

1-1 By: Nelson S.B. No. 47  
1-2 (In the Senate - Filed November 8, 2004; January 31, 2005,  
1-3 read first time and referred to Committee on Health and Human  
1-4 Services; March 10, 2005, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 1;  
1-6 March 10, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 47 By: Nelson

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the Medicaid fraud reduction pilot program.  
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-12 SECTION 1. Section 531.1063, Government Code, is amended by  
1-13 amending Subsections (d) and (g) and adding Subsections (d-1), (h),  
1-14 and (i) to read as follows:  
1-15 (d) In implementing the program, the commission may~~+~~  
1-16 ~~[(1)]~~ exempt recipients who are children or who are  
1-17 elderly or disabled. ~~[+and]~~  
1-18 (d-1) If the commission requires recipients who are  
1-19 children under 15 years of age to participate in the program, the  
1-20 commission may validate the identity of those children only by:  
1-21 (1) obtaining ~~[(2) obtain]~~ a fingerprint image from a  
1-22 parent or caretaker of the ~~[a recipient who is a]~~ child, regardless  
1-23 of whether the parent or caretaker is a recipient; or  
1-24 (2) using an alternate method that does not involve  
1-25 obtaining the fingerprints of the child or the child's parent or  
1-26 caretaker.  
1-27 (g) The commission shall implement ~~[may extend]~~ the program  
1-28 statewide as provided by Subsection (h) ~~[to additional counties]~~ if  
1-29 the commission determines that statewide implementation  
1-30 ~~[expansion]~~ would be cost-effective.  
1-31 (h) The commission shall adopt a plan to implement the  
1-32 program statewide in phases and shall terminate the statewide  
1-33 implementation at any stage of the process if the commission  
1-34 determines that statewide implementation would not be  
1-35 cost-effective. The plan must include for each phase:  
1-36 (1) a description of the policies and procedures to be  
1-37 tested concerning the handling of lost, forgotten, or stolen cards  
1-38 carrying a biometric image or situations in which a biometric match  
1-39 cannot be confirmed;  
1-40 (2) a determination of whether the commission will  
1-41 require children or persons who are elderly or disabled to  
1-42 participate in the phase and the reason or reasons for including  
1-43 children or persons who are elderly or disabled in the phase; and  
1-44 (3) a description of the manner and location in which  
1-45 the biometric images will be initially collected.  
1-46 (i) In developing the plan required by Subsection (h), the  
1-47 commission shall seek comments from recipients, providers, and  
1-48 other stakeholders in the state Medicaid program.  
1-49 SECTION 2. (a) In this section, "Medicaid fraud reduction  
1-50 pilot program" means the pilot program required by Section  
1-51 531.1063, Government Code.  
1-52 (b) The Health and Human Services Commission, before  
1-53 implementing a phase of the Medicaid fraud reduction pilot program  
1-54 that requires mandatory participation by Medicaid recipients or  
1-55 health care providers, shall submit a report regarding the phase to  
1-56 the governor, lieutenant governor, speaker of the house of  
1-57 representatives, and presiding officer of each standing committee  
1-58 of the senate and house of representatives having jurisdiction over  
1-59 the state Medicaid program. The report must include a description  
1-60 of each component of the plan for that phase, as required by  
1-61 Subsection (h), Section 531.1063, Government Code.  
1-62 (c) In addition to the report required by Subsection (c),  
1-63 Section 2.23, Chapter 198, Acts of the 78th Legislature, Regular

2-1 Session, 2003, the Health and Human Services Commission shall  
2-2 report, not later than February 1, 2006, on the status and progress  
2-3 of the Medicaid fraud reduction pilot program to the governor,  
2-4 lieutenant governor, speaker of the house of representatives, and  
2-5 presiding officer of each standing committee of the senate and  
2-6 house of representatives having jurisdiction over the state  
2-7 Medicaid program.

2-8 (d) The report required by Subsection (c) of this section  
2-9 must include:

2-10 (1) a continued evaluation of the benefits of the  
2-11 program;

2-12 (2) an evaluation of the strengths and weaknesses of  
2-13 the policies and procedures tested in each phase required by  
2-14 Subsection (h), Section 531.1063, Government Code;

2-15 (3) information concerning the cost-effectiveness of  
2-16 the program;

2-17 (4) if the program has been implemented statewide, any  
2-18 significant problems encountered; and

2-19 (5) if the Health and Human Services Commission  
2-20 requires participation by children or persons who are elderly or  
2-21 disabled, the reason or reasons for including children or persons  
2-22 who are elderly or disabled in the program.

2-23 SECTION 3. If before implementing any provision of this Act  
2-24 a state agency determines that a waiver or authorization from a  
2-25 federal agency is necessary for implementation of that provision,  
2-26 the agency affected by the provision shall request the waiver or  
2-27 authorization and may delay implementing that provision until the  
2-28 waiver or authorization is granted.

2-29 SECTION 4. This Act takes effect immediately if it receives  
2-30 a vote of two-thirds of all the members elected to each house, as  
2-31 provided by Section 39, Article III, Texas Constitution. If this  
2-32 Act does not receive the vote necessary for immediate effect, this  
2-33 Act takes effect September 1, 2005.

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