

By: Giddings

H.B. No. 63

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) The department shall identify, collect, maintain, and analyze the key information required to assess the operational

1 effectiveness of the workers' compensation system. The department
2 shall provide the information obtained under this subsection to the
3 governor and the legislature on a quarterly basis.

4 (c) The department may apply for and spend grant funds to
5 implement this chapter.

6 Sec. 405.003. FUNDING; MAINTENANCE TAX. (a) The
7 department's duties under this chapter are funded through the
8 assessment of a maintenance tax collected annually from all
9 insurance carriers, and self-insurance groups that hold
10 certificates of approval under Chapter 407A, except governmental
11 entities.

12 (b) The department shall set the rate of the maintenance tax
13 based on the expenditures authorized and the receipts anticipated
14 in legislative appropriations. The tax rate for insurance
15 companies may not exceed one-tenth of one percent of the correctly
16 reported gross workers' compensation insurance premiums. The tax
17 rate for certified self-insurers may not exceed one-tenth of one
18 percent of the total tax base of all certified self-insurers, as
19 computed under Section 407.103(b). The tax rate for self-insurance
20 groups described by Subsection (a) may not exceed one-tenth of one
21 percent of the group's gross premium for the group's retention,
22 excluding premium collected by the group for excess insurance.

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

26 (d) The tax on insurance companies and on self-insurance
27 groups described by Subsection (a) shall be assessed, collected,

1 and paid in the same manner and at the same time as the maintenance
2 tax established for the support of the department under Article
3 5.68, Insurance Code. The tax on certified self-insurers shall be
4 assessed, collected, and paid in the same manner and at the same
5 time as the self-insurer maintenance tax collected under Section
6 407.104.

7 (e) Amounts received under this section shall be deposited
8 in a special account in the state treasury in accordance with
9 Article 5.68(e), Insurance Code, to be used:

10 (1) to fund the department's workers' compensation
11 research duties under this chapter; and

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

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

16 Sec. 405.004. COORDINATION WITH OTHER STATE AGENCIES;
17 CONFIDENTIALITY. (a) As required to fulfill the department's
18 objectives under this chapter, the department is entitled to access
19 to the data, files, and records of:

20 (1) the commission;

21 (2) the Texas Workforce Commission;

22 (3) the Texas Department of Human Services;

23 (4) the State Office of Risk Management; and

24 (5) other state agencies.

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

27 (c) Information that is confidential under state law is

1 accessible to the department under rules of confidentiality and
2 remains confidential.

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

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

9 (b) The Research and Oversight Council on Workers'
10 Compensation, including the council's board of directors, is
11 abolished on the effective date of this Act. All state records and
12 other property and unexpended and unobligated appropriations of the
13 council on the effective date of this Act are transferred to the
14 Texas Department of Insurance. Employees of the Research and
15 Oversight Council on Workers' Compensation previously transferred
16 to the Texas Department of Insurance under the Memorandum of
17 Understanding of September 2, 2003, become employees of the Texas
18 Department of Insurance on the effective date of this Act. Any
19 reference in law to the Research and Oversight Council on Workers'
20 Compensation, the council's board of directors, the Texas Workers'
21 Compensation Research Center, or the research center's board means
22 the Texas Department of Insurance or the commissioner of insurance,
23 as appropriate.

24 SECTION 3. (a) For each fiscal year of the state fiscal
25 biennium beginning September 1, 2003, the amount of \$832,396,
26 pursuant to the allocation made by Section 11.15(b), Article IX,
27 Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003,

1 is appropriated to the Texas Department of Insurance for the
2 purpose of performing the department's duties under Chapter 405,
3 Labor Code, as added by this Act, and the amount available for
4 transfer under Section 11.15(c), Article IX, Chapter 1330, Acts of
5 the 78th Legislature, Regular Session, 2003, is correspondingly
6 reduced by that amount.

7 (b) Rider 1 immediately following the appropriation to the
8 Research and Oversight Council on Workers' Compensation made by
9 Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003,
10 applies to the appropriation made by Subsection (a) of this
11 section.

12 (c) The special account established under Section 404.003,
13 Labor Code, as that section existed before being repealed by this
14 Act, is re-created and transferred to the Texas Department of
15 Insurance's General Revenue and Insurance Companies Maintenance
16 Tax and Insurance Department Fees Account to be used for the
17 purposes described by Sections 405.002 and 405.003, Labor Code, as
18 added by this Act.

19 SECTION 4. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect on the 91st day after the last day of the
24 legislative session.