

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 3, 2015

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB207 by Hinojosa (relating to the authority and duties of 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 partially implement the Sunset Advisory Commission (SAC) recommendations concerning the Office of the Inspector General (OIG) within the Health and Human Services Commission (HHSC).

The bill would require the OIG to undergo special review by SAC in six years. The bill would require the OIG to establish priorities to guide its investigation processes, changes the timelines for different phases of the investigation process, defines OIG's role in managed care oversight, and requires the OIG to conduct quality assurance reviews and requires a peer review of sampling methodology used in its investigative process. Additionally, the bill streamlines the credible allegation of fraud (CAF) hold hearing process, clarifies good cause exceptions for OIG's application of a CAF hold, requires the OIG to pay all costs for CAF hold hearings at State Office of Administrative Hearings (SOAH), and changes pharmacies' rights when under an OIG audit.

While implementing the provisions of the bill may have some cost, it is assumed that the provisions of the bill can be implemented within existing resources at the OIG and at SOAH.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 529 Health and Human Services Commission, 360 State Office of Administrative Hearings, 515 Board of Pharmacy

LBB Staff: UP, NB, MB, CH, WP, TWh, ER