

BILL ANALYSIS

S.B. 800
By: Duncan
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The division of workers' compensation of the Texas Department of Insurance collects a variety of data, including claims information, benefit payments, medical treatment information, and workers' compensation insurance coverage information and is authorized to contract with a data collection agent to fulfill the data collection requirements of the Texas Workers' Compensation Act if contracting for such services is determined to be cost-effective. Interested parties assert, however, that the provisions allowing the division to contract with a data collection agent do not adequately address the issue of whether an insurance carrier is allowed to pay data collection fees directly to a data collection agent.

Interested parties further contend there is a need to align the qualification requirements of data collection agents and the provisions regarding the payment of data collection agent fees and to clarify such an agent's authority to collect a fee from an insurance carrier, and an insurance carrier's obligation to pay such a fee, for the agent's data collection services. S.B. 800 seeks to address these issues relating to workers' compensation data collection agents.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of workers' compensation in SECTION 1 of this bill.

ANALYSIS

S.B. 800 amends the Labor Code to increase from one to one or more the number of data collection agents that the commissioner of workers' compensation is authorized to designate and with which the commissioner is authorized to contract to fulfill certain data collection requirements of the Texas Workers' Compensation Act. The bill requires an organization to demonstrate at least five years of experience in data collection, data maintenance, data quality control, accounting, and related areas to qualify as a data collection agent.

S.B. 800 authorizes an agent to collect from a reporting insurance carrier, other than a governmental entity, any fees necessary for the agent to recover the necessary and reasonable costs of collecting data from the carrier. The bill requires a reporting insurance carrier, other than a governmental entity, to pay that fee to the data collection agent for the data collection services provided by the agent. The bill authorizes the commissioner to adopt rules necessary to implement the bill's provisions and makes conforming changes.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.