

## **BILL ANALYSIS**

Senate Research Center  
79R4771 RMB-F

S.B. 630  
By: Van de Putte  
Health and Human Services  
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As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, there are no set procedures and rules for audits of providers who contract with the Health and Human Services Commission. Many providers who have been audited have not had the opportunity to explain discrepancies to the auditing agencies before having to obtain legal counsel to mediate any audit findings. Thousands of dollars are being spent on legal fees to explain discrepancies to the auditing agencies that could have easily been dealt with through exit interviewing.

S.B. 630 requires the executive commissioner of the Health and Human Services Commission to establish rules regulating provider audits that include, among others, provisions requiring prior notification of audits, time limits regarding the scope of an audit, uniform audit standards and parameters, provider response processes, and reporting time frames. S.B. 630 also establishes an ad hoc peer-review panel of providers to administer an informal process through which a provider may obtain an early review of the audit report or may appeal an unfavorable audit finding without the need to obtain legal counsel; and have an unfavorable audit finding that is found to be unsubstantiated may be revised or dismissed without need of further action by the agency.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 (Section 32.070, Human Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 32, Human Resources Code, by adding Section 32.070, as follows:

Sec. 32.070. AUDITS OF PROVIDERS. Defines "provider." Requires the executive commissioner of the Health and Human Services Commission (commissioner) to adopt rules governing the audit of providers in the medical assistance program and sets forth specific guidelines for those rules. Provides that this section does not apply to an audit conducted by the Medicaid fraud control unit of the office of the attorney general.

SECTION 2. Requires the commissioner, not later than January 1, 2006, to adopt rules required by Section 32.070, Human Resources Code, as added by this Act.

SECTION 3. Authorizes delay of implementation until any necessary federal waivers or authorizations are obtained.

SECTION 4. Effective date: September 1, 2005.