

BILL ANALYSIS

C.S.H.B. 1285
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 2005, the legislature passed H.B. 7 which made sweeping and much needed reforms in Texas' Workers Compensation System. One of the broadest changes to the workers compensation system was the change to provider networks, similar to group health care.

The Utilization Review Accreditation Commission (URAC) is an independent, nonprofit organization well-known as a leader in promoting health care quality through its accreditation and certification programs. URAC ensures that all stakeholders are represented in establishing meaningful quality measures for health care entities including workers compensation networks. Now, in its 14th year of operation, URAC is the leading accrediting body for PPOs, HMOs, behavioral health, chiropractic, and complementary and alternative medicine and workers' compensation networks, having accredited more than 100 networks since the start of this accreditation program in 1995.

C.S.H.B. 1285 requires that worker's compensation networks in Texas achieve and maintain URAC accreditation. This independent, third party accreditation will help ensure network adequacy, provider competency, utilization management, and a more level playing field for all stakeholders involved in the system.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1285 the Subchapter amends the Insurance Code to require carriers who establish or contract with networks to provide health care services under the Workers' Compensation Act to present evidence satisfactory to the commissioner of insurance that the networks are accredited by the Utilization Review Accreditation Commission (URAC) or by a similar national organization. The bill defines "URAC."

C.S.H.B. 1285 requires carriers to comply not later than January 1, 2008.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original by deleting language requiring insurance carriers to be accredited by URAC or a similar national organization.