

By: Giddings

H.B. No. 3589

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a regional health care delivery network pilot project  
3 in the workers' compensation system.

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

5 SECTION 1. Sections 408.0221, Labor Code, is amended to  
6 read as follows:

7 Sec. 408.0221. Regional Health Care Delivery Networks;  
8 Advisory Committee.

9 (a) In this section and in Section 408.0222:

10 (1) "Advisory committee" means the Health Care Network  
11 Advisory Committee.

12 (2) "Regional network" means a regional workers'  
13 compensation health care delivery network established ~~[by the~~  
14 ~~commission]~~ under this section. In addition, any reference to  
15 "regional network" is also applicable to the "pilot project"  
16 defined in subdivision (3) of this subsection.

17 (3) "Pilot project" means the regional workers'  
18 compensation health care pilot project established under  
19 subsection (i) of this section.

20 (b) The regional networks established under this section  
21 shall be fee-for-service networks designed to improve the quality  
22 and reduce the cost of health care, with active health care  
23 management and monitoring and a full range of health care services  
24 or select health care services under contract as considered

1 feasible under the feasibility study required under Subsection (d).

2 (c) The Health Care Network Advisory Committee is  
3 established to advise the commission on the implementation of this  
4 section and Section 408.0222 and to monitor and oversee the  
5 implementation of the regional network pilot project and regional  
6 networks participating in the pilot project. Members of the  
7 advisory committee are appointed by the governor for staggered  
8 two-year terms, with the membership as follows:

9 (1) three employee representatives recommended by a  
10 recognized statewide labor federation;

11 (2) three employer representatives;

12 (3) three ex officio insurance carrier  
13 representatives, with one member representing state agencies, one  
14 member representing the Texas Mutual Insurance Company [~~Workers'~~  
15 ~~Compensation Insurance Fund~~], and one member representing a  
16 voluntary market insurance carrier;

17 (4) three ex officio health care provider  
18 representatives;

19 (5) one ex officio independent actuarial expert; and

20 (6) the commission's medical advisor, who shall serve  
21 as chair of the advisory committee.

22 (d) [~~The commission, on behalf of the advisory committee~~  
23 ~~established under this section, shall establish and, through~~  
24 ~~competitive procurement, contract with regional networks for the~~  
25 ~~provision of health care under this subtitle.] The commission, on  
26 behalf of the advisory committee established under this section,  
27 shall, through competitive procurement, contract with one or more~~

1 entities to determine the feasibility of, develop, and evaluate the  
2 regional networks established under this section. Those entities  
3 shall also recommend to the advisory committee appropriate network  
4 standards and application requirements and assist the advisory  
5 committee during the procurement process. [~~The provision of health  
6 care under this subtitle shall not apply to prescription medication  
7 or services as defined by Section 401.011(19), Subsection (e),  
8 Labor Code.~~]

9 (e) The advisory committee shall make recommendations to  
10 the commission regarding:

11 (1) the development of the standards by which health  
12 care services are provided through regional networks;

13 (2) regional network application requirements and  
14 fees;

15 (3) contract proposals;

16 (4) the feasibility of establishing one or more  
17 regional networks using a phased implementation and evaluation  
18 process;

19 (5) the use of consultants as necessary to assist the  
20 commission in the procurement of regional network contracts; and

21 (6) the selection of administrators to build and  
22 manage the regional networks and to report on their progress.

23 (f) The advisory committee shall gather information from  
24 other entities, including the Research and Oversight Council on  
25 Workers' Compensation, the Texas Health Care Information Council,  
26 the Texas Department of Insurance, the Texas Department of Health,  
27 and the Employees Retirement System of Texas.

