

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 24, 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 the process for recovering overpayments under Medicaid.), **As Introduced**

<p>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.</p>
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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.

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 to 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