## LEGISLATIVE BUDGET BOARD Austin, Texas

## FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

## April 15, 2019

**TO:** Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

- **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 and other public benefits programs.), **As Introduced**

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 bill would amend Chapter 531 of the Government Code to require the Health and Human Services Commission (HHSC) and managed care organizations to reimburse health care providers at the same rate for the same service regardless of the electronic visit verification system used by the provider. The bill would also require HHSC to adopt rules to standardize payment recovery efforts by managed care organizations including requiring managed care organizations to notify providers of the organizations 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 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.

## Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

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