1           (g) The standards adopted for preferred provider networks  
2 under Article 3.70-3C, Insurance Code, as added by Chapter 1024,  
3 Acts of the 75th Legislature, Regular Session, 1997, apply as  
4 minimum standards for regional health care delivery networks  
5 created under this section and are adopted by reference in this  
6 section except to the extent they are inconsistent with this  
7 subtitle. The advisory committee may also recommend additional  
8 standards, including standards that require:

9           (1) for each geographic region, access to an adequate  
10 number of health care providers and treating doctors in each  
11 appropriate health care discipline and the professional  
12 specialties within those disciplines and a viable network through:

13                   (A) the use of economic profiling as described by  
14 Article 3.70-3C, Insurance Code, as added by Chapter 1024, Acts of  
15 the 75th Legislature, Regular Session, 1997; and

16                   (B) limitations on the number of providers, as  
17 provided by that article;

18           (2) the ability of an employee to receive treatment by  
19 a regional network provider within a reasonable amount of time of  
20 the regional network's knowledge of the need or request for  
21 treatment and within a reasonable travel distance for the employee;

22           (3) a reasonable effort by the regional network to  
23 attract health care providers who reflect the ethnic and cultural  
24 background of the regional employee population;

25           (4) the availability of board-certified occupational  
26 medicine specialists to provide expertise on disability management  
27 and prevention and treatment of occupational injuries and

1 illnesses;

2 (5) accreditation of the regional networks or a  
3 commitment to seek accreditation from a nationally recognized  
4 organization such as the American Accreditation HealthCare  
5 Commission or the National Committee for Quality Assurance;

6 (6) the use of strict credentialing criteria by  
7 regional networks in the selection and deselection of its health  
8 care providers, including verification that the provider:

9 (A) is on the commission's list of approved  
10 doctors, if the provider is required to be on that list;

11 (B) has not, at the time of selection or  
12 deselection, been sanctioned or made subject to additional  
13 utilization review requirements by the commission;

14 (C) is not, at the time of selection or  
15 deselection, subject to sanctions or substantive practice  
16 restrictions imposed by the provider's licensing authority;

17 (D) has or is able to obtain practice privileges,  
18 if required, at a participating hospital; and

19 (E) is covered by professional liability  
20 insurance coverage as required by the regional network contract;

21 (7) satisfactory evidence of the regional network's  
22 ability to comply with any financial requirements and ensure  
23 delivery of services;

24 (8) compliance with ongoing training and educational  
25 requirements established by the commission;

26 (9) the use of nationally recognized, scientifically  
27 valid, and outcome-based treatment standards as guidelines for

1 health care;

2 (10) disclosure of the availability of interpreter  
3 services as appropriate for the evaluation and treatment of  
4 employees;

5 (11) timely and accurate reporting of data to  
6 appropriately manage and determine the effectiveness of the  
7 regional network in reducing medical costs and ensuring quality of  
8 care;

9 (12) a process for reconsideration of medical  
10 necessity denials and dispute resolution within the regional  
11 network; ~~and~~

12 (13) a process for reviewing requests for a change in  
13 treating doctors made under Section 408.0222(s); and

14 (14) methods, resources, and procedures for  
15 monitoring the quality of care provided to injured workers and for  
16 identifying and eliminating inappropriate utilization of medical  
17 services.

18 (h) The advisory committee and the Research and Oversight  
19 Council on Workers' Compensation shall develop evaluation  
20 standards and specifications as necessary to implement a regional  
21 network report card. The commission shall ensure that the report  
22 card is published and available for inspection. The commission  
23 shall, on behalf of and at the direction of the advisory committee,  
24 enter into an interagency contract with another state agency or  
25 state university with a proven research capacity to produce all or  
26 part of the report card, or to oversee production of the report  
27 card. Initial funding to produce or oversee production of the

1 report card shall be provided by the subsequent injury fund as  
2 described in subsection (1). The commission or another state  
3 agency under interagency contract with the commission may procure  
4 services as necessary to produce the report card. Ongoing costs  
5 associated with the production of report cards shall be funded  
6 either by assessments on networks participating in the pilot  
7 project or be included in the fees for health care services paid by  
8 insurance carriers participating in the regional network pilot  
9 project. The report card~~[, at a minimum, must be based on~~  
10 ~~contracted reviews and]~~ must include a risk-adjusted evaluation of:

