

By: Hughes

S.B. No. 2458

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 544.0504, Government Code, as effective April 1, 2025, is amended to read as follows:

Sec. 544.0504. 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 to:

(1) identify Medicaid underpayments and overpayments, including underpayments and overpayments under the Medicaid managed care program; and

(2) recover the overpayments.

(b) A recovery audit contractor may recover an overpayment under Subsection (a)(2) from either the provider or the managed care organization.

(c) To avoid duplicative recovery efforts on a claim, a recovery audit contractor shall:

(1) notify the office of inspector general or the office's designee prior to initiating a review of a claim under this section; and

(2) if directed by the office, exclude a claim.

1       (d) On request by a recovery audit contractor or the office  
2 of inspector general, a managed care organization or provider who  
3 is the subject of an audit conducted under this section shall submit  
4 to the contractor or office all information necessary to perform  
5 the audit not later than the date specified in the request. All  
6 information and materials obtained under this section are  
7 confidential under Section 544.0259(e).

8       (e) The executive commissioner by rule shall adopt a process  
9 for appeals related to overpayments identified by a recovery audit  
10 contractor under this section.

11       (f) The commission may contract with a third party to  
12 administer Subsection (d) or (e).

13       (g) The executive commissioner, in consultation with the  
14 office of inspector general, may adopt rules necessary to implement  
15 this section.

16       SECTION 2. If before implementing any provision of this Act  
17 a state agency determines that a waiver or authorization from a  
18 federal agency is necessary for implementation of that provision,  
19 the agency affected by the provision shall request the waiver or  
20 authorization and may delay implementing that provision until the  
21 waiver or authorization is granted.

22       SECTION 3. This Act takes effect September 1, 2025.