

BILL ANALYSIS

H.B. 3589
By: Giddings
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Recent studies have shown that the Texas workers' compensation system experiences higher medical costs than other states, while injured employees in Texas suffer poorer outcomes in areas such as recovery and return to work. In an effort to improve both the cost and the quality of medical care in Texas, the 77th Legislature adopted Article 2 of HB 2600, which introduced a network health care delivery model into the workers' compensation system. Article 2 of HB 2600 called for a feasibility study on the creation of regional workers' compensation health care delivery networks and created a Governor-appointed Health Care Network Advisory Committee (HNAC), which contains members from business and labor groups, to set the standards for health care provided through these these networks. The HNAC, with the assistance of the Texas Workers' Compensation Commission (TWCC) and the Research and Oversight Council on Workers' Compensation (ROC), is also responsible for establishing a network report card that will measure cost savings, return-to-work outcomes, worker satisfaction, and health-related outcomes.

RULEMAKING AUTHORITY

It is the opinion of the committee that rulemaking authority is expressly granted to the Texas Workers' Compensation Commission on behalf of the Health Care Network Advisory Committee in Sec. 408.0223 of this bill.

ANALYSIS

Amends Sections 408.0221- 408.0023 of the Labor Code to establish a 3-year network pilot project for state employees. Provides that the State Office of Risk Management, the University of Texas, Texas A&M University, and the Texas Department of Transportation contract directly with regional networks rather than the Texas Workers' Compensation Commission; provides that networks abide by the standards and report card requirements established by the Health Care Network Advisory Committee (HNAC). Gives HNAC the authority to expand the pilot project to allow voluntary participation of other insurance carriers, self-insured employers, and other governmental entities in the pilot after the first year. Defines process for developing and producing network report card. Provides for survey and reporting by the Research and Oversight Council; provides for administrative penalties. Provides for compliance with rules and makes conforming amendments. Defines causes of action and state immunity. Provides for the adoption of rules and standards for insurance carrier networks. Effective date.

EFFECTIVE DATE

Immediate effect with two-thirds vote, or failing this, September 1, 2003.

