

SENATE AMENDMENTS
2nd Printing

By: Oliverson

H.B. No. 4273

A BILL TO BE ENTITLED

AN ACT

relating to unlawful acts involving certain health care programs.

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

SECTION 1. Section 36.002, Human Resources Code, is amended to read as follows:

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

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

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

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

(4) knowingly makes, causes to be made, induces, or seeks to induce the making of a false statement or misrepresentation of material fact concerning:

(A) the conditions or operation of a facility in

1 order that the facility may qualify for certification or
2 recertification required by a health care program, including
3 certification or recertification as:

4 (i) a hospital;

5 (ii) a nursing facility or skilled nursing
6 facility;

7 (iii) a hospice;

8 (iv) an ICF-IID;

9 (v) an assisted living facility; or

10 (vi) a home health agency; or

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

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

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

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

26 (B) is not licensed in the manner claimed;

27 (7) knowingly makes or causes to be made a claim under

1 a health care program for:

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

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

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

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

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

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

17 (9) conspires to commit a violation of Subdivision
18 (1), (2), (3), (4), (5), (6), (7), (8), (10), (11), (12), or (13);

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

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

26 (B) fails to provide to the commission or
27 appropriate state agency information required to be provided by

1 law, commission or agency rule, or contractual provision; or

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

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

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

15 (13) knowingly engages in conduct that constitutes a
16 violation under Section 32.039(b).

17 SECTION 2. Section 36.002, Human Resources Code, as amended
18 by this Act, applies only to an unlawful act committed on or after
19 the effective date of this Act.

20 SECTION 3. If before implementing any provision of this Act
21 a state agency determines that a waiver or authorization from a
22 federal agency is necessary for the implementation of that
23 provision, the agency affected by the provision shall request the
24 waiver or authorization and may delay implementing that provision
25 until the waiver or authorization is granted.

26 SECTION 4. This Act takes effect September 1, 2025.

ADOPTED

MAY 20 2025

Laticy Spaw
Secretary of the Senate

By: *B. W. Kell*

H.B. No. 4273

Substitute the following for H.B. No. 4273 :

By: *Robert Davis*

C.S. H.B. No. 4273

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

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

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

19 (2) use the database system developed under Section
20 532.0201 to:

21 (A) match vital statistics unit death records
22 with a list of individuals eligible for financial assistance
23 benefits, [or] supplemental nutrition assistance benefits, or
24 Medicaid benefits; and

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

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

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

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

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

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

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

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

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

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

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

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

25 (4) knowingly makes, causes to be made, induces, or
26 seeks to induce the making of a false statement or
27 misrepresentation of material fact concerning:

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

5 (i) a hospital;
6 (ii) a nursing facility or skilled nursing
7 facility;
8 (iii) a hospice;
9 (iv) an ICF-IID;
10 (v) an assisted living facility; or
11 (vi) a home health agency; or

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

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

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

25 (A) is not licensed to provide the product or
26 render the service, if a license is required; or
27 (B) is not licensed in the manner claimed;

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

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

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

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

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

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

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

18 (9) conspires to commit a violation of Subdivision
19 (1), (2), (3), (4), (5), (6), (7), (8), (10), (11), (12), or (13);

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

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

27 (B) fails to provide to the commission or

1 appropriate state agency information required to be provided by
2 law, commission or agency rule, or contractual provision; or

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

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

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

16 (13) knowingly engages in conduct that constitutes a
17 violation under Section 32.039(b).

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

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

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 21, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4273 by Oliverson (Relating to fraud prevention and verifying eligibility for benefits under Medicaid.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would require the Health and Human Services Commission (HHSC) to conduct certain verifications on a Medicaid recipient related to lottery winnings, out-of-state electronic benefit transfer card transactions, and voter registration status, to identify possible changes to the recipient's eligibility for Medicaid benefits.

The bill would take effect September 1, 2025.

According to the Comptroller of Public Accounts, state Medicaid expenditures could be reduced to the extent that the provisions of the bill could reduce Medicaid caseloads; however, the amounts and timing of any such reductions are unknown, and the corresponding fiscal impact to the state cannot be determined.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

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

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 362 Texas Lottery Commission, 529 Health and Human Services Commission

LBB Staff: JMc, SD, NPe, ER, ESch, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 16, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4273 by Oliverson (Relating to fraud prevention and verifying eligibility for benefits under Medicaid.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the Health and Human Services Commission (HHSC) to conduct certain verifications on a Medicaid recipient related to lottery winnings, out-of-state electronic benefit transfer card transactions, and voter registration status, to identify possible changes to the recipient's eligibility for Medicaid benefits.

The bill would take effect September 1, 2025.

According to the Comptroller of Public Accounts, state Medicaid expenditures could be reduced to the extent that the provisions of the bill could reduce Medicaid caseloads; however, the amounts and timing of any such reductions are unknown, and the corresponding fiscal impact to the state cannot be determined.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

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

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 362 Texas Lottery Commission, 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, ESch, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 12, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4273 by Oliverson (Relating to unlawful acts involving certain health care programs.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

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

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

LBB Staff: JMc, NPe, JPa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 21, 2025

TO: Honorable Lacey Hull, Chair, House Committee on Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4273 by Oliverson (Relating to unlawful acts involving certain health care programs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

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

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

LBB Staff: JMc, NPe, JPa