

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **SB1991** by Buckingham (Relating to claims and overpayment recoupment processes imposed on health care providers under Medicaid.), **As Passed 2nd House**

The fiscal implications of the bill cannot be determined at this time because it is unknown to what extent changes in overpayment collection methods would result in delayed or reduced revenue and because the rate of utilization of wound care education and training services is unknown.

The Health and Human Services Commission is required to implement a provision of this Act only if the legislature appropriates money to the commission specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the commission may, but is not required to, implement a provision of this Act using other appropriations that are available for that purpose.

The bill would amend Chapter 531 of the Government Code to require the Health and Human Services Commission (HHSC) to ensure that providers are reimbursed for using a proprietary electronic visit verification system, if feasible. It would require HHSC to facilitate the use of proprietary electronic visit verification systems by developing an open model to mitigate administrative burdens, allowing providers to use emerging technologies in such systems, and adopting rules governing data submission and provider reimbursement. The bill would also require HHSC to adopt rules to standardize payment recovery efforts by managed care organizations including requiring a managed care organization to notify providers required to use electronic visit verification of the organization's intent to recoup overpayments and give the provider 60 days to cure the defect in a claim prior to the collection of overpayments.

The bill would amend Chapter 32 of the Human Resources Code to require HHSC to provide medical assistance reimbursement to an authorized wound care education and training services provider for providing education and training necessary for the recipient to provide self-care in order to assist in wound care management. HHSC would be required to develop quality standards for authorized wound care education and training services providers. HHSC would be authorized to obtain federal authorization if necessary to implement the bill.

The bill would also require HHSC to conduct a study to evaluate and make recommendations on the use of the Medicare education adjustment factor by December 1, 2020.

The fiscal impact of the provisions of the bill related to payment recovery efforts by managed care organizations cannot be determined because it is unknown to what extent the new rules might

delay or reduce the amount of overpayments recovered by managed care organizations. Managed care organizations remit half of recovered payments to HHSC to be returned to General Revenue, so a reduction or delay in recoveries would have a negative fiscal impact to the state.

HHSC determined that there would be a fiscal impact to implement the provisions of the bill related to reimbursement of wound care education and training services providers, but the exact impact cannot be determined at this time. The bill would expand the medical assistance reimbursement to adults covered by Medicaid. Because this service is currently included in other medical services to the adult population and not billed separately, HHSC was not able to estimate the utilization and fiscal impact. It is assumed that costs related to developing quality standards for authorized wound care education and training services providers could be absorbed using existing resources.

HHSC determined that costs associated with conducting a study could be absorbed within existing resources.

It is assumed that the provisions of the bill related to electronic visit verification systems could be implemented using existing resources.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 529 Health and Human Services Commission, 304 Comptroller of Public Accounts, 720 The University of Texas System Administration

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