

## **BILL ANALYSIS**

H.B. 2587  
By: Oliveira  
Business & Industry  
Committee Report (Amended)

### **BACKGROUND AND PURPOSE**

According to interested parties, after being charged to study the voluntary nature of workers' compensation in Texas and how it meets the needs of employers and employees, the House Business and Industry Committee found that the information available regarding injury rates, medical costs, wage replacement, return-to-work rates, permanent disability, and many other factors is insufficient to determine how the voluntary nature of workers' compensation meets the needs of employers and employees. However, the parties report that the data reveals that over 20 percent of employers do not carry insurance or offer an alternative plan, which, unless the employers are capable of paying potentially large medical bills, exposes employees, hospitals, and taxpayers to costs that should be covered by employers. The parties express the need for a study regarding employers who are not insured or offering an alternative plan to determine the industries in which these employers are concentrated and the reasons for electing not to participate in the workers' compensation system. H.B. 2587 provides for such a study.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2587 requires the workers' compensation research and evaluation group of the division of workers' compensation of the Texas Department of Insurance to conduct a study to identify in which industries employers tend to elect to not participate in the workers' compensation system, determine the reasons those employers elect to not participate in the workers' compensation system, and determine the extent to which injured employees whose employers elect to not participate in the workers' compensation system rely on public benefits to receive treatment and rehabilitation for their injuries and to replace lost income while unable to return to work due to their injuries.

H.B. 2587 authorizes the division to require an employer that elects to not participate in the workers' compensation system to submit information to the division as necessary to complete the study. The bill requires the commissioner of workers' compensation to submit a report containing the findings of the study to the governor, lieutenant governor, speaker of the house of representatives, and appropriate standing committees of the legislature not later than September 1, 2016. The bill's provisions expire December 31, 2016.

**EFFECTIVE DATE**

September 1, 2015.

**EXPLANATION OF AMENDMENTS**

**Committee Amendment No. 1**

Committee Amendment No. 1 adds an employer that does not offer an alternative occupation benefit plan as an employer that the division of workers' compensation of the Texas Department of Insurance is authorized to require to submit information as necessary to complete the study.

**Committee Amendment No. 2**

Committee Amendment No. 2 requires the Texas Workforce Commission, Health and Human Services Commission, the Department of State Health Services, and the Texas Health Care Information Council, on request by the workers' compensation research and evaluation group, to provide information to the group or otherwise assist the group in preparing the report.