- 11 (1) employee access to care;
- 12 (2) coordination of care and return to work;
- 13 (3) communication among system participants;
- 14 (4) return-to-work outcomes;
- 15 (5) health-related outcomes;
- 16 (6) employee, health care provider, employer, and  
17 insurance carrier satisfaction;
- 18 (7) disability and re-injury prevention;
- 19 (8) appropriate clinical care;
- 20 (9) health care costs;
- 21 (10) utilization of health care; and
- 22 (11) statistical outcomes of medical dispute  
23 resolution provided by independent review organizations.

24 (i) At the conclusion of the feasibility study described in  
25 Subsection (b), and contingent on a finding that regional networks  
26 may be feasible, a pilot project is established to analyze the  
27 ability of networks created under the standards developed by the

1 advisory committee to improve the quality and reduce the costs of  
2 health care provided to employees of employers participating in the  
3 pilot project. The advisory committee may initiate the pilot  
4 project in a designated geographic region or regions. On or before  
5 January 1, 2004, the State Office of Risk Management, University of  
6 Texas system, Texas A&M University system, and Texas Department of  
7 Transportation shall, through competitive procurement,  
8 individually or collectively contract with one or more regional  
9 networks for the provision of health care under this subtitle as  
10 part of the pilot project. For the purposes of this section and  
11 Section 408.0222, the pilot project is initiated on the date that  
12 employees begin to receive medical care in the network, and unless  
13 continued by statute, ends three years from that date. A network  
14 that contracts with a public employer covered under Subtitle C of  
15 this title, other than an employer covered under Chapter 504, must  
16 meet the network standards, report card requirements, and data  
17 reporting requirements established by the advisory committee. The  
18 regional network administrators shall report quarterly to the  
19 commission and the advisory committee on the progress of  
20 implementing the regional network pilot project [~~networks~~] and  
21 shall submit consolidated annual reports by November 1 of each  
22 subsequent year. The Research and Oversight Council on Workers'  
23 Compensation shall report to the legislature by February 1, 2005  
24 [~~January 1 of each odd-numbered year~~] on the status of the regional  
25 network pilot project [~~implementation of regional networks~~] under  
26 this section. The Research and Oversight Council on Workers'  
27 Compensation shall have access to confidential information from



1 workers' compensation networks participating in the pilot project  
2 upon request, including copies of network fee schedules and contact  
3 information for participating providers. The council shall conduct  
4 a survey with workers' compensation networks participating in the  
5 pilot project regarding administrative burdens that are imposed on  
6 or waived for preferred providers under the network contract,  
7 aggregate data on the number of fee and medical necessity disputes  
8 handled within the network, treatment or utilization guidelines  
9 used by the network, and disability management guidelines used by  
10 the network. Confidential network information obtained by council  
11 remains confidential and is not subject to public disclosure under  
12 Chapter 552, Texas Government Code. The council shall standardize  
13 its information requests to participating networks and provide  
14 reasonable notice by which these networks must comply with the  
15 information request under this subsection. If the council finds  
16 that certain participating networks have not reasonably complied  
17 with the council's information request, then the council shall  
18 notify the participating network of its noncompliance and forward a  
19 copy of this notice to the advisory committee, the contracting  
20 entity, and the commission. A network that does not comply with the  
21 council's information request is subject to a maximum Class B  
22 administrative violation for each week of noncompliance.

23 (j) The commission shall ensure that [~~regional network~~  
24 ~~contracts provide that~~] insurance carriers participating in the  
25 pilot project have reasonable rights to conduct audits of the  
26 regional networks in the pilot project under this subsection.  
27 Insurance carriers participating in the regional network pilot

1 project shall be allowed the opportunity for consolidated audits of  
2 the regional networks.

