

By: Swinford

H.B. No. 22

A BILL TO BE ENTITLED

AN ACT

relating to the performance of workers' compensation research by the Texas Department of Insurance; making an appropriation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 5, Labor Code, is amended by adding Chapter 405 to read as follows:

CHAPTER 405. WORKERS' COMPENSATION RESEARCH

Sec. 405.001. DEFINITION. In this chapter, "department" means the Texas Department of Insurance.

Sec. 405.002. WORKERS' COMPENSATION RESEARCH DUTIES OF DEPARTMENT. (a) The department shall conduct professional studies and research related to:

(1) the delivery of benefits;

(2) litigation and controversy related to workers' compensation;

(3) insurance rates and rate-making procedures;

(4) rehabilitation and reemployment of injured workers;

(5) workplace health and safety issues;

(6) the quality and cost of medical benefits; and

(7) other matters relevant to the cost, quality, and operational effectiveness of the workers' compensation system.

(b) In addition to the studies and research conducted under Subsection (a), the department shall conduct studies and research

1 related to drugs in the workplace, giving priority to drug abuse in
2 public and private establishments in which drug abuse could result
3 in serious consequences to the public. The studies and research
4 must include a survey designed to identify future needs and current
5 efforts of employers to counteract drug abuse and its effects in the
6 workplace.

7 (c) The department shall identify, collect, maintain, and
8 analyze the key information required to assess the operational
9 effectiveness of the workers' compensation system. The department
10 shall provide the information obtained under this subsection to the
11 governor and the legislature on a quarterly basis.

12 (d) The department may apply for and spend grant funds to
13 implement this chapter.

14 Sec. 405.003. FUNDING; MAINTENANCE TAX. (a) The
15 department's duties under this chapter are funded through the
16 assessment of a maintenance tax collected annually from all
17 insurance carriers, and self-insurance groups that hold
18 certificates of approval under Chapter 407A, except governmental
19 entities.

20 (b) The department shall set the rate of the maintenance tax
21 based on the expenditures authorized and the receipts anticipated
22 in legislative appropriations. The tax rate for insurance
23 companies may not exceed one-tenth of one percent of the correctly
24 reported gross workers' compensation insurance premiums. The tax
25 rate for certified self-insurers may not exceed one-tenth of one
26 percent of the total tax base of all certified self-insurers, as
27 computed under Section 407.103(b). The tax rate for self-insurance

1 groups described by Subsection (a) may not exceed one-tenth of one
2 percent of the group's gross premium for the group's retention,
3 excluding premium collected by the group for excess insurance.

4 (c) The tax imposed under Subsection (a) is in addition to
5 all other taxes imposed on those insurance carriers for workers'
6 compensation purposes.

7 (d) The tax on insurance companies and on self-insurance
8 groups described by Subsection (a) shall be assessed, collected,
9 and paid in the same manner and at the same time as the maintenance
10 tax established for the support of the department under Article
11 5.68, Insurance Code. The tax on certified self-insurers shall be
12 assessed, collected, and paid in the same manner and at the same
13 time as the self-insurer maintenance tax collected under Section
14 407.104.

15 (e) Amounts received under this section shall be deposited
16 in the state treasury in accordance with Article 5.68(e), Insurance
17 Code, to be used:

18 (1) for the operation of the department's duties under
19 this chapter; and

20 (2) to reimburse the general revenue fund in
21 accordance with Article 4.19, Insurance Code.

22 (f) Section 403.095, Government Code, does not apply to the
23 special account established under this section.

24 Sec. 405.004. COORDINATION WITH OTHER STATE AGENCIES;
25 CONFIDENTIALITY. (a) As required to fulfill the department's
26 objectives under this chapter, the department is entitled to access
27 to the files and records of:

- 1 (1) the commission;
- 2 (2) the Texas Workforce Commission;
- 3 (3) the Texas Department of Human Services;
- 4 (4) the State Office of Risk Management; and
- 5 (5) other state agencies.

6 (b) A state agency shall assist and cooperate in providing
7 the information to the department.

8 (c) Information that is confidential under state law is
9 accessible to the department under rules of confidentiality and
10 remains confidential.

11 (d) The identity of an individual or entity selected to
12 participate in a department survey or who participates in such a
13 survey is confidential and is not subject to public disclosure
14 under Chapter 552, Government Code.

15 SECTION 2. (a) Chapter 404 and Section 413.021(f), Labor
16 Code, are repealed.

17 (b) The Research and Oversight Council on Workers'
18 Compensation, including the council's board of directors, is
19 abolished on the effective date of this Act. All state records and
20 other property and unexpended and unobligated appropriations of the
21 council on the effective date of this Act are transferred to the
22 Texas Department of Insurance. All employees of the Research and
23 Oversight Council on Workers' Compensation become employees of the
24 Texas Department of Insurance on the effective date of this Act.
25 Any reference in law to the Research and Oversight Council on
26 Workers' Compensation, the council's board of directors, the Texas
27 Workers' Compensation Research Center, or the research center's

1 board means the Texas Department of Insurance or the commissioner
2 of insurance, as appropriate.

3 SECTION 3. (a) For each fiscal year of the state fiscal
4 biennium beginning September 1, 2003, the amount of \$832,396,
5 pursuant to the allocation made by Section 11.15(b), Article IX,
6 H.B. 1, Acts of the 78th Legislature, Regular Session, 2003, is
7 allocated to the Texas Department of Insurance for the purpose of
8 performing the department's duties under Chapter 405, Labor Code,
9 as added by this Act, and the amount available for transfer under
10 Section 11.15(c), Article IX, H.B. 1, Acts of the 78th Legislature,
11 Regular Session, 2003, is correspondingly reduced by that amount.

12 (b) Rider 1 immediately following the appropriation to the
13 Research and Oversight Council on Workers' Compensation made by
14 H.B. 1, Acts of the 78th Legislature, Regular Session, 2003,
15 applies to the appropriation made by Subsection (a) of this
16 section.

17 (c) The special account established under Section 404.003,
18 Labor Code, as that section existed before being repealed by this
19 Act, is re-created and transferred to the Texas Department of
20 Insurance's General Revenue and Insurance Companies Maintenance
21 Tax and Insurance Department Fees Account to be used for the
22 purposes described by Section 405.003, Labor Code, as added by this
23 Act.

24 SECTION 4. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect December 1, 2003.