

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 1, 2013

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1803 by Huffman (Relating to the office of inspector general of the Health and Human Services Commission.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 531 of the Government Code to establish due process procedures for providers under investigation of Medicaid fraud and subject to a hold on payment or recoupment of overpayment by the Office of Inspector General (OIG) at the Health and Human Services Commission. The bill would authorize the costs of a hearing at the State Office of Administrative Hearings (SOAH) requested by a provider subject to hold or recoupment of overpayment to be split evenly between the state, in this case the OIG, and the provider. The bill would require the OIG to employ a medical director who is a licensed physician.

Based on the analysis of the OIG, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. The OIG assumes that savings the office gains by splitting the cost of hearings related to holds on payments could be utilized to cover any increased costs for new cases requested related to overpayments, estimated to be 120 per year. The OIG is in the process of hiring a physician to be employed as a medical director.

Based on the analysis of SOAH, there could be an increased need for administrative law judges and support staff as a result of new hearings related to overpayment recoupment. However, costs for cases at SOAH would be billed to both HHSC and the providers. Since HHSC anticipates covering its costs within existing resources, those costs are not reflected here. SOAH has had difficulty collecting costs from non-state entities; to the extent that providers do not pay their half of the hearing-related expenses, SOAH could be left without sufficient funding.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings, 503 Texas Medical Board, 508 Board of Chiropractic Examiners, 512 Board of Podiatric Medical Examiners, 520 Board of Examiners of Psychologists, 529 Health and Human Services Commission

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