3 (k) The cost of assessing the feasibility of, developing,  
4 and evaluating the regional networks created under this section,  
5 including the initial creation and production of a report card,  
6 shall be funded through an assessment on the subsequent injury fund  
7 established under Section 403.006. This cost may not exceed a total  
8 of \$1.5 million for the regional networks. The cost of ongoing  
9 regional network administration and management services and report  
10 card administration shall either be included in the fees for health  
11 care services paid by insurance carriers participating in the  
12 regional network or by assessments on networks participating in the  
13 pilot project.

14 (l) Based on the information compiled for the annual reports  
15 submitted under Subsection (i), the regional network  
16 administrators [~~, in consultation with actuaries with whom the~~  
17 ~~regional networks contract,~~] shall determine on an annual basis any  
18 cost savings to the operation of the workers' compensation system  
19 derived from the use of the regional networks and the amount of  
20 those savings, and shall submit this information as part of the  
21 annual report. The regional networks shall contract with  
22 independent actuaries or financial advisors to produce this  
23 determination if required to do so by the regional network contract  
24 or the standards adopted under Section 408.0221. On receipt on the  
25 first annual report from the networks in the pilot project, the  
26 advisory committee shall decide whether to expand the pilot project  
27 to include insurance carriers not listed in Subsection (i). If the

1 advisory committee chooses to expand the pilot to include other  
2 insurance carriers, then an insurance carrier not listed in  
3 Subsection (i) may elect to participate or not participate, through  
4 a written participation agreement with the commission on behalf of  
5 the advisory committee, in the pilot project established by this  
6 section. An insurance carrier that elects to participate in the  
7 pilot project may elect to contract directly with one or more  
8 regional networks for the provision of health care under this  
9 subtitle as part of the pilot project. A network that contracts  
10 with an insurance carrier that elects to participate in the pilot  
11 project must meet the network standards, report card requirements,  
12 and data reporting requirements established by the advisory  
13 committee.

14 (m) The regional network pilot project may, but is not  
15 required to, comply with any or all of the following statutory  
16 provisions of the Labor Code and related commission rules:

17 (1) Section 413.014, related to preauthorization and  
18 concurrent review of medical services;

19 (2) Section 413.011, related to reimbursement  
20 policies and guidelines and treatment guidelines; and

21 (3) Labor Code or commission rule timeframes related  
22 to the payment of medical bills.

23 (n) The applicability of the statutory and rule provisions  
24 in Subsection (m) shall be determined through the contract  
25 negotiations described in this section.

26 SECTION 2. Section 408.0222, Labor Code, is amended to read  
27 as follows:

1           Sec. 408.0222. Participation In Regional Network Pilot  
2 Project; Selection Of Doctor Within Regional Network; Benefit  
3 Incentives.

4           (a) An insurance carrier or a self-insurer certified to  
5 provide workers' compensation coverage in this state may elect to  
6 participate or not participate, by contract, in [~~a regional~~  
7 ~~network~~] the pilot project in accordance with Section 408.0221(m)  
8 [~~established under Section 408.0221~~]. A public employer covered  
9 under Subtitle C of this title, other than an employer covered under  
10 Chapter 504, is required to participate in the [~~a~~] regional network  
11 pilot project established under Section 408.0221. An insurance  
12 carrier who elects to participate in the pilot project [~~regional~~  
13 ~~networks agrees~~] is required to abide by the terms of the regional  
14 network contracts between the commission and the regional networks.

15           (b) [~~An insurance carrier may limit its election to~~  
16 ~~participate in a regional network established under Section~~  
17 ~~408.0221 to a particular employer or a particular region of this~~  
18 ~~state. This subsection expires January 1, 2006.~~

19           ~~(c)~~] A health care provider participating in the [~~a~~]  
20 regional network pilot project established under Section 408.0221  
21 may perform only those procedures that are within the scope of the  
22 practice for which the health care provider is licensed.

