

## **BILL ANALYSIS**

Senate Research Center  
76R10756 DLF-D

C.S.S.B. 1588  
By: Zaffirini  
Human Services  
4/1/1999  
Committee Report (Substituted)

### **DIGEST**

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

### **PURPOSE**

As proposed, C.S.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 to the Health and Human Services Commission (HHSC). 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 fraud in the Medicaid managed care program, 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. Effective date: September 1, 1999.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

SECTION 1.

Amends Section 533.012, Government Code, to delete existing Subsection (b), and reletter the remaining subsections. Makes a nonsubstantive change.

SECTION 3.

Creates an effective date of September 1, 1999, rather than upon passage.

SECTIONS 4 and 5.

Redesignated from existing SECTIONS 3 and 4. Makes conforming and nonsubstantive changes.