

By: Kolchorst, et al.
(Noble)

S.B. No. 961

A BILL TO BE ENTITLED

AN ACT

relating to fraud prevention and verifying eligibility for benefits under Medicaid.

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

SECTION 1. Section 544.0455, Government Code, as effective April 1, 2025, is amended by adding Subsection (g) to read as follows:

(g) The commission may not waive or seek authorization to waive a requirement that the commission conduct periodic electronic data matches to verify a Medicaid recipient's income eligibility under this section or other law.

SECTION 2. Section 544.0456, Government Code, as effective April 1, 2025, is amended by amending Subsection (c) and adding Subsection (c-1) to read as follows:

(c) On a monthly basis, the commission shall:

(1) conduct electronic data matches with the Texas Lottery Commission to determine whether a recipient of supplemental nutrition assistance benefits or Medicaid benefits or a recipient's household member received reportable lottery winnings;

(2) use the database system developed under Section 532.0201 to:

(A) match vital statistics unit death records with a list of individuals eligible for financial assistance benefits, ~~[or]~~ supplemental nutrition assistance benefits, or

1 Medicaid benefits; and

2 (B) ensure that any individual receiving
3 benefits ~~[assistance]~~ under a ~~[either]~~ program described by
4 Paragraph (A) who is discovered to be deceased has the individual's
5 eligibility for benefits ~~[assistance]~~ promptly terminated; ~~[and]~~

6 (3) review the out-of-state electronic benefit
7 transfer card transactions a recipient of supplemental nutrition
8 assistance benefits made to determine whether those transactions
9 indicate a possible change in the recipient's residence; and

10 (4) if a Medicaid recipient also receives supplemental
11 nutrition assistance benefits, review electronic benefit transfer
12 card transactions made exclusively out of state by the recipient to
13 determine whether the transactions indicate a possible change in
14 the recipient's residence for purposes of Medicaid eligibility.

15 (c-1) On at least a quarterly basis, the commission shall
16 determine whether a Medicaid recipient's voter registration has
17 been canceled under Subchapter B, Chapter 16, Election Code, or for
18 any other reason during the preceding 36-month period, to determine
19 whether the cancellation indicates a possible change in the
20 recipient's eligibility for Medicaid benefits.

21 SECTION 3. Subchapter B, Chapter 32, Human Resources Code,
22 is amended by adding Section 32.0267 to read as follows:

23 Sec. 32.0267. VERIFICATION OF CERTAIN SELF-ATTESTED
24 ELIGIBILITY CRITERIA. Except as provided by Section
25 32.024715(b)(3)(B) and unless self-attestation is permitted by
26 federal law, when determining and certifying a person's eligibility
27 for medical assistance, the commission may not accept

1 self-attestation of the person's income, residency, citizenship,
2 age, household composition, caretaker relative status, or access to
3 other health coverage without additional verification. The
4 additional verification must be obtained by or provided to the
5 commission before the commission may enroll or reenroll the person
6 in the medical assistance program. The commission must attempt to
7 obtain the additional verification through electronic data
8 matching before requesting documentation from the person.

9 SECTION 4. Section 36.002, Human Resources Code, is amended
10 to read as follows:

11 Sec. 36.002. UNLAWFUL ACTS. A person commits an unlawful
12 act if the person:

13 (1) knowingly makes or causes to be made a false
14 statement or misrepresentation of a material fact to permit a
15 person to receive a benefit or payment under a health care program
16 that is not authorized or that is greater than the benefit or
17 payment that is authorized;

18 (2) knowingly conceals or fails to disclose
19 information that permits a person to receive a benefit or payment
20 under a health care program that is not authorized or that is
21 greater than the benefit or payment that is authorized;

22 (3) knowingly applies for and receives a benefit or
23 payment on behalf of another person under a health care program and
24 converts any part of the benefit or payment to a use other than for
25 the benefit of the person on whose behalf it was received;

26 (4) knowingly makes, causes to be made, induces, or
27 seeks to induce the making of a false statement or

misrepresentation of material fact concerning:

(A) the conditions or operation of a facility in order that the facility may qualify for certification or recertification required by a health care program, including certification or recertification as:

(i) a hospital;

(ii) a nursing facility or skilled nursing facility;

(iii) a hospice;

(iv) an ICF-IID;

(v) an assisted living facility; or

(vi) a home health agency; or

(B) information required to be provided by a federal or state law, rule, regulation, or provider agreement pertaining to a health care program;

(5) except as authorized under a health care program, knowingly pays, charges, solicits, accepts, or receives, in addition to an amount paid under the program, a gift, money, a donation, or other consideration as a condition to the provision of a service or product or the continued provision of a service or product if the cost of the service or product is paid for, in whole or in part, under the program;

(6) knowingly presents or causes to be presented a claim for payment under a health care program for a product provided or a service rendered by a person who:

(A) is not licensed to provide the product or render the service, if a license is required; or

(B) is not licensed in the manner claimed;

(7) knowingly makes or causes to be made a claim under a health care program for:

(A) a service or product that has not been approved or acquiesced in by a treating physician or health care practitioner;

(B) a service or product that is substantially inadequate or inappropriate when compared to generally recognized standards within the particular discipline or within the health care industry; or

(C) a product that has been adulterated, debased, mislabeled, or that is otherwise inappropriate;

(8) makes a claim under a health care program and knowingly fails to indicate:

(A) the type of license held by the licensed health care provider who actually provided the service; or

(B) [and] the identification number of the licensed health care provider who actually provided the service;

(9) conspires to commit a violation of Subdivision (1), (2), (3), (4), (5), (6), (7), (8), (10), (11), (12), or (13);

(10) is a managed care organization that contracts with the commission or other state agency to provide or arrange to provide health care benefits or services to individuals eligible under a health care program and knowingly:

(A) fails to provide to an individual a health care benefit or service that the organization is required to provide under the contract;

1 (B) fails to provide to the commission or
2 appropriate state agency information required to be provided by
3 law, commission or agency rule, or contractual provision; or

4 (C) engages in a fraudulent activity in
5 connection with the enrollment of an individual eligible under the
6 program in the organization's managed care plan or in connection
7 with marketing the organization's services to an individual
8 eligible under the program;

9 (11) knowingly obstructs an investigation by the
10 attorney general of an alleged unlawful act under this section;

11 (12) knowingly makes, uses, or causes the making or
12 use of a false record or statement material to an obligation to pay
13 or transmit money or property to this state under a health care
14 program, or knowingly conceals or knowingly and improperly avoids
15 or decreases an obligation to pay or transmit money or property to
16 this state under a health care program; or

17 (13) knowingly engages in conduct that constitutes a
18 violation under Section [32.039\(b\)](#).

19 SECTION 5. Section [36.002](#), Human Resources Code, as amended
20 by this Act, applies only to an unlawful act committed on or after
21 the effective date of this Act.

22 SECTION 6. If before implementing any provision of this Act
23 a state agency determines that a waiver or authorization from a
24 federal agency is necessary for the implementation of that
25 provision, the agency affected by the provision shall request the
26 waiver or authorization and may delay implementing that provision
27 until the waiver or authorization is granted.

1 SECTION 7. This Act takes effect September 1, 2025.