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SECTION 1. Section 413.031, Labor Code, is amended by amending Subsection (k) and adding Subsections (k-1) and (k-2) to read as follows: (k) A [~~Except as provided by Subsection (l), a~~] party to a medical dispute, other than a medical dispute regarding spinal surgery subject to Subsection (l) and a dispute subject to Section 413.0311, that remains unresolved after a review of the medical service under this section is entitled to a hearing. A hearing under this subsection shall be conducted by the State Office of Administrative Hearings not later than the 60th day after the date on which the party notifies the division of the request for a hearing. The hearing shall be conducted in the manner provided for a contested case under Chapter 2001, Government Code. (k-1) A party who has exhausted all administrative remedies under Subsection (k) and who is aggrieved by a final decision of the State Office of Administrative Hearings may seek judicial review of the decision. Judicial review under this subsection shall be conducted in the manner provided for judicial review of a contested case under Subchapter G, Chapter 2001, Government Code. (k-2) The division and the department are not considered to be parties to the medical dispute for purposes of Subsections (k) and (k-1) [~~this subsection. Judicial review under this subsection shall be conducted in the manner provided for judicial review of contested cases under Subchapter G, Chapter 2001, Government Code~~].	Same as House version.	

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SECTION 2. Subchapter C, Chapter 413, Labor Code, is amended by adding Section 413.0311 to read as follows: Sec. 413.0311. REVIEW OF CERTAIN MEDICAL DISPUTES; CONTESTED CASE HEARING. (a) This section applies only to the following medical disputes that remain unresolved after any applicable review under Sections 413.031(b) through (i): (1) a medical fee dispute in which the amount of reimbursement sought by the requestor in its request for medical dispute resolution does not exceed $2,000; (2) an appeal of an independent review organization decision regarding determination of the retrospective medical necessity for a health care service for which the amount billed does not exceed $3,000; and (3) an appeal of an independent review organization decision regarding determination of the concurrent or prospective medical necessity for a health care service. (b) A party to a medical dispute described by Subsection (a) is entitled to a contested case hearing. A contested case hearing under this section shall be conducted by a hearings officer in the manner provided for contested case hearings under Subchapter D, Chapter 410. Notwithstanding Section 410.024, a benefit review conference is not a prerequisite to a contested case hearing under this section. (c) The decision of a hearings officer under this section is final in the absence of a timely appeal by a party for judicial review under Subsection (d). (d) A party who has exhausted all administrative remedies under Section 413.031 and this section and who	Same as House version.	

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is aggrieved by a final decision of the hearings officer under Subsection (c) may seek judicial review of the decision. Judicial review under this subsection shall be conducted in the manner provided for judicial review of a contested case under Subchapter G, Chapter 2001, Government Code. (e) The division and the department are not considered to be parties to the medical dispute for purposes of this section.		
SECTION 3. Section 402.073(b), Labor Code, is amended to read as follows: (b) In a case in which a hearing is conducted by the State Office of Administrative Hearings under Section 413.031, 413.055, or 415.034, the administrative law judge who conducts the hearing for the State Office of Administrative Hearings shall enter the final decision in the case after completion of the hearing.	Same as House version.	
No equivalent provision.	SECTION __. Section 408.027(d), Labor Code, is amended to read as follows: (d) If an insurance carrier contests the compensability of an injury and the injury is determined not to be compensable, the carrier may recover the amounts paid for health care services from the employee's accident or health benefit plan, or any other person who may be obligated for the cost of the health care services. If an accident or health insurance carrier or other person	

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	obligated for the cost of health care services has paid for health care services for an employee for an injury for which a workers' compensation insurance carrier denies compensability, and the injury is later determined to be compensable, the accident or health insurance carrier or other person may recover the amounts paid for such services from the workers' compensation insurance carrier. If an accident or health insurance carrier or other person obligated for the cost of health care services has paid for health care services for an employee for an injury for which the workers' compensation insurance carrier or the employer has not disputed compensability, the accident or health insurance carrier or other person may recover reimbursement from the insurance carrier in the manner described by Section 409.009 or 409.0091, as applicable.	
No equivalent provision.	SECTION __. Subchapter A, Chapter 409, Labor Code, is amended by adding Section 409.0091 to read as follows: Sec. 409.0091. REIMBURSEMENT PROCEDURES FOR CERTAIN ENTITIES. (a) In this section, "health care insurer" means an insurance carrier and an authorized representative of an insurance carrier, as described by Section 402.084(c-1). (b) This section applies only to a request for reimbursement by a health care insurer. (c) Health care paid by a health care insurer may be reimbursable as a medical benefit.	

