

By: Goldman

H.B. No. 2158

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the effect of a finding of liability for fraudulent
3 activity and notification requirements for proposed settlements
4 under the Medicaid program.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 36.005, Human Resources Code, is amended
7 to read as follows:

8 (b-1) The period of ineligibility begins on the date on
9 which the judgment finding the provider liable under Section 36.052
10 is entered by the trial court [~~determination that the provider is~~
11 ~~liable becomes final~~].

12 (b-2) Subsections (b) and (b-1) do not apply to a provider
13 who operates a nursing facility or an ICF-MR facility.

14 (c) A person license by a state regulatory agency who
15 commits an unlawful act is subject to professional discipline under
16 the applicable licensing law or rules adopted under that law.

17 (d) For purposes of this section, a person is considered to
18 have been found liable under Section 36.052 if the person is found
19 liable in an action brought under Subchapter C.

20 (e) Notwithstanding (b-1), the period of ineligibility for
21 an individual licensed by a health care regulatory agency or a
22 physician begins on the date on which the determination that the
23 individual or physician is liable becomes final.

24 (f) For purposes of Subsection (e), a "physician" includes a

1 physician, a professional association composed solely of
2 physicians, a single legal entity authorized to practice medicine
3 owned by two or more physicians, a nonprofit health corporation
4 certified by the Texas Medical Board under Chapter 162, Occupations
5 Code, or a partnership composed solely of physicians.

6 (g) For purposes of Subsection (e), "health care regulatory
7 agency" has the meaning assigned by Section 774.001, Government
8 Code.

9 SECTION 2. Subchapter C, Chapter 36, Human Resources Code,
10 is amended by adding Section 36.1041 to read as follows:

11 Sec. 36.1041. NOTIFICATION OF SETTLEMENT. (a) Not later
12 than the 10th day after the date a person described by Section
13 36.104(b) reaches a proposed settlement agreement with a defendant,
14 the person must notify the attorney general. If the person fails to
15 notify the attorney general as required by this section, the
16 proposed settlement is void.

17 (b) Not later than the 30th day after the date the attorney
18 general receives notice under Subsection (a), the attorney general
19 shall file any objections to the terms of the proposed settlement
20 agreement with the court.

21 (c) On filing of objections under Subsection (b), the court
22 shall conduct a hearing. On a showing of good cause, the hearing may
23 be held in camera. If, after the hearing, the court determines that
24 the proposed settlement is fair, adequate, and reasonable under all
25 the circumstances, the court may allow the parties to settle
26 notwithstanding the attorney general's objection.

27 (d) If, after the hearing, the court determines that the

1 attorney general's objection is well founded, the settlement shall
2 not be approved by the court. The court may order the parties to
3 renegotiate the settlement to address the attorney general's
4 objection.

5 SECTION 3. This Act takes effect September 1, 2013.