

## **BILL ANALYSIS**

Senate Research Center  
82R12988 JSC-D

C.S.S.B. 800  
By: Duncan  
State Affairs  
3/29/2011  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Division of Workers' Compensation (division) of the Texas Department of Insurance is required by statute to collect a variety of data, including claims information, benefit payments, medical treatment information, and workers' compensation insurance coverage information. Pursuant to the Labor Code, the division may contract with a data collection agent if deemed cost-effective; however, the Labor Code currently does not allow insurance carriers to pay data collection fees directly to a data collection agent.

C.S.S.B. 800 aligns the qualification requirements of data collection agents and the provisions regarding the payment of data collection agent fees in the Labor Code with similar provisions found in Sections 38.203 (Qualifications of Statistical Agent), 38.206 (Fees), and 38.207 (Rules), Insurance Code.

The bill exempts governmental entities from paying these fees, just as governmental entities are currently exempted from paying workers' compensation maintenance taxes. Additionally, the division will seek input from system participants through the rulemaking process.

C.S.S.B. 800 amends current law relating to the qualifications and operations of workers' compensation data collection agents.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of workers' compensation (commissioner) in SECTION 1 (Section 401.024, Labor Code) of this bill.

Rulemaking authority previously granted to the commissioner is modified in SECTION 2 (Section 406.009, Labor Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 401.024, Labor Code, by amending Subsection (c) and adding Subsections (e), (f), and (g), as follows:

(c) Authorizes the commissioner of workers' compensation (commissioner) to designate and contract with one or more data collection agents, rather than with a data collection agent, to fulfill the data collection requirements of this subtitle. Requires an organization, to qualify as a data collection agent, to demonstrate at least five years of experience in data collection, data maintenance, data quality control, accounting, and related areas.

(e) Authorizes a data collection agent to collect from a reporting insurance carrier, other than a governmental entity, any fees necessary for the agent to recover the necessary and reasonable costs of collecting data from that reporting insurance carrier.

(f) Requires a reporting insurance carrier, other than a governmental entity, to pay the fee to the data collection agent for the data collection services provided by the data collection agent.

(g) Authorizes the commissioner to adopt rules necessary to accomplish the purposes of this section.

SECTION 2. Amends Section 406.009(c), Labor Code, as follows:

(c) Authorizes the commissioner to designate a data collection agent, implement an electronic reporting and public information access program, and adopt rules as necessary to implement the data collection requirements of this subchapter. Authorizes the commissioner to establish the form, manner, and procedure for the transmission of information to the division of workers' compensation. Requires a data collection agent designated under this subsection to be qualified, and authorizes the data collection agent to collect fees in the manner described by Section 401.024.

SECTION 3. Effective date: upon passage or September 1, 2011.