

By: Zedler

H.B. No. 1970

Substitute the following for H.B. No. 1970:

By: Castro

C.S.H.B. No. 1970

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to workers' compensation fee guidelines and payment  
3 adjustment factors used in conjunction with those guidelines for  
4 certain health care services.

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

6 SECTION 1. Section 413.011, Labor Code, is amended by  
7 amending Subsections (a) and (b) and adding Subsections (a-1) and  
8 (b-1) to read as follows:

9 (a) The commissioner shall adopt health care reimbursement  
10 policies and guidelines that reflect the standardized  
11 reimbursement structures found in other health care delivery  
12 systems with minimal modifications to those reimbursement  
13 methodologies as necessary to meet occupational injury  
14 requirements.

15 (a-1) To achieve standardization, the commissioner shall  
16 adopt the most current reimbursement methodologies, models, and  
17 values or weights used by the federal Centers for Medicare and  
18 Medicaid Services, including applicable payment policies relating  
19 to coding, billing, and reporting, and may modify documentation  
20 requirements as necessary to meet the requirements of Section  
21 413.053.

22 (b) In determining the appropriate fees, the commissioner  
23 shall also develop one or more conversion factors or other payment  
24 adjustment factors taking into account economic indicators in

1 health care and the requirements of Subsections (a-1), (b-1), and  
2 ~~[Subsection]~~ (d). The commissioner shall also provide for  
3 reasonable fees for the evaluation and management of care as  
4 required by Section 408.025(c) and commissioner rules. This  
5 section does not adopt the Medicare fee schedule, and the  
6 commissioner may not adopt conversion factors or other payment  
7 adjustment factors based solely on those factors as developed by  
8 the federal Centers for Medicare and Medicaid Services.

9 (b-1) In developing payment adjustment factors under  
10 Subsection (b) for hospital fees, the commissioner shall adopt the  
11 following payment adjustment factors to the Medicare fee schedule  
12 to be used by insurance carriers, other than governmental entities,  
13 in contracting with hospitals for the provision of medical  
14 benefits:

15 (1) inpatient hospital care shall be paid at 165  
16 percent of the Medicare base payment amount, as established by 42  
17 U.S.C. Section 1395ww and any federal regulation adopted under that  
18 law;

19 (2) outpatient hospital care shall be paid at 250  
20 percent of the Medicare base payment amount, as established by 42  
21 U.S.C. Section 1395l(t) and any federal regulation adopted under  
22 that law;

23 (3) inpatient or outpatient hospital care that results  
24 in billed charges in an amount greater than \$50,000, excluding any  
25 charges for the costs of implantables, orthotics, or prosthetics,  
26 shall be paid at 75 percent of billed charges;

27 (4) blood products, implantables, orthotics,

1 prosthetics, and pharmaceuticals charged at an amount in excess of  
2 \$250 per dose shall be paid:

3 (A) in addition to any amount paid under  
4 Subdivision (1) or (2); and

5 (B) at cost plus 10 percent; and

6 (5) air ambulance services shall be paid:

7 (A) in addition to any amount paid under  
8 Subdivision (1), (2), or (4); and

9 (B) at 75 percent of billed charges.

10 SECTION 2. Subchapter B, Chapter 413, Labor Code, is  
11 amended by adding Section 413.0121 to read as follows:

12 Sec. 413.0121. REPORT TO LEGISLATURE. Not later than  
13 January 1 of each odd-numbered year, the division and the  
14 department shall each prepare and submit a report to the governor,  
15 the lieutenant governor, the speaker of the house of  
16 representatives, and appropriate legislative committees on the fee  
17 guidelines adopted under Section 413.011. The report must include:

18 (1) an evaluation of the fee guidelines in effect  
19 immediately preceding the date of the report, including  
20 consideration of any issues regarding the application of the fee  
21 guidelines; and

22 (2) any adjustments or recommendations regarding  
23 changes to the fee guidelines proposed to be made by statute or  
24 rule.

25 SECTION 3. (a) The change in law made by this Act applies  
26 only to health care for a compensable injury that is provided by a  
27 health care provider on or after the effective date of this Act.

1 Health care that is provided before that date is governed by the law  
2 in effect on the date that the health care was provided, and the  
3 former law is continued in effect for that purpose.

4 (b) The commissioner of workers' compensation shall adopt  
5 the rules, policies, and guidelines required by Section  
6 413.011(b-1), Labor Code, as amended by this Act, not later than  
7 November 1, 2007.

8 SECTION 4. This Act takes effect September 1, 2007.