsection (h), the commission shall seek comments from recipients, providers, and other stakeholders in the state Medicaid program.

(b) The Health and Human Services Commission, before implementing a phase of the Medicaid fraud reduction pilot program required by Section 531.1063, Government Code, as amended by this section, that requires mandatory participation by Medicaid recipients or health care providers, shall submit a report regarding the phase to the governor, lieutenant governor, speaker of the house of representatives, and presiding officer of each standing committee of the senate and house of representatives having jurisdiction over the state Medicaid program. The report

must include a description of each component of the plan for that phase, as required by Subsection (h), Section 531.1063, Government Code, as added by this section.

(c) In addition to the report required by Subsection (c), Section 2.23, Chapter 198, Acts of the 78th Legislature, Regular Session, 2003, the Health and Human Services Commission shall report, not later than December 1, 2006, on the status and progress of the Medicaid fraud reduction pilot program required by Section 531.1063, Government Code, as amended by this section, to the governor, lieutenant governor, speaker of the house of representatives, and presiding officer of each standing committee of the senate and house of representatives having jurisdiction over the state Medicaid program. The report must include:

(1) a continued evaluation of the benefits of the program;

(2) an evaluation of the strengths and weaknesses of the policies and procedures tested in each phase required by Subsection (h), Section 531.1063, Government Code, as added by this section;

(3) information concerning the cost-effectiveness of the program;

(4) if the program has been implemented statewide, any significant problems encountered; and

(5) if the Health and Human Services Commission requires participation by children or persons who are elderly or disabled, the reason or reasons for including children or persons who are elderly or disabled in the program.

(d) If before implementing any provision of this section 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.