

By: Giddings (Senate Sponsor - Watson) H.B. No. 1003  
(In the Senate - Received from the House March 26, 2007;  
April 3, 2007, read first time and referred to Committee on State  
Affairs; April 30, 2007, reported favorably by the following vote:  
Yeas 5, Nays 3; April 30, 2007, sent to printer.)

A BILL TO BE ENTITLED  
AN ACT

relating to professional licensing requirements for independent  
review of certain medical decisions regarding workers'  
compensation claims.

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

SECTION 1. Section 401.011, Labor Code, is amended by  
adding Subdivision (25-a) to read as follows:

(25-a) "Independent review organization" has the same  
meaning as in Section 1305.004(a)(11), Insurance Code.

SECTION 2. Section 413.031, Labor Code, is amended by  
amending Subsections (d) and (e) and adding Subsection (e-2) to  
read as follows:

(d) A review of the medical necessity of a health care  
service requiring preauthorization under Section 413.014 or  
commissioner rules under that section or Section 413.011(g) shall  
be conducted by an independent review organization under Chapter  
4202 [Article 21.58C], Insurance Code, in the same manner as  
reviews of utilization review decisions by health maintenance  
organizations. It is a defense for the insurance carrier if the  
carrier timely complies with the decision of the independent review  
organization.

(e) Except as provided by Subsections (d), (f), and (m), a  
review of the medical necessity of a health care service provided  
under this chapter or Chapter 408 shall be conducted by an  
independent review organization under Chapter 4202 [Article  
21.58C], Insurance Code, in the same manner as reviews of  
utilization review decisions by health maintenance organizations.  
It is a defense for the insurance carrier if the carrier timely  
complies with the decision of the independent review organization.

(e-2) Notwithstanding Section 4202.002, Insurance Code, an  
independent review organization that uses doctors to perform  
reviews of health care services provided under this title may only  
use doctors licensed to practice in this state.

SECTION 3. Sections 1305.355(a) and (d), Insurance Code,  
are amended to read as follows:

(a) The utilization review agent shall:

(1) permit the employee or person acting on behalf of  
the employee and the employee's requesting provider whose  
reconsideration of an adverse determination is denied to seek  
review of that determination within the period prescribed by  
Subsection (b) by an independent review organization assigned in  
accordance with Chapter 4202 [Article 21.58C] and commissioner  
rules; and

(2) provide to the appropriate independent review  
organization, not later than the third business day after the date  
the utilization review agent receives notification of the  
assignment of the request to an independent review organization:

(A) any medical records of the employee that are  
relevant to the review;

(B) any documents used by the utilization review  
agent in making the determination;

(C) the response letter described by Section  
1305.354(a)(4);

(D) any documentation and written information  
submitted in support of the request for reconsideration; and

(E) a list of the providers who provided care to  
the employee and who may have medical records relevant to the  
review.

(d) The department shall assign the review request to an independent review organization. Notwithstanding Section 4202.002, an independent review organization that uses doctors to perform reviews of health care services under this chapter may only use doctors licensed to practice in this state.

SECTION 4. 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. A review that is conducted before that date is governed by the law in effect on the date that the review was conducted, and the former law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2007.

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