

BILL ANALYSIS

H.B. 1536
By: Guerra
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The office of inspector general of the Health and Human Services Commission has a duty to investigate suspicions of fraudulent Medicaid payments. Interested parties contend that such investigations have been targeted at clinics with a higher volume of Medicaid claims. These parties assert that the current procedures have resulted in the withholding of payments for services provided without a final determination on the merit of the claims against the providers, many of which are forced to close clinic doors or turn away patients who would otherwise qualify for Medicaid. H.B. 1536 seeks to ensure due process by providing for a final appeal on allegations of fraudulent Medicaid overpayment so that a fair and impartial determination is rendered for both the state and low-income Medicaid providers.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1536 amends the Government Code to entitle a Medicaid provider from whom the Health and Human Services Commission's office of inspector general seeks to recover an overpayment made to the provider under the Medicaid program to a hearing on the determination made or other action taken by the office to recover the overpayment. The bill specifies that such a hearing is a contested case under the Administrative Procedure Act and requires the State Office of Administrative Hearings (SOAH) to conduct the hearing and, after the hearing, to make a final determination on the matter.

H.B. 1536 authorizes a provider to appeal an order by SOAH to repay an amount greater than \$50,000 by filing a petition for judicial review in a district court of Travis County and establishes that such an appeal is by trial de novo.

EFFECTIVE DATE

September 1, 2013.