

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 25, 2019

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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

**IN RE:** SB1991 by Buckingham (Relating to claims processes and reimbursement for, and overpayment recoupment processes imposed on, health care providers under Medicaid.),  
**Conference Committee Report**

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.

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 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 bill would take effect September 1, 2019.

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.

It is assumed that the provisions of the bill related to electronic visit verification systems could be implemented using existing resources. HHSC determined that costs associated with conducting a

study could be absorbed within 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

**LBB Staff:** WP, AKi, JQ, ND