

## **BILL ANALYSIS**

Senate Research Center  
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C.S.H.B. 1778  
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Economic Development  
5/12/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, the Texas Workers' Compensation Commission (commission) contracts for medical consultant services to help determine the appropriateness of medical care given to an injured employee when the commission lacks medical expertise. Relying on these entities is expensive and may lengthen the medical review process in a dispute. The commission develops and administers programs to contain or reduce medical and legal costs and to ensure overall system efficiency. H.B. 1778 would set forth provisions for the medical review of health care provided under the workers' compensation insurance system.

### **PURPOSE**

As proposed, H.B. 1778 sets forth provisions for the medical review of health care provided under the worker's compensation insurance system.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Workers' Compensation Commission in SECTION 1 (Section 408.023(c), Labor Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 408.023, Labor Code, to require the executive director of the Texas Workers' Compensation Commission (commission) to delete from the list a doctor who is deceased, who requests to be deleted, or whose license has been suspended or revoked. Requires the commission to establish criteria for deleting a doctor from the list of doctors, for imposing sanctions on a doctor, and for authorizing reduced utilization review controls. Provides that the criteria for deleting a doctor from the list or for imposing sanctions may include anything the commission considers relevant, including certain conditions. Requires the commission to establish, by rule, procedures under which a doctor may apply for reinstatement to the list or for restoration of privileges removed based on sanctions. Requires the doctors performing functions under this subtitle to be on the list of approved doctors to perform services or receive payment for services. Authorizes the commission to grant exceptions to the imposed requirement to ensure that employees have access to medical care. Authorizes the commission to allow an out-of-state doctor to perform utilization review services on behalf of an insurance carrier if the doctor and the insurance carrier agree to make the doctor available for civil or administrative proceedings as if the doctor were a resident of this state. Authorizes the executive director to impose sanctions on certain individuals, providing conditions. Sets forth authorized inclusions regarding the sanctions. Makes conforming changes.

SECTION 2. Amends Section 413.051, Labor Code, to authorize the commission to contract with a health care provider professional review organization, health care provider, or other entity. Authorizes the commission, for purposes of review and resolution of a dispute as to compliance with the medical policies or fee guidelines, to contract with, rather only with, a health care provider professional review organization, health care provider, or other entity. Authorizes the commission to contract with a health care provider professional review organization, health care provider, or other entity for certain medical consultant services. Requires the commission to establish standards for contracts under this section.

SECTION 3. Amends Chapter 413E, Labor Code, by adding Section 413.0515, as follows:

Sec. 413.0515. MEDICAL ADVISOR. Sets forth the certain tasks a medical advisor will provide to the commission once employed as required. Authorizes a medical advisor to establish

a panel of health care providers to assist the medical advisor. Requires the panel to be independent of the medical advisory committee. Sets forth the composition of the panel. Requires the medical advisor to cast the deciding vote in the event of a tie among the members of the medical quality review panel. Requires the panel to recommend to the medical advisor appropriate action to sanction health care providers and utilization review agents and to add, suspend, or delete doctors from the list of designated doctors. Provides that an individual health care provider is not liable for recommendations for sanction made pursuant to Subsection (a), providing exceptions. Prohibits information that is confidential from being disclosed, providing exceptions. Establishes that confidential information developed by the commission is not subject to discovery or court subpoena in any other action other than to enforce the provisions of this subtitle by the commission, the appropriate licensing or regulatory agency, or the appropriate enforcement authority, or in a criminal proceeding. Provides that a health care provider serving on a panel is not liable for acts or omissions committed within the course and scope of duties and responsibilities on the appeal, providing exceptions. Requires a medical advisor to be a doctor as that term is defined by Section 401.011.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.