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	(d) Except as provided by Subsection (e), this section does not prohibit or limit a substantive defense by a workers' compensation insurance carrier that the health care paid for by the health care insurer was not a medical benefit or not a correct payment. A subclaimant may not be reimbursed for payment for any health care that was previously denied by a workers' compensation insurance carrier under: (1) a preauthorization review of the specific service or medical procedure; or (2) a medical necessity review that determined the service was not medically necessary for the treatment of a compensable injury. (e) It is not a defense to a subclaim by a health care insurer that: (1) the subclaimant has not sought reimbursement from a health care provider or the subclaimant's insured; (2) the subclaimant or the health care provider did not request preauthorization under Section 413.014 or rules adopted under that section; or (3) the health care provider did not bill the workers' compensation insurance carrier, as provided by Section 408.027, before the 95th day after the date the health care for which the subclaimant paid was provided. (f) Subject to the time limits under Subsection (n), the health care insurer shall provide, with any reimbursement request, the tax identification number of the health care insurer and the following to the workers' compensation insurance carrier, in a form prescribed by the division:	

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	(1) information identifying the workers' compensation case, including: (A) the division claim number; (B) the name of the patient or claimant; (C) the social security number of the patient or claimant; and (D) the date of the injury; and (2) information describing the health care paid by the health care insurer, including: (A) the name of the health care provider; (B) the tax identification number of the health care provider; (C) the date of service; (D) the place of service; (E) the ICD-9 code; (F) the CPT, HCPCS, NDC, or revenue code; (G) the amount charged by the health care provider; and (H) the amount paid by the health care insurer. (g) The workers' compensation insurance carrier shall reduce the amount of the reimbursable subclaim by any payments the workers' compensation insurance carrier previously made to the same health care provider for the provision of the same health care on the same dates of service. In making such a reduction in reimbursement to the subclaimant, the workers' compensation insurance carrier shall provide evidence of the previous payments made to the provider. (h) For each medical benefit paid, the workers' compensation insurance carrier shall pay to the health care insurer the lesser of the amount payable under the	

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	applicable fee guideline as of the date of service or the actual amount paid by the health care insurer. In the absence of a fee guideline for a specific service paid, the amount per service paid by the health care insurer shall be considered in determining a fair and reasonable payment under rules under this subtitle defining fair and reasonable medical reimbursement. The health care insurer may not recover interest as a part of the subclaim. (i) On receipt of a request for reimbursement under this section, the workers' compensation insurance carrier shall respond to the request in writing not later than the 90th day after the date on which the request is received. If additional information is requested under Subsection (j), the workers' compensation insurance carrier shall respond not later than the 120th day unless the time is extended under Subsection (j). (j) If the workers' compensation insurance carrier requires additional information from the health care insurer, the workers' compensation insurance carrier shall send notice to the health care insurer requesting the additional information. The health care insurer shall have 30 days to provide the requested information. The workers' compensation insurance carrier and the health care insurer may establish additional periods for compliance with this subsection by written mutual agreement. (k) Unless the parties have agreed to an extension of time under Subsection (j), the health care insurer must file a written subclaim under this section not later than the 120th day after:	

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	(1) the workers' compensation insurance carrier fails to respond to a request for reimbursement; or (2) receipt of the workers' compensation insurance carrier's notice of denial to pay or reduction in reimbursement. (l) Any dispute that arises from a failure to respond to or a reduction or denial of a request for reimbursement of services that form the basis of the subclaim must go through the appropriate dispute resolution process under this subtitle and division rules. The commissioner of insurance and the commissioner of workers' compensation shall modify rules under this subtitle as necessary to allow the health care insurer access as a subclaimant to the appropriate dispute resolution process. Rules adopted or amended by the commissioner of insurance and the commissioner of workers' compensation must recognize the status of a subclaimant as a party to the dispute. Rules modified or adopted under this section should ensure that the workers' compensation insurance carrier is not penalized, including not being held responsible for costs of obtaining the additional information, if the workers' compensation insurance carrier denies payment in order to move to dispute resolution to obtain additional information to process the request. (m) In a dispute filed under Chapter 410 that arises from a subclaim under this section, a hearing officer may issue an order regarding compensability or eligibility for benefits and order the workers' compensation insurance carrier to reimburse health care services paid by the	

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	health care insurer as appropriate under this subtitle. Any dispute over the amount of medical benefits owed under this section, including medical necessity issues, shall be determined by medical dispute resolution under Sections 413.031 and 413.032. (n) Except as provided by Subsection (s), a health care insurer must file a request for reimbursement with the workers' compensation insurance carrier not later than six months after the date on which the health care insurer received information under Section 402.084(c-3) and not later than 18 months after the health care insurer paid for the health care service. (o) The commissioner and the commissioner of insurance shall amend or adopt rules to specify the process by which an employee who has paid for health care services described by Section 408.027(d) may seek reimbursement. (p) Until September 1, 2011, a workers' compensation insurance carrier is exempt from any department and division data reporting requirements affected by a lack of information caused by reimbursement requests or subclaims under this section. If data reporting is required after that date, the requirement is prospective only and may not require any data to be reported between September 1, 2007, and the date required reporting is reinstated. The department and the division may make legislative recommendations to the 82nd Legislature for the collection of reimbursement request and subclaim data. (q) An action or failure to act by a workers'	

