

BILL ANALYSIS

Senate Research Center
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S.B. 1588
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Human Services
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As Filed

DIGEST

Texas expended \$7.3 billion in 1997 on its Medicaid program. The 75th Legislature directed the comptroller of public accounts (comptroller) to study the size and nature of fraud and overpayments in the Medicaid program and other state health care programs. S.B. 1588 requires managed care organizations to cooperate with Health and Human Services Commission investigations.

PURPOSE

As proposed, S.B. 1588 requires managed care organizations (MCO) to submit certain information to the Health and Human Services Commission (HHSC), and requires MCOs to cooperate with HHSC investigations.

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 533A, Government Code, by adding Section 533.012, as follows:

Sec. 533.012. INFORMATION FOR FRAUD CONTROL. Requires each managed care organization (MCO) to submit certain documents and specific information to the Health and Human Services Commission (HHSC), relating to each encounter wherein a health care service was provided to the recipient. Requires submitted information to be in an HHSC prescribed form. Requires information to be updated. Requires the HHSC office of investigations and enforcement to review submitted information for Medicare fraud, as appropriate. Authorizes the comptroller to review the information.

SECTION 2. Amends Section 533.005, Government Code, to require a contract between an MCO and HHSC to contain a requirement that the MCO provide required information, and comply with HHSC investigations and enforcement.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Emergency clause.
Effective date: upon passage.