HB 251 Eissler (CSHB 251 by Taylor)

SUBJECT: Release of certain information regarding a workers' compensation claim

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 7 ayes — Elkins, Martinez, Bailey, Solomons, Taylor, Vo, Zedler

0 nays

1 present not voting — Giddings

1 absent — Bohac

WITNESSES: For — Caldwell Fletcher, 4600 Group, Inc.; Eric Glenn, MedRecovery

Management, LLC

Against — None

BACKGROUND: The Texas Workers' Compensation Commission (TWCC) oversees the

workers' compensation system in Texas and manages claims. In 2001, the

77th Legislature adopted HB 1562 by Thompson, which permitted workers' compensation subclaimants to ask TWCC for information about

outstanding workers' compensation claims that an individual may have

filed.

DIGEST: CSHB 251 would permit certain workers' compensation insurance carriers

to obtain limited information about claims filed by individuals who were

or had been insured by the carrier, whether or not the carrier had a

subclaim. Carriers would include workers' compensation insurers, certified

self-insurers, and other health insurers that have anti-fraud plans.

The information would include the claimant's name, social security number, date of birth, name of the employer, date and description of injury, name of treating doctor, and name and contact information for insurer responsible for the claim. The information would be confidential.

Each month, the carrier could submit to TWCC a list requesting claim information for named individuals. It could charge a fee up to 5 cents per individual for requested records. Before the first information request, the

## HB 251 House Research Organization page 2

carrier would have to enter into a written agreement with TWCC agreeing to comply with TWCC's security rules.

The bill would apply to claims based on an injury that occurred on or after September 1, 2002.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

SUPPORTERS SAY:

Health insurers may pay for doctor visits or other health services that are part of a workers' compensation claim. Current law permits these insurers to ask TWCC for information about outstanding workers' compensation claims that may have been filed by an individual so that the insurer can determine whether or not the health claim can be recovered from the workers' compensation carrier. However, current law requires that the carrier have a subclaim to request the information, and health insurers need the information to determine whether they have a subclaim.

The bill would permit health insurers to request information without establishing a subclaim, but they would be limited to information about individuals who were currently or had been insured by the health insurer.

OPPONENTS SAY:

This bill is too vague about what insurers could use the information for and too broad in terms of whose information they could request. Once the information had been transmitted to the health carrier, the state would have no control over how it was used. Also, health insurers should be able to request information only about individuals for whom the insurer had paid a health claim, not just anyone insured by that company.

NOTES:

The substitute would permit carriers to request information only about currently and previously insured persons, not receive information about all outstanding workers' compensation claims at TWCC.

The companion bill, SB 266 by Williams, has been referred to the Senate State Affairs Committee.