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	compensation insurance carrier under this section may not serve as the basis for an examination or administrative action by the department or the division, or for any cause of action by any person, except for judicial review under this subtitle. (r) The commissioner of insurance and the commissioner of workers' compensation may adopt additional rules to clarify the processes required by, fulfill the purpose of, or assist the parties in the proper adjudication of subclaims under this section. (s) On or after September 1, 2007, from information provided to a health care insurer before January 1, 2007, under Section 402.084(c-3), the health care insurer may file not later than March 1, 2008: (1) a subclaim with the division under Subsection (l) if a request for reimbursement has been presented and denied by a workers' compensation insurance carrier; or (2) a request for reimbursement under Subsection (f) if a request for reimbursement has not previously been presented and denied by the workers' compensation insurance carrier.	
No equivalent provision.	SECTION __. The change in law made by this Act applies only to a subclaim based on a compensable injury that occurred on or after September 1, 2007, and to reimbursement requests and subclaims pursuant to Section 409.0091(s), Labor Code, as added by this Act. The changes made by this Act apply only to subclaims based on an injury that has not been denied for	

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	compensability or that has been determined by the division to be compensable.	
No equivalent provision.	SECTION __. The commissioner of workers' compensation shall prescribe any forms required under Section 409.0091, Labor Code, as added by this Act, not later than September 1, 2007.	
No equivalent provision.	SECTION __. The commissioner of workers' compensation and the commissioner of insurance shall adopt rules as required by this Act not later than December 1, 2007.	
No equivalent provision.	SECTION 4. Section 408.182, Labor Code, is amended by adding Subsections (d-1) and (d-2) to read as follows: (d-1) If there is no eligible spouse, no eligible child, and no eligible grandchild, and there are no surviving dependents of the deceased employee who are parents, siblings, or grandparents of the deceased, the death benefits shall be paid in equal shares to surviving eligible parents of the deceased. A payment of death benefits made under this subsection may not exceed one payment per household and may not exceed 104 weeks. (d-2) Except as otherwise provided by this subsection, to be eligible to receive death benefits under Subsection (d-1), an eligible parent must file with the division a claim for those benefits not later than the first	

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	anniversary of the date of the injured employee's death from the compensable injury. The claim must designate all eligible parents and necessary information for payment to the eligible parents. The insurance carrier is not liable for payment to any eligible parent not designated on the claim. The commissioner may extend the time for filing a claim under this subsection only if the eligible parent submits proof satisfactory to the commissioner of a compelling reason for the delay.	
No equivalent provision.	SECTION __. Amend Section 408.182(e) as follows: (e) If an employee is not survived by legal beneficiaries or eligible parents, the death benefits shall be paid to the subsequent injury fund under Section 403.077.	
No equivalent provision.	SECTION 5. Section 408.182(f), Labor Code, is amended by adding Subdivision (4) to read as follows: (4) "Eligible parent" means the mother or the father of a deceased employee, including an adoptive parent or a stepparent, who receives burial benefits under Section 408.186. The term does not include a parent whose parental rights have been terminated.	
No equivalent provision.	SECTION 6. Section 408.183, Labor Code, is amended by adding Subsection (f-1) to read as follows: (f-1) An eligible parent who is not a surviving dependent of the deceased employee is entitled to receive	

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	death benefits until the earlier of: (1) the date the eligible parent dies; or (2) the date of the expiration of 104 weeks of death benefit payments.	
SECTION 4. The change in law made by this Act applies to workers' compensation medical disputes described by Section 413.031, Labor Code, as amended by this Act and Section 413.0311, Labor Code, as added by this Act: (1) that are pending for adjudication by the division of workers' compensation of the Texas Department of Insurance on or after the effective date of this Act; (2) that may be remanded to the division of workers' compensation of the Texas Department of Insurance on or after the effective date of this Act; or (3) that may arise on or after the effective date of this Act.	SECTION 7. Same as House version.	
No equivalent provision.	SECTION 8. Chapter 408, Labor Code, as amended by this Act, applies only to a claim for workers' compensation benefits based on a compensable injury that occurs on or after the effective date of this Act. A claim based on a compensable injury that occurs before that date is governed by the law in effect on the date that the compensable injury occurred, and the former law is continued in effect for that purpose.	

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SECTION 5. This Act takes effect September 1, 2007.	SECTION 9. Same as House version.	