23           (c) [~~(d)~~] An employee participating in the regional network  
24 pilot project established under Section 408.0221 may elect to  
25 participate or not participate in the [~~a~~] regional network  
26 [~~established under Section 408.0221~~]. Only an employee covered by  
27 an insurance carrier who is participating [~~has elected to~~

1 ~~participate~~] in the [~~a~~] regional network pilot project established  
2 under Section 408.0221 may elect to participate in the [~~that~~]  
3 regional network. An eligible employee may elect to participate or  
4 not participate in the regional network for each compensable injury  
5 sustained by the employee. Except as provided by this section, the  
6 employee's election to participate in the network is effective for  
7 all medical care related to an [~~that~~] injury occurring on or after  
8 the date the insurance carrier begins to participate in the pilot  
9 project. The advisory committee shall make recommendations and the  
10 commission, by rule, shall establish:

- 11 (1) the form and manner by which an employee:  
12 (A) receives notice of the employee's rights; or  
13 (B) documents the employee's election or  
14 rescission of a prior election;  
15 (2) the timing and recovery of a payment of enhanced  
16 benefits; and  
17 (3) other related issues.

18 (d) [~~(e)~~] Except as provided by Subsection (e) [~~(f)~~], an  
19 employee shall make the election described by this section during  
20 an employer-designated enrollment period or at the time of  
21 employment. An employee who has elected to participate in the  
22 network may rescind that election at any time before the earlier of:

23 (1) the date on which the employee begins to receive  
24 enhanced income benefits under Subsection (1) [~~(m)~~]; or

25 (2) the 14th day after the date on which the employee  
26 receives health care from a network health care provider for that  
27 injury.

1           (e) [~~(f)~~] An employee may elect to participate in the [~~a~~]  
2 regional network pilot project established under Section 408.0221  
3 at any time with the insurance carrier's agreement. An employee is  
4 not bound by an election to participate in the [~~a~~] regional network  
5 pilot project [~~made under Subsection (d) or this subsection~~] if:

6                   (1) the insurance carrier waives the election;

7                   (2) the commission invalidates the election based on a  
8 determination of coercion;

9                   (3) the employee relocates to an area outside of the  
10 regional network's service area, and the regional network is not  
11 able to identify alternate network providers to provide health care  
12 services reasonable for the employee's medical condition; or

13                   (4) notwithstanding Subsection (m) [~~(n)~~], the  
14 commission sets aside the employee's election based on a finding  
15 that:

16                           (A) the worker was bound by an election to  
17 participate in the network;

18                           (B) the carrier disputes the compensability of  
19 the employee's injury; and

20                           (C) network health care providers are unwilling  
21 to provide health care to the employee pending the resolution of the  
22 dispute.

23           (f) [~~(g)~~] An insurance carrier who elects to participate in  
24 [~~a regional network~~] the pilot project established under Section  
25 408.0221 shall provide each employer who obtains coverage through  
26 the insurance carrier with adequate information about the regional  
27 network to share with the employer's employees. Before an employee

1 makes an election under this section to participate in the [~~a~~]  
2 regional network pilot project, the employer shall provide the  
3 employee with:

4 (1) a complete, plain-language description of the  
5 regional network's services, restrictions, and benefits, including  
6 a description of the enhanced income benefits that may be due; and

7 (2) access to the most recent:

8 (A) list of doctors available through the  
9 regional network; and

10 (B) regional network report card developed under  
11 Section 408.0221.

12 (g) [~~(h)~~] An employer shall not discharge, subject to  
13 disciplinary action, or take an adverse employment action against  
14 an employee who elects not to participate in a regional network  
15 created under Section 408.0221 if the employer's action would not  
16 have occurred in the absence of the employee's election not to  
17 participate.

18 (h) [~~(i)~~] An employee may bring suit against an employer for  
19 violation of Subsection (g) [~~(h)~~] if:

20 (1) the employee gives written notice of intent to  
21 bring suit to the employer within 60 days of the alleged violation;  
22 and

23 (2) the employer does not reinstate the employee and  
24 pay actual wages lost and reasonable attorney's fees incurred due  
25 to the employer's action within 60 days of notification of the  
26 employee's intent to bring suit.

