

BILL ANALYSIS

C.S.H.B. 1006
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently a physician who performs a utilization review on a workers' compensation case can be licensed in another state, so long as that physician performs the review under the direction of a doctor licensed in Texas. However, for peer reviews in workers' compensation that do not involve medical necessity, the review must be done by a doctor licensed in Texas.

C.S.H.B. 1006 requires a utilization review agent or insurance carrier that uses doctors to provide reviews of workers' compensation cases to use doctors licensed in Texas.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of workers' compensation in SECTION 7 of this bill.

ANALYSIS

C.S.H.B. 1006 amends the Labor Code to require a utilization review agent (agent) or an insurance carrier (carrier) that uses doctors to perform reviews of health care services provided under the Texas Workers' Compensation Act (TWC Act), including utilization review and retrospective review, to only use doctors licensed to practice in this state. The bill requires an agent or an insurance carrier that uses doctors to perform reviews of health care services provided in workers' compensation health care networks, including utilization review and retrospective reviews, or peer reviews, to use doctors licensed to practice in this state. The bill removes the provision allowing an agent to use doctors licensed by other state to perform the reviews under the Texas Workers' Compensation Act, provided that the reviews were performed under the direction of a doctor licensed to practice in this state.

C.S.H.B. 1006 grants rulemaking authority to the commissioner of workers' compensation to adopt rules regarding workers' compensation benefits. The commissioner of workers' compensation is required to regulate a person who performs utilization review of a medical benefit provided under Title 5, Labor Code. A health care provider's charges for providing medical information to a utilization review agent are prohibited from exceeding the cost of copying records regarding a workers' compensation claim as set by rules adopted by the commissioner of workers' compensation.

C.S.H.B. 1006 defines "credentialing," "retrospective review," "utilization review," and "utilization review agent." The bill replaces references to the repealed Article 21.58A, Insurance Code, with references to Chapter 4201 (Utilization Review Agents), Insurance Code. The bill amends sections of the Insurance Code to conform with Sections 6.071 and 6.072, Chapter 265, Acts of the 79th Legislature, Regular Session, 2005.

C.S.H.B. 1006 repeals Section 4201.054(b), Insurance Code; Section 6.071, Chapter 265, Acts of the 79th Legislature, Regular Session, 2005; and Section 6.072, Chapter 265, Acts of the 79th Legislature, Regular Session, 2005.

C.S.H.B. 1006 provides that the change in law made by this Act applies only to a review of a health care service provided under a claim for workers compensation benefits that is conducted on or after the effective date of this Act.

C.S.H.B. 1006 80(R)

C.S.H.B. 1006 provides that to the extent of any conflict, this Act prevails over another Act of the 80th Legislature, Regular Session, 2007, relating to nonsubstantive additions to and corrections in enacted codes.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original by making this Act apply to a review of a health care service provided under a claim for workers' compensation benefits that is conducted on or after the effective date of this Act rather than to apply to a claim for workers' compensation benefits based on a compensable injury that occurs on or after the effective date of this Act. The substitute clarifies that an insurance carrier, as well as a utilization review agent, that uses doctors to perform reviews of health care services under the TWC Act is required to use doctors licensed to practice in this state. The substitute clarifies that the reviews provided under the TWC Act to which this bill refers include utilization review and retrospective review. The bill requires an agent or an insurance carrier that uses doctors to perform reviews of health care services provided in workers' compensation networks, including utilization review and retrospective reviews, or peer reviews, to use doctors licensed to practice in this state. The substitute adds definitions for "credentialing," "retrospective review," "utilization review," and "utilization review agent." The substitute makes additional conforming changes.