

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1804  
By: Harris  
State Affairs  
4/29/2003  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Under current law, a person receiving workers' compensation supplemental income benefits must prove, every three months, that the benefits are still needed. C.S.S.B. 1804 expands the process to a six-month re-evaluation; the bill also addresses the issue of an insurance carrier preauthorizing, and later disputing, care. Additionally, C.S.S.B. 1804 requires a study to propose an alternative workers' compensation dispute resolution process that is less expensive than the current one.

### **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 Section 408.143(b), Labor Code, to require that the statement required under this section, unless modified by the Texas Workers' Compensation Commission (TWCC), be filed quarterly until the first anniversary of the date of TWCC's initial determination of supplemental benefits and, after that date, every six months, if supplemental benefits were provided continuously during that first year. Makes a conforming change.

SECTION 2. Amends Section 408.151(b), Labor Code, to require that the examination, in addition to determining whether the employee's medical condition has improved, include a determination of the type of employment the employee is physically or medically able to perform. Requires TWCC to base its determination of whether the employee's medical condition has shown improved functional gain, rather than improved sufficiently, to allow the employee to return to work on that report.

SECTION 3. Amends Subchapter C, Chapter 413, Labor Code, by adding Section 413.032, as follows:

Sec. 413.032. ALTERNATIVE MEDICAL DISPUTE RESOLUTION PROCESS. (a) Requires TWCC to evaluate the effectiveness and costs of the medical dispute resolution process under Section 413.031 and study proposals for the establishment of an alternative process. Requires TWCC, in performing the study and proposing the alternative process, to emphasize the establishment of a process that is less expensive than the current system.

(b) Requires TWCC, in performing its duties under this section, to solicit the participation of persons who represent the interests of employees, employers, health care providers, insurance carriers, governmental agencies, and others who may be interested in the results of the study.

(c) Requires TWCC to report the results of the study, including TWCC's proposal, to the lieutenant governor and speaker of the house of representatives not later than December 1, 2004.

(d) Provides that this section expires January 1, 2006.

SECTION 4. Amends Section 413.014(e), Labor Code, to prohibit 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 5. (a) Effective date: September 1, 2003.

(b) Makes application of this Act prospective.