27 (i) [~~(j)~~] Subsection (h) does not authorize a cause of

1 action or damages against the state, a state agency, or an employee  
2 of the state beyond the actions and damages authorized by Chapter  
3 101, Civil Practice and Remedies Code. The employee must bring suit  
4 for an employer's violation of Subsection (g) [~~(h)~~] within one year  
5 of the alleged violation. A suit under this section may be brought  
6 in the county in which:

- 7 (1) the plaintiff resides;
- 8 (2) the plaintiff was employed; or
- 9 (3) the defendant's primary place of business is  
10 located.

11 (j) [~~(k)~~] If the employee prevails in an action under  
12 Subsection (h) [~~(i)~~], the employee may recover:

- 13 (1) lost wages;
- 14 (2) reinstatement of front pay as equitable relief in  
15 lieu of reinstatement;
- 16 (3) reasonable attorney's fees; and
- 17 (4) court costs.

18 (k) [~~(l)~~] A suit under this section is the exclusive remedy  
19 for violation of Subsection (g) [~~(h)~~], and the provisions of  
20 Chapter 451 do not apply to such a violation. Parties may not  
21 maintain an action under Rule 42, Texas Rules of Civil Procedure.

22 (l) [~~(m)~~] An employee who elects to participate in a  
23 regional network created under Section 408.0221 shall receive:

- 24 (1) notwithstanding Section 408.082(c), income  
25 benefits from the date disability begins if the disability lasts  
26 two weeks or longer; and

- 27 (2) notwithstanding Section 408.061, an increased



1 maximum weekly benefit of up to 150 percent of the state average  
2 weekly wage for temporary income benefits.

3 (m) [~~(n)~~] Except for emergency care, or as otherwise  
4 provided by this section, an employee who elects to participate in  
5 the [~~a~~] regional network pilot project shall receive medical  
6 treatment, including referrals, from health care providers within  
7 the regional network. An employee or an employee's treating doctor  
8 may use a health care provider outside of the regional network with  
9 the approval of the regional network for good cause consistent with  
10 the regional network contract. If medically necessary services are  
11 not available through regional network health care providers, the  
12 regional network must, on the request of a regional network health  
13 care provider, within a reasonable time allow a referral to a  
14 nonregional network health care provider and shall fully reimburse  
15 the nonregional network physician or provider at the rate provided  
16 by the commission fee guidelines or an agreed rate. For purposes of  
17 this subsection, "emergency care" has the meaning assigned by  
18 Section 2(g), Texas Health Maintenance Organization Act (Article  
19 20A.02, Vernon's Texas Insurance Code).

20 (n) [~~(o)~~] A health care provider who participates in the [~~a~~]  
21 regional network pilot project created under Section 408.0221 shall  
22 be reimbursed and be subject to utilization review as provided by  
23 the regional network contract. The insurance carrier is  
24 responsible for payment of regional network providers as provided  
25 by the contract with the regional network. A non-network provider  
26 who does not obtain the approval of the regional network to provide  
27 services may not be reimbursed by the insurance carrier, unless the

1 provider requested and received verification from the insurance  
2 carrier that the employee was not bound by a network election under  
3 Subsection (d) [~~(e)~~].

4 (o) [~~(p)~~] To resolve an issue regarding the necessity or the  
5 appropriateness of care, or referrals to nonregional network  
6 physicians or providers, an employee or an employee's treating  
7 doctor may request a review by an independent review organization  
8 under Section 413.031(d).

9 (p) [~~(q)~~] An employee who elects to participate in the [~~a~~]  
10 regional network pilot project established under Section 408.0221  
11 shall select an initial treating doctor within the regional network  
12 as provided by the regional network contract. An employee who  
13 requests to change treating doctors within the regional network is  
14 not subject to Section 408.022. At the sole discretion of the  
15 regional network, an employee may select a treating doctor outside  
16 of the regional network if:

17 (1) the employee has a preexisting relationship with a  
18 doctor who maintains the employee's medical records and has a  
19 documented history of treatment before the date of injury; and

20 (2) that doctor agrees in writing to abide by the  
21 rules, terms, and conditions of the regional network contract,  
22 including an agreement to refer the employee within the regional  
23 network for services available through the regional network.

