

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 13, 2021

TO: Honorable Jeff Leach, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3082 by Krause (Relating to Medicaid fraud actions.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3082, As Introduced : a negative impact of (\$3,248,174) through the biennium ending August 31, 2023.

Additionally, there would be an indeterminate revenue loss from decreases in the number of Medicaid fraud actions brought by the Attorney General because the extent to which state revenue associated with Medicaid fraud recoveries would be impacted cannot be estimated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$1,669,037)
2023	(\$1,579,137)
2024	(\$1,579,137)
2025	(\$1,579,137)
2026	(\$1,579,137)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$1,669,037)	10.0
2023	(\$1,579,137)	10.0
2024	(\$1,579,137)	10.0
2025	(\$1,579,137)	10.0
2026	(\$1,579,137)	10.0

Fiscal Analysis

The bill would amend the Human Resources Code related to Medicaid fraud actions.

The bill would amend the Human Resources Code to provide that to be actionable under Chapter 36 an unlawful act under Section 36.002 must be material to the state's decision regarding payment under the Medicaid

program. The bill would provide that Civil Practice and Remedies Code Chapter 33 applies to an action brought under Human Resources Code Section 36.052, which the bill would amend to make a person who commits an unlawful act liable to the state for the damages resulting from any payment or monetary value or in-kind benefit provided under the Medicaid program as a result of the unlawful act. The bill would amend the Human Resources Code to provide that the attorney general may not bring an action under Human Resource Code Chapter 36, Subchapter B after a certain time.

The bill would take effect September 1, 2021.

Methodology

Costs reflected in the table above are based on the analysis provided by the Office of the Attorney General (OAG), the Office of Court Administration (OCA), and Health and Human Services Commission (HHSC).

For the purposes of this analysis, it is assumed that an additional 10.0 FTE Assistant Attorney General III positions to implement the provisions of the bill. Salary costs for these positions would total \$791,485 in fiscal year 2022 and each subsequent fiscal year. Operating and payroll related benefit costs for these positions would total \$421,263 in fiscal year 2022 and \$370,263 for each subsequent year. Operating costs include travel costs of \$54,000 per year; operating expenses of \$47,000 per year, including for cell phones, postage, consumables, memberships, and trainings; and one-time equipment costs of \$51,000 in fiscal year 2022. In addition, an amount of \$381,089 is included each fiscal year for anticipated expert legal services as well as one-time costs of \$38,900 in fiscal year 2022 for standard computer desk-top/laptop, software, printer, and telecom/voicemail and recurring annual costs for fiscal years 2022-2026 of \$36,300 for data center services and voice lines.

Based on the analysis of the OCA and the HHSC, it is assumed that duties and responsibilities associated with implementing the bill could be accomplished utilizing available resources. In addition, no significant fiscal impact to the state court system is anticipated with the implementation of the bill.

Based on the analysis of the Comptroller of Public Accounts, the extent to which state revenue associated with Medicaid fraud recoveries would be impacted due to a decrease in the number of Medicaid fraud actions brought by the Attorney General cannot be estimated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Admin, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Hlth & Human Svcs Comm

LBB Staff: JMc, SLE, MW, BH