

BILL ANALYSIS

Senate Research Center
76R13874 KLA-D

C.S.H.B. 875
By: Maxey (Zaffirini)
Health Services
4/28/1999
Committee Report (Substituted)

DIGEST

The Office of Investigations and Enforcement (OIE) was created within the Health and Human Services Commission (commission) by Senate Bill 30 during the 1997 Texas Legislature to investigate recipient and provider Medicaid fraud. Recipient fraud occurs when an ineligible individual receives Medicaid services or other benefits, and provider fraud occurs when a healthcare provider submits and is compensated for false Medicaid claims. S.B. 30 also required the commission to use learning or network technology to identify and deter fraud in the state's Medicaid program. C.S.H.B. 875 would set forth provisions for initiating automated tracking systems for use in investigations of fraud in the Medicaid program.

PURPOSE

As proposed, C.S.H.B. 875 sets forth provisions for initiating automated tracking systems for use in investigations of fraud in the Medicaid program.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 531C, Government Code, by adding Sections 531.1061 and 531.1062, as follows:

Sec. 531.1061. FRAUD INVESTIGATION TRACKING SYSTEM. Requires the Health and Human Services Commission (commission) to use an automated fraud investigation tracking system through the commission's office of investigations and enforcement to monitor the progress of an investigation of suspected fraud, abuse, or insufficient quality of care under the state Medicaid program. Sets forth the functions of the automated fraud investigation tracking system required for each case of suspected fraud, abuse, or insufficient quality of care. Requires the commission to require each health and human services agency that performs any aspect of the state Medicaid program to participate in the implementation and use of the automated fraud investigation tracking system.

Sec. 531.1062. RECOVERY MONITORING SYSTEM. Requires the commission to use an automated recovery monitoring system to monitor the collections process for a settled case of fraud, abuse, or insufficient quality of care under the state Medicaid program. Sets forth the functions required to be included in the recovery monitoring system.

SECTION 2. Amends Section 22.0252, Human Resources Code, by adding Subsections (c) and (d), to require the Texas Department of Human Services (department) to ensure that the telephone collection program attempts to collect reimbursement for all identified delinquent payments for which 15 days or more have elapsed since the initial notice of delinquency was sent to the recipient. Requires the department to use an automated collections system to monitor the results of the telephone collection program. Sets forth the functions required to be included in the automated collections system.

SECTION 3. Requires the commission, not later than January 1, 2000, to implement the automated fraud investigation tracking system required by Section 531.1061, Government Code, as added by this Act; and award the contract for the purchase and installation of commercially available accounting software necessary to implement the recovery monitoring system required by Section 531.1062, Government Code,

as added by this Act, and begin using the software.

SECTION 4. Requires the Department of Human Services, not later than August 1, 2000, to implement the automated collections system required by Section 22.0252, Human Resources Code, as amended by this Act.

SECTION 5. Effective date: September 1, 1999.

SECTION 6. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 4.

Adds text requiring the Department of Human Services, not later than August 1, 2000, to implement the automated collections system required by Section 22.0252, Human Resources Code, as amended by this Act. Deletes proposed text requiring the Department of Human Services, not later than January 1, 2000, to award the contract for installation of commercially available collections software necessary to implement the automated collections system required by Section 22.0252, Human Resources Code, as amended by this Act, and begin using the software.