**BILL ANALYSIS**

|  |  |
| --- | --- |
| Senate Research Center | S.B. 293 |
| 85R3516 EES-D | By: Hinojosa; Schwertner |
|  | Health & Human Services |
|  | 3/20/2017 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Last session, the Office of Inspector General (OIG) Sunset bill (S.B. 207, 84th Legislature, Regular Session, 2015, Hinojosa) required the inspector general to prove that fraud from a provider would have "a significant financial risk to the state and a threat to the integrity of Medicaid" if the inspector general wanted to place a Credible Allegation of Fraud (CAF) hold on the provider. This language was necessary because the OIG was significantly overusing CAF holds.

S.B. 293 clarifies this standard by requiring the executive commissioner of the Health and Human Services Commission, together with OIG, to draft rules defining what constitutes "a significant financial risk to the state and a threat to the integrity of Medicaid."

As proposed, S.B. 293 amends current law relating to the proof required to impose payment holds in certain cases of alleged fraud by Medicaid providers.

**RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 (Section 531.102, Government Code) of this bill.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 531.102(g), Government Code, to include the requirement that the executive commissioner of the Health and Human Services Commission (executive commissioner), in consultation with the Office of the Inspector General, adopt rules regarding what constitutes an ongoing significant financial risk to the state and a threat to the integrity of Medicaid for purposes of Subdivision (3)(c) (relating to the requirement that OIG-HHSC show probable cause as the basis of payment hold on a Medicaid provider).

SECTION 2. Requires the executive commissioner, as soon as practicable after the effective date of this Act, to adopt the rules required by Section 531.102(g)(3-a), Government Code, as added by this Act.

SECTION 3. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 4. Effective date: upon passage or September 1, 2017.