

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 10, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1038 by Sparks (Relating to administrative remedies for certain fraud and abuse violations under Medicaid; providing administrative penalties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill expands and clarifies what constitutes an act of fraud or abuse in the Medicaid program, including more detailed definitions of knowingly submitting false claims, making false statements, or engaging in fraudulent activities. The bill clarifies what constitutes intent and increases the possible penalties for violations. It is assumed that any costs to the state, such as updating policies, procedures, and Medicaid contracts, could be accomplished within existing resources.

While no significant fiscal implication to the State is anticipated, according to the Comptroller of Public Accounts, the revenue from administrative and civil remedies that could be assessed and collected as a result of the added acts that would constitute a Medicaid violation or an unlawful act under a health care program are unknown; therefore, the fiscal impact on the state cannot be determined.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

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