

SUBJECT: Requirements for workers' compensation data collection agents

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 11 ayes — Cook, Menendez, Frullo, Gallego, Geren, Harless, Hilderbran, Huberty, Oliveira, Smithee, Solomons
0 nays
2 absent — Craddick, Turner

SENATE VOTE: On final passage, April 7 — 31-0, on Local and Uncontested Calendar

WITNESSES: For — Albert Betts, Association of Fire and Casualty Companies of Texas
Against — None
On — Rod Bordelon, Amy Lee, Texas Department of Insurance - Division of Workers' Compensation

BACKGROUND: Under Labor Code, Title 5, Subtitle A, the Texas Workers' Compensation Act, data on issues such as claims information, income benefit payments, medical treatments, and workers' compensation insurance coverage are collected by the division of workers' compensation within the Texas Department of Insurance. Sec. 401.024 allows the commissioner of workers' compensation to adopt rules to determine how information gathered under the act may be transmitted and to contract with a data collection agent to fulfill data collection requirements.

DIGEST: SB 800 would authorize the commissioner of workers' compensation to contract with one or more data collection agents to fulfill data collection requirements under the Texas Workers' Compensation Act. A data collection agent would have to have at least five years of experience in data collection, maintenance, quality control, accounting, and other related areas.

A data collection agent could receive fees from a reporting insurance carrier that would cover necessary and reasonable costs for collecting data

from the carrier. The reporting insurance carrier would pay fees directly to the data collection agent. The commissioner could adopt rules to implement this process.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2011.

**SUPPORTERS
SAY:**

SB 800 would incorporate recommendations by the division of workers' compensation from its 2010 biennial report to the Legislature. Because the purpose of the recommendations is to enable the agency to function efficiently and effectively, the bill would implement a change in law to further that purpose. SB 800 would give the agency flexibility for contracting with more than one data collection agent, and it would establish experience requirements for the agents that would ensure that the division sought qualified contractors to fulfill data collection obligations under the act. In addition, because the bill would provide for the payment of data collection fees directly from the insurance carrier to the data collection agent, the agency would incur no extra costs. SB 800 would allow the division to fulfill its obligations under the law in a cost-effective manner.

**OPPONENTS
SAY:**

No apparent opposition.