

By: King

H.B. No. 1896

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the delivery and payment of health care in the workers'  
3 compensation system.

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

5 SECTION 1. Section 408.022, Labor Code, is amended by  
6 adding Subsection (f):

7 (f) Notwithstanding any other provisions of this chapter,  
8 if an insurance carrier has in place an insurance carrier network as  
9 provided in Section 408.0223, and certified by the network and the  
10 employer or carrier pursuant to Section 408.0225, an employee must  
11 receive treatment from a provider participating in the insurance  
12 carrier network. If the medical treatment or service being sought  
13 by an employee is not available from a network provider within 30  
14 miles of the employee's normal place of residence, then the  
15 employee may select a provider who is not participating in the  
16 insurance carrier network. A carrier may grant authorization to  
17 obtain services from a provider who is not part of the insurance  
18 carrier network if the provider agrees to accept the same  
19 reimbursement as would be provided to network providers and to  
20 abide by the same terms and conditions as apply to other providers  
21 participating in the network.

22 SECTION 2. Section 408.0223, Labor Code, is amended to read  
23 as follows:

24 (a) In this section, "insurance carrier network" means a

1 voluntary workers' compensation health care delivery network  
2 established by or contracting with an insurance carrier. [~~The term~~  
3 ~~does not include a regional network established under Section~~  
4 ~~408.0221.~~]

5 (b) This subtitle does not prohibit an insurance carrier,  
6 whether doing business as an individual carrier or as a group, from  
7 participating in, [~~or~~] maintaining, or contracting with voluntary  
8 insurance carrier networks. [~~if those voluntary insurance carrier~~  
9 ~~networks allow selection of doctors as provided by Section 408.022.~~

10 [~~(d) The standards adopted for preferred provider networks~~  
11 ~~under Article 3.70-3C, Insurance Code, as added by Chapter 1024,~~  
12 ~~Acts of the 75th Legislature, Regular Session, 1997, and as~~  
13 ~~subsequently amended, apply as minimum standards for insurance~~  
14 ~~carrier networks and are adopted by reference in this section~~  
15 ~~except to the extent those standards are inconsistent with this~~  
16 ~~subtitle. The advisory committee, defined in Section 408.0221, may~~  
17 ~~recommend additional standards for insurance carrier networks that~~  
18 ~~are no more stringent than the additional standards that the~~  
19 ~~advisory committee recommends for regional health care delivery~~  
20 ~~networks pursuant to Section 408.0221(g).~~

21 [~~(e) The Texas Workers' Compensation Commission shall adopt~~  
22 ~~rules, as necessary, to implement additional standards for~~  
23 ~~insurance carrier networks.~~]

24 (c) No insurance carrier shall utilize or contract with an  
25 insurance carrier network unless the network and the insurance  
26 carrier shall have jointly certified to the Commission that the  
27 network complies with the standards contained in Section 408.0225.

1 SECTION 3. Section 408, Labor Code, is amended by inserting  
2 a new section, 408.0225:

3 Sec. 408.0225. INSURANCE CARRIER NETWORK STANDARDS. (a)  
4 An insurance carrier network must include or provide for each of the  
5 following:

6 (1) a clearly defined geographical service area;

7 (2) within its geographical service area, a sufficient  
8 number of participating providers necessary to provide all medical  
9 services, including emergency medical services, as can be  
10 reasonably be expected to be required to treat injured employees,  
11 and to provide such services in a timely, effective, and convenient  
12 manner;

13 (3) a list of all participating providers organized by  
14 location and medical specialty;

15 (4) provision for obtaining medical services required  
16 by an injured worker that are not available from a participating  
17 provider;

18 (5) procedures by which an injured worker may request  
19 a change of provider within the network;

20 (6) methods, resources, and procedures for monitoring  
21 the quality of care provided to injured workers and for identifying  
22 and eliminating inappropriate utilization of medical services;

23 (7) methods and procedures for resolving disputes  
24 involving reimbursement and the appropriateness and utilization of  
25 medical services;

26 (8) methods and procedures, including an appeals  
27 process within the network, for selecting and deselecting providers

1 participating in the network;

2 (9) methods for certifying the training, experience,  
3 and other credentials of participating network providers;

4 (10) methods and procedures for executing and managing  
5 contractual agreements between individual providers and the  
6 network

7 (11) methods by which an injured worker may appeal to  
8 the commission for the review of a network decision regarding the  
9 utilization of medical services, if the issue involved has not been  
10 resolved to the worker's satisfaction 60 days after first notifying  
11 the network that a dispute exists or after the exhaustion of the  
12 network's internal dispute resolution procedures, whichever comes  
13 first; and

14 (12) methods and procedures for maintaining accurate  
15 and complete information regarding the utilization and cost of  
16 medical services, and for ensuring the privacy and confidentiality  
17 of a worker's personal information.

18 (b) An insurance carrier network shall not discriminate  
19 against or exclude from participation any category of provider  
20 whose individual members may be authorized to treat injured  
21 workers.

22 (c) Whenever the participation of a network provider is  
23 being terminated by the network, the provider shall be informed no  
24 later than 30 days prior to the effective date of the termination  
25 and shall be provided, at the time notice is given, a written  
26 explanation for the decision. The affected provider may request a  
27 reconsideration of the network's decision, although such a request

1 shall not delay the effective date of the decision. If  
2 reconsideration does not result in a reversal of the decision, the  
3 provider may appeal directly to the commission, which may order  
4 that the provider be reinstated in the network if it determines that  
5 the network's decision was arbitrary or capricious.

6 (d) Insurance carrier networks and individual providers may  
7 negotiate and agree to alternative prospective or retrospective  
8 reimbursement arrangements in place of medical reimbursement  
9 policies adopted by the commission, and may negotiate and agree  
10 that providers would not be required and may negotiate and agree  
11 that providers would not be required to apply for and be accepted to  
12 the approved doctor list. Such providers shall be recognized by the  
13 commission as eligible to assign impairment ratings and certify  
14 maximum medical improvement and have all other rights and  
15 responsibilities of those providers on the approved doctor list and  
16 would be deemed included on the approved doctor list.

17 (e) The commission may, at any time, examine the records and  
18 documents of a certified network and carrier in order to verify  
19 compliance with the requirements of this section. If the  
20 commission determines, after an examination, that an insurance  
21 carrier network fails to meet the standards contained in this  
22 section, it may require the network to take immediate steps to meet  
23 the requirements of this section. If, after a period of time  
24 established by the commission, the insurance carrier network has  
25 failed to correct the deficiencies identified in the examination,  
26 then the commission shall decertify the network. Upon  
27 decertification, injured workers who would have been covered by the

1 network may select the provider who will treat them.

2 SECTION 4. Section 413.011, Labor Code, is amended by  
3 adding Subsection (h):

4 (h) Nothing in this section shall prohibit insurance  
5 carrier networks authorized under Section 408.0225 and individual  
6 providers participating in such networks from agreeing to  
7 alternative prospective or retrospective reimbursement  
8 arrangements. Prospective or retrospective reimbursement for  
9 medical services shall be governed by the contractual agreement  
10 between the network and the participating providers.

11 SECTION 5. This Act takes effect September 1, 2003.