

BILL ANALYSIS

C.S.H.B. 2919
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that the system of retrospective decision-making and billing currently used to manage workers' compensation for state employees may be more burdensome than necessary. C.S.H.B. 2919 seeks to remedy this situation by requiring the State Office of Risk Management to develop and implement, on a demonstration basis, a certain program for processing applicable payment authorizations and medical bills in real time and by authorizing the permanent adoption of that program if it proves to be cost-effective.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 2919 amends the Labor Code to authorize the State Office of Risk Management (SORM) to develop and implement a demonstration program for processing workers' compensation authorizations of payment for medical services and medical bills in real time if it is determined to be cost-effective. The bill requires SORM to study and make a determination as to whether the program would be cost-effective not later than January 1, 2020, and requires SORM to fully implement the program not later than January 1, 2021, depending on the nature of the determination.

C.S.H.B. 2919 set outs certain functional requirements for the demonstration program. The bill authorizes the workers' compensation research and evaluation group to assist SORM in identifying and adopting measures for evaluating the program and requires the evaluation period for the program to end on June 30, 2022. The bill requires SORM, if it implements such a program, to provide to the risk management board not later than December 31, 2022, a report that evaluates the program and recommends whether to use the process implemented under the program on a permanent basis. The bill authorizes the board to adopt and use the process on a permanent basis if the report indicates that administrative cost savings are achieved by the process. The bill requires SORM, if the report indicates that administrative cost savings were not achieved by the process implemented under the program, to submit to the legislature not later than December 31, 2022, a written report that contains:

- the reasons the program did not result in administrative cost savings; and
- recommendations for proposed legislation to develop a cost-effective system for processing workers' compensation authorizations of payment for medical services and medical bills in real time.

The bill's provisions expire September 1, 2023.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2919 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a requirement for SORM to study as to whether the demonstration program would be cost-effective, in addition to making such a determination, not later than January 1, 2020.

The substitute changes a requirement for the workers' compensation research and evaluation group to assist SORM in identifying and adopting measures for evaluating the program to an authorization for the group to do so.

The substitute includes provisions requiring SORM to submit a written report to the legislature if the report evaluating the program that SORM provides to the risk management board indicates that administrative cost savings were not achieved by the process implemented under the program.

The substitute changes the bill's effective date.