

BILL ANALYSIS

Senate Research Center

H.B. 3197
By: Janek (Moncrief)
Economic Development
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Engrossed

DIGEST

Currently, insurance carriers contract with utilization review agents to make determinations on the medical necessity of care delivered to patients. Utilization review agents are regulated under general health insurance policies by the Texas Department of Insurance (department). Many workers' compensation insurance carriers contract with utilization review agents to make determinations on the medical necessity of health care delivered to injured patients. There are no provisions under the Labor Code, however, that provide for regulation of utilization review agents performing reviews of workers' compensation medical cases. This bill would amend the Insurance Code to provide for regulation by the department of utilization review agents who conduct utilization reviews under the workers' compensation statute.

PURPOSE

As proposed, H.B. 3197 revises the Insurance Code to provide for regulation by the Texas Department of Insurance of utilization review agents who conduct utilization reviews under the workers' compensation statute.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioner of insurance and the Texas Workers' Compensation Commission in SECTION 1 (Section 14(c), Article 21.58A, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 14(c), Article 21.58A, Insurance Code, to provide that except as otherwise provided by this subsection, this article applies, rather than shall not apply, to utilization review of health care services provided to persons eligible for workers' compensation medical benefits under Title 5, Labor Code, rather than to patients under the authority of the Texas Workers' Compensation Act (Article 8308-1.01 et seq., V.T.C.S.). Requires the commissioner of insurance (commissioner) to regulate in the manner provided by this article a person who performs review of a medical benefit provided under Chapter 408, Labor Code. Provides that this subsection does not affect the authority of the Texas Workers' Compensation Commission (TWCC) to exercise the powers granted to TWCC under Title 5, Labor Code. Provides that in the event of a conflict between this article and Title 5, Labor Code, Title 5, Labor Code, prevails. Authorizes the commissioner and TWCC to adopt rules and enter into memoranda of understanding as necessary to implement this subsection.

SECTION 2. Effective date: September 1, 1997.
Makes application of this Act prospective to January 1, 1998.

SECTION 3. Emergency clause.