88R6694 BDP-F

By:  Hinojosa S.B. No. 731

A BILL TO BE ENTITLED

AN ACT

relating to the proof required to impose payment holds in certain cases of alleged fraud by Medicaid providers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 531.102(g)(3), Government Code, is amended to read as follows:

(3)  On timely written request by a provider subject to a payment hold under Subdivision (2), other than a hold requested by the state's Medicaid fraud control unit, the office shall file a request with the State Office of Administrative Hearings for an expedited administrative hearing regarding the hold not later than the third day after the date the office receives the provider's request. The provider must request an expedited administrative hearing under this subdivision not later than the 10th day after the date the provider receives notice from the office under Subdivision (2). The State Office of Administrative Hearings shall hold the expedited administrative hearing not later than the 45th day after the date the State Office of Administrative Hearings receives the request for the hearing. In a hearing held under this subdivision:

(A)  the provider and the office are each limited to four hours of testimony, excluding time for responding to questions from the administrative law judge;

(B)  the provider and the office are each entitled to two continuances under reasonable circumstances; and

(C)  the office is required to show probable cause that the credible allegation of fraud that is the basis of the payment hold has an indicia of reliability and that continuing to pay the provider presents [~~an ongoing significant financial risk to the state and~~] a threat to the integrity of Medicaid due to:

(i)  an ongoing risk that the alleged fraud could result in the provider or another person receiving an unauthorized benefit of more than $100,000; or

(ii)  the provider's conduct having resulted in a serious threat to the health or safety of recipients or the possibility that the provider's conduct may result in that serious threat at any time.

SECTION 2.  If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 3.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.