

PREPARED BY: Liz Hruska
DATE PREPARED: May 20, 2015
PHONE: 471-0053

LB 315

Revision: 01

Revised based on amendments adopted though 5-20-15

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|-------------------------------------------------------------------------------------------------------|-------------------|---------|-------------------|---------|
| | FY 2015-16 | | FY 2016-17 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | 42,767 | | 42,767 | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | 42,767 | | 42,767 | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | 85,534 | | 85,534 | |

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill makes changes to the audit recovery process, also known as Recovery Audit Contractors (RAC). The changes set timelines for notice and recovery, excludes certain payments for audits and prohibits recovery of overpayments until all appeals are completed unless there is a credible allegation of fraudulent activity and requires certain reporting requirements.

The Department of Health and Human Services has a contract for Recovery Audit Contractors (RAC). Additional administrative costs would be incurred under the provisions of this bill. The cost would be \$85,534 (\$42,767 GF and FF) each year.