

## **BILL ANALYSIS**

C.S.H.B. 2894  
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Criminal Jurisprudence  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Concerns have been raised regarding the application of state law governing Medicaid fraud. It has been suggested that the scope of the offense is too narrow and does not adequately address other types of fraudulent conduct that may be committed against governmental health care programs. C.S.H.B. 2894 seeks to address this issue by providing for the prosecution of health care fraud.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2894 amends the Penal Code to create the offense of health care fraud by expanding the applicability of conduct constituting Medicaid fraud to include such conduct involving fraud of a health care program funded by the state, the federal government, or both that is designed to provide health care services to health care recipients, as defined by the bill, including a program that is administered in whole or in part through a managed care delivery model. The bill revises the definitions of "claim," "fiscal agent," "managed care organization," "provider," and "service" for purposes of the offense.

C.S.H.B. 2894 amends the Code of Criminal Procedure and the Health and Safety Code to make conforming changes.

### **EFFECTIVE DATE**

September 1, 2019.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2894 differs from the original only by amending the caption to reflect the creation of a criminal offense.