

BILL ANALYSIS

Senate Research Center

S.B. 1804
By: Harris
State Affairs
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Enrolled

DIGEST AND PURPOSE

S.B. 1804 addresses the issue of an insurance carrier preauthorizing, and later disputing, health care services or pharmaceuticals, by making the carrier liable for the voluntarily preauthorized care. Additionally, S.B. 1804 modifies provisions regarding an independent review of medical necessity in workers' compensation cases.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subsection (e), Section 413.014, Labor Code, to prohibit the Texas Workers' Compensation Commission (TWCC) from prohibiting an insurance carrier and a health care provider from voluntarily discussing pharmaceutical services, either prospectively or concurrently. Provides that the insurance carrier is liable for health care treatment and treatment plans and pharmaceutical services that are voluntarily preauthorized and prohibits the insurance carrier from disputing the certified or agreed-upon preauthorized health care treatment and treatment plans and pharmaceutical services at a later date.

SECTION 2. Amends Section 413.031, Labor Code, by adding Subsection (e-1), to require an independent review organization, in performing a review of medical necessity under Subsection (d) or (e), to consider TWCC's health care reimbursement policies and guidelines adopted under Section 413.011 if those policies and guidelines are raised by one of the parties to the dispute. Provides that if the independent review organization's decision is contrary to TWCC's policies or guidelines adopted under Section 413.011, the independent review organization is required to indicate in the decision the specific basis for its divergence in the review of medical necessity. Provides that this subsection does not prohibit an independent review organization from considering the payment policies adopted under Section 413.011 in any dispute, regardless of whether those policies are raised by a party to the dispute.

SECTION 3. Effective date: September 1, 2003.

Makes application of this Act to requests for voluntary precertification prospective.