BILL ANALYSIS

Senate Research Center
76R5070 DLF-D

S.B. 1589
By: Zaffirini
Human Services
3/26/1999
As Filed

DIGEST

Texas expended $7.3 billion in 1997 on its Medicaid program, $3.8 billion of which was spent on acute care services. 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. The comptroller and the State Auditor's Office reported possible overpayments of approximately $162 million for Medicaid acute services based on 1997 expenditures. The comptroller included recommendations in the Fraud Measurement Study for improving the state's ability to ensure that state health care program funds are properly expended.

PURPOSE

As proposed, S.B. 1589 sets forth provisions for conducting a study of fraudulent medical or health care benefit claims submitted under certain state programs.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Redesignates Section 403.026, Government Code, as Section 403.028, which is amended to require the comptroller of public accounts (comptroller) to conduct a study each biennium to determine the number and type of fraudulent claims for medical or health care benefits submitted, including the Medicaid managed care program implemented under Chapter 533, and managed care programs which provide health care benefits as a part of group coverages offered to active and retired state employees. Authorizes the comptroller, or at the request of the comptroller, a state agency that administers a program identified by Subsection (a) to make contact with a person identified as receiving services for which benefits are provided under a program to confirm delivery of services to a person. Requires the information to be provided in a certain format. Requires each state agency that administers a program identified by Subsection (a), in consultation with the comptroller, to establish performance measures to be used to evaluate the agency's fraud control procedures. Requires a report to indicate whether the level of fraud in each program included in the study has increased, decreased, or remained constant since the comptroller's last report. Makes conforming changes.

SECTION 2. Amends Section 531.102, Government Code, by adding Subsection (e), to require the Health and Human Services Commission (commission) to ensure that each health and human services agency that administers a part of the Medicaid program maintains and regularly updates a list of the names and telephone numbers of all Medicaid recipients. Authorizes the list to be used to confirm the delivery of services to each recipient for which benefits are received.

SECTION 3. Amends Article 3.50-2, V.T.C.S.(Texas Employees Uniform Group Insurance Benefits Act), by adding Section 4H, as follows:

> Sec. 4H. TELEPHONE NUMBER FOR PROGRAM PARTICIPANTS. Requires the trustee to maintain and regularly update a list of the names and telephone numbers of all participants in any of the group health coverages offered under this Act. Makes a conforming change.

SECTION 4. Amends Section 501.0431, Labor Code, as follows:

> Sec. 501.0431. New heading: DIRECTOR'S DUTIES RELATING TO FRAUD. Requires the

director to maintain and regularly update a list of the names and telephone numbers of all persons entitled to confirm the delivery to each person of services for which medical benefits are provided.

SECTION 5. Emergency clause.
Effective date: upon passage.