

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**April 30, 2023**

**TO:** Honorable James B. Frank, Chair, House Committee on Human Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5018** by Raymond (Relating to certain payment recovery efforts by managed care organizations under Medicaid or the child health plan program.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined due to the unknown impact on administrative costs and the collection of overpayments for managed care organizations.

The bill would require a managed care organization (MCO), or entities that contract with an MCO, to give providers at least 60 days after the provider has exhausted all rights to an appeal before an MCO may begin efforts to collect overpayments. The bill would prohibit an MCO from reviewing a medical necessity determination or an error in claim documentation.

According to the Health and Human Services Commission, the bill would require MCOs to update their processes, which may lead to increased administrative costs and recoveries may decrease. However, the fiscal impact cannot be determined due to the unknown impact on administrative costs and the recovery of overpayments.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JMc, NPe, ER, CST