24 (q) [~~(r)~~] An employee is subject to the selection of doctor,  
25 change of doctor, and other medical benefit and income benefit  
26 requirements established under this chapter and Chapter 413 [~~if an~~  
27 ~~employee~~]:

1           (1) if the employee elects not to participate in the  
2 ~~[a]~~ regional network pilot project established under Section  
3 408.0221; or

4           (2) as described by Subsection (e) ~~[is employed by an~~  
5 ~~employer for whom the insurance carrier has not elected to~~  
6 ~~participate in a regional network established under Section~~  
7 ~~408.0221]~~.

8           (r) ~~[(s)]~~ An employee may change treating doctors within  
9 the regional network established under Section 408.0221 in which  
10 the employee is participating in accordance with the regional  
11 network contract and is entitled to:

12           (1) make one change from the initial treating doctor  
13 to an alternate treating doctor within the regional network unless  
14 the change is for the purpose of securing a new impairment rating or  
15 new determination of maximum medical improvement; and

16           (2) request additional changes of the treating doctor  
17 in the manner provided by the regional network contract.

18           (s) ~~[(t)]~~ An employee or insurance carrier may request that  
19 the commission order an examination under Section 408.0041 if an  
20 employee has received conflicting impairment ratings or  
21 determinations of maximum medical improvement from more than one  
22 treating doctor.

23           (t) ~~[(u)]~~ For purposes of this section, the following is not  
24 a selection of an alternate doctor in a regional network  
25 established under Section 408.0221:

26           (1) a referral made by the doctor chosen by the  
27 employee if the referral is medically reasonable and necessary;

- 1           (2) the receipt of services ancillary to surgery;
- 2           (3) the obtaining of a second opinion only on the  
3 appropriateness of the diagnosis or treatment;
- 4           (4) the selection of a doctor because the original  
5 doctor:
- 6                 (A) dies;
- 7                 (B) retires; or
- 8                 (C) becomes unavailable, ~~or~~ unable, or  
9 unwilling to provide medical care to the employee; or
- 10           (5) a change of doctor required because of a change of  
11 residence by the employee.

12           SECTION 3. Section 408.023, Labor Code, is amended to read  
13 as follows:

14           Sec. 408.0223. Insurance Carrier Networks.

15           (a) In this section, "insurance carrier network" means a  
16 voluntary workers' compensation health care delivery network  
17 established by an insurance carrier. The term does not include a  
18 regional network established under Section 408.0221.

19           (b) This subtitle does not prohibit an insurance carrier,  
20 whether doing business as an individual carrier or as a group, from  
21 participating in or maintaining voluntary insurance carrier  
22 networks if those voluntary insurance carrier networks allow  
23 selection of doctors as provided by Section 408.022.

24           (c) This subtitle does not prohibit an insurance carrier  
25 from concurrently participating in an insurance carrier network and  
26 a regional network established under Section 408.0221.

27           (d) The standards adopted for preferred provider networks

1 under Article 3.70-3C, Insurance Code, as added by Chapter 1024,  
2 Acts of the 75th Legislature, Regular Session, 1997, and as  
3 subsequently amended, apply as minimum standards for insurance  
4 carrier networks and are adopted by reference in this section  
5 except to the extent those standards are inconsistent with this  
6 subtitle. The advisory committee, defined in Section 408.0221, may  
7 recommend additional standards for insurance carrier networks that  
8 are no more stringent than the additional standards that the  
9 advisory committee recommends for the regional [health care  
10 delivery] network pilot project [networks] pursuant to Section  
11 408.0221(g).

12 (e) [The] On behalf of the advisory committee, the Texas  
13 Workers' Compensation Commission shall adopt rules, as necessary,  
14 to implement additional standards for insurance carrier networks.

15 SECTION 4. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2003.