

BILL ANALYSIS

Senate Research Center
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H.B. 2512
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Economic Development
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Engrossed

DIGEST

Currently, the Texas Workers' Compensation Act authorizes a Texas Workers' Compensation Commission (commission) benefit review officer to enter interlocutory orders for an insurance carrier to pay benefits to an injured worker at a benefit review conference. Benefit review officers do not enter limited interlocutory orders; instead these orders are made for all accrued medical and income benefits, or no benefits at all. A total accrued medical benefit award can amount to a substantial sum of money, causing a benefit review officer to be reluctant to enter an order. If an interlocutory order is overturned at a contested hearing, a carrier may seek reimbursement from the commission's subsequent injury fund. Hearing officers do not have the authority to enter into interlocutory orders, and there is no provision for reimbursement if a hearing officer's decision is overturned. H.B. 2512 would regulate interlocutory orders and decisions used in adjudication of disputes regarding workers' compensation benefits and reimbursement from the subsequent injury fund for overpayments of benefits made under those interlocutory orders or decisions.

PURPOSE

As proposed, H.B. 2512 regulates interlocutory orders and decisions used in adjudication of disputes regarding workers' compensation benefits and reimbursement from the subsequent injury fund for overpayments of benefits made under those interlocutory orders or decisions.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Workers' Compensation Commission in SECTIONS 5 and 6 (Section 410.209, Chapter 410E, Labor Code and Section 413.055(b), Chapter 413E, Labor Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 402.073(b), Labor Code, to require an administrative law judge who conducts the hearing for the State Office of Administrative Hearings (SOAH) to enter the final decision in the case after completion of the hearing, in a case in which a hearing is conducted by SOAH under Section 411.049, 413.031, 413.055, or 415.034.

SECTION 2. Amends Section 410.032, Labor Code, as follows:

Sec. 410.032. New heading: PAYMENT OF BENEFITS UNDER INTERLOCUTORY ORDER. Authorizes a benefit review officer to issue an interlocutory order for the payment of all or part of medical benefits or income benefits, if a benefit review officer recommends that benefits be paid or not paid. Authorizes the order to address accrued benefits, future benefits, or both accrued benefits and future benefits. Deletes text regarding an order to pay or not to pay benefits. Deletes existing Subsection (b). Makes conforming changes.

SECTION 3. Amends Section 410.168, Labor Code, to authorize a decision to address accrued benefits, future benefits, or both accrued benefits and future benefits. Authorizes a hearing officer to enter an interlocutory order for the payment of all or part of medical benefits or income benefits. Authorizes the order to address accrued benefits, future benefits, or both accrued benefits and future benefits. Provides that the order is binding during the pendency of an appeal to the appeals panel. Makes conforming changes.

SECTION 4. Amends Section 410.205, Labor Code, as follows:

Sec. 410.205. New heading: EFFECT OF DECISION. Deletes existing Subsection (c).

SECTION 5. Amends Chapter 410E, Labor Code, by adding Section 410.209, as follows:

Sec. 410.209. REIMBURSEMENT FOR OVERPAYMENT. Requires the subsequent injury fund to reimburse an insurance carrier for any overpayments of benefits made under an interlocutory order or decision, if that order or decision is reversed or modified by final arbitration, order, or decision of the Texas Workers' Compensation Commission (commission) or court. Requires the commission to adopt rules to provide a periodic reimbursement schedule, providing for reimbursement at least annually.

SECTION 6. Amends Chapter 413E, Labor Code, by adding Section 413.055, as follows:

Sec. 413.055. INTERLOCUTORY ORDERS; REIMBURSEMENT. Authorizes the executive director, as provided by commission rule, to enter an interlocutory order for the payment of all or part of medical benefits. Authorizes the order to address accrued benefits, future benefits, or both accrued benefits and future benefits. Requires the subsequent injury fund to reimburse an insurance carrier for any overpayments of benefits made under Subsection (a), if that order or decision is reversed or modified by final arbitration, order, or decision of the commission or court. Requires the commission to adopt rules to provide a periodic reimbursement schedule, providing for reimbursement at least annually. Provides that a party that disputes an order entered under Subsection (a) is entitled to a hearing. Requires the hearing to be conducted by SOAH in the manner provided for a contested case under Chapter 2001, Government Code. Provides that the order is binding during the pendency of the appeal.

SECTION 7. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 8. Emergency clause.