

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 30, 2013

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB746 by Nelson (Relating to unlawful acts against and criminal offenses involving the Medicaid program.), **As Engrossed**

Insufficient data are available on the fiscal effect of investigating, enforcing, and litigating the expanded definition of unlawful acts for an estimate to be provided.

The bill would amend sections of the Human Resources Code that constitute the Texas Medicaid Fraud Prevention Act. The bill would broaden the definition of conspiring to commit Medicaid fraud violations. The bill would increase the amount the court may award a private plaintiff from seven percent to ten percent. The bill would establish time frames for a person to bring an action to recover for an unlawful act when the state declines to take over the action and time frames for a person to bring a suit alleging retaliation.

Based on analysis from the Health and Human Services Commission (HHSC), implementing the provisions of the bill could increase the workload for the HHSC Office of the Inspector General investigations and enforcement. However, the agency does not have sufficient information necessary to estimate the amount of additional work or the additional damages or penalties that may be assessed and collected as a result.

The Comptroller of Public Accounts indicates the fiscal impact of increasing the fees that the court may award a plaintiff cannot be determined at this point because the court decides the amount of the award. The Office of the Attorney General indicates implementation of the bill would ensure Texas' compliance with the federal Deficit Reduction Act of 2005 and retention of the compliance incentive payments that provide an extra 10 percentage points of false claims recoveries to the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 529 Health and Human Services Commission, 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts

LBB Staff: UP, CL, MB, ES, VJC