

## **BILL ANALYSIS**

Senate Research Center  
89R5566 LRM-F

S.B. 1461  
By: Perry  
Health & Human Services  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1461 is an omnibus bill for the Office of the Inspector General (OIG). Current law presents multiple barriers to OIG's oversight and enforcement capabilities. There are conflicting statutory provisions regarding expert witness procurement, limitations on conducting criminal background checks on certain healthcare providers, and outdated requirements for reviewing Medicaid claims. Additionally, inefficiencies in fraud reporting, restrictions on information-sharing, and redundant statutory language further impede the OIG's ability to carry out its mission effectively.

S.B. 1461 strengthens the OIG's ability to combat fraud, waste, and abuse in Texas health programs by addressing inefficiencies and inconsistencies in current law. It clarifies the OIG's authority to retain expert witnesses under Section 2152.005, aligning with other state agencies to expand access to specialized medical expertise.

S.B. 1461 allows name-based criminal history checks for Medicaid providers while keeping fingerprint restrictions, ensuring better vetting without added burdens. It also modernizes the fraud hotline, reducing inefficiencies in handling 33,000 annual reports, of which less than two percent lead to recoveries.

Additionally, it clarifies data-sharing rules, enabling the OIG to collaborate with law enforcement agencies and other states to detect Medicaid fraud. It repeals outdated random Medicaid claim reviews, shifting focus to data-driven fraud detection. Finally, the bill fixes redundant statutory language from previous legislation, ensuring clarity in health agency laws.

As proposed, S.B. 1461 amends current law relating to the administration, authority, and duties of the Health and Human Services Commission's office of inspector general.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 544.0106, Government Code, as effective April 1, 2025, as follows:

Sec. 544.0106. New heading: PROCUREMENT OF CONTRACT FOR REVIEW OF INVESTIGATIVE FINDINGS BY QUALIFIED EXPERT. Provides that, notwithstanding any other law, Subtitle D (History, Culture, and Education), Title 10, does not apply to the Health and Human Services Commission's (HHSC) procuring of a contract for the services of a qualified expert to review investigative findings under Section 544.0104 (Employment of Medical Director) or 544.0105 (Employment of Dental Director) to the same extent that subtitle does not apply to the obtaining of an expert witness under Section 2151.005 (Exemptions Related to Legal Services).

Deletes existing text of existing Subsection (a) authorizing HHSC, if HHSC does not receive any responsive bids under Chapter 2155 (Purchasing: General Rules and Procedures) on a competitive solicitation for the services of a qualified expert to review

investigative findings under Section 544.0104 or 544.0105 and the number of contracts to be awarded under this subsection is not otherwise limited, to negotiate with and award a contract for the services to a qualified expert on the basis of the contractor's agreement to a set fee, either as a range or lump-sum amount and the contractor's affirmation and the office of inspector general's verification that the contractor possesses the necessary occupational licenses and experience.

Deletes existing text of existing Subsection (b) providing that, notwithstanding Sections 2155.083 (Electronic State Business Daily; Notice Regarding procurements Exceeding \$25,000) and 2261.051 (Competitive Contractor Selection Procedures), a contract awarded under Subsection (a) (relating to HHSC negotiations with potential contractors) is not subject to competitive advertising and proposal evaluation requirements.

SECTION 2. Amends Subchapter C, Chapter 544, Government Code, as effective April 1, 2025, by adding Section 544.0115, as follows:

Sec. 544.0115. PERMITTED DISCLOSURE OF CERTAIN INFORMATION. Authorizes the office of inspector general (office), for purposes of performing the duties of the office under Subchapter C (Office of Inspector General: General Provisions), to disclose information obtained in the course of conducting the office's administrative oversight activities to certain entities and authorized persons.

SECTION 3. Amends Section 544.0153(b), Government Code, as effective April 1, 2025, as follows:

(b) Prohibits the office, except as required by federal law, to determine a health care professional's eligibility to participate as a Medicaid provider, from conducting a fingerprint-based criminal history record information check of a health care professional who the office has confirmed under Subsection (a) (relating to coordination between the office and licensing authorities to share criminal history record information to determine provider eligibility for Medicaid participation) is licensed and in good standing. Makes a nonsubstantive change.

SECTION 4. Amends Section 544.0202(b), Government Code, as effective April 1, 2025, as follows:

(b) Requires HHSC to aggressively publicize successful fraud prosecutions and fraud-prevention programs through all available means, including the use of statewide press releases and ensure that HHSC or a health and human services agency maintains and promotes an appropriate communications system, rather than a toll-free telephone hotline, for reporting suspected fraud in programs HHSC or a health and human services agency administers.

SECTION 5. Repealer: Section 544.0201 (Selection and Review of Medicaid Claims to Determine Resource Allocation), Government Code.

Repealer: Section 544.0252(a) (relating to the timeline for the office of inspector general to conduct a preliminary investigation of allegations of a provider's fraud or abuse), Government Code.

SECTION 6. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 7. Effective date: September 1, 2025.