

By: Hughes

S.B. No. 862

A BILL TO BE ENTITLED

AN ACT

relating to the audit of claims and recovery of overpayments by  
Medicaid recovery audit contractors.

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

SECTION 1. Section 531.117, Government Code, is amended to  
read as follows:

Sec. 531.117. RECOVERY AUDIT CONTRACTORS. (a) To the  
extent required under Section 1902(a)(42), Social Security Act (42  
U.S.C. Section 1396a(a)(42)), the commission shall establish a  
program under which the commission contracts with one or more  
recovery audit contractors for purposes of identifying  
underpayments and overpayments under Medicaid, including under the  
Medicaid managed care program, and recovering the overpayments.

(b) The commission's office of inspector general shall  
ensure that a recovery audit contractor:

(1) in identifying underpayments and overpayments  
under the Medicaid managed care program, identifies both payments  
made to a Medicaid managed care organization and payments made by a  
Medicaid managed care organization that the organization did not  
previously identify in an audit and for which the organization did  
not initiate recovery efforts; and

(2) makes efforts to recover identified overpayments.

(c) A Medicaid managed care organization may audit a claim  
the organization paid until the first anniversary of the date the

1 organization paid the claim for purposes of determining whether the  
2 organization made an overpayment and initiating recovery efforts.

3 (d) Not earlier than the first anniversary of the date a  
4 Medicaid managed care organization paid a claim and not later than  
5 the second anniversary of that date, a recovery audit contractor  
6 may audit the claim, identify whether the organization made an  
7 overpayment, and initiate recovery of any overpayment. The recovery  
8 audit contractor may recover an identified overpayment until the  
9 third anniversary of the date the organization made the  
10 overpayment.

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

17 SECTION 3. This Act takes effect September 1, 2023.