

SUBJECT: Using federal rates for workers' comp treatment at military facilities

COMMITTEE: Business and Industry — favorable, without amendment

VOTE: 8 ayes — Martinez Fischer, Darby, Beckley, Collier, Moody, Parker, Patterson, Shine

0 nays

1 absent — Landgraf

SENATE VOTE: On final passage, March 27 — 31-0

WITNESSES: *On House companion bill, HB 2207:*
For — (*Registered, but did not testify:* Bobby Hillert, Texas Orthopaedic Association; Rene Lara, Texas AFL-CIO; Clayton Stewart, Texas Medical Association, Christine Wright, City of San Antonio)

Against — None

On — Amy Lee, Texas Department of Insurance-Division of Workers' Compensation

BACKGROUND: The Texas Workers' Compensation Act (Labor Code ch. 413, subch. A) and the Workers' Compensation Health Care Network Act (Insurance Code ch. 1305) govern provider reimbursement policies under the state's workers' compensation system, including reimbursement rates, billing deadlines, preauthorization requirements, and dispute resolution.

It has been suggested that the state's requirements differ from federal reimbursement requirements for care provided by military treatment facilities that accept civilian patients. Some Texas workers' compensation insurance carriers have applied state law to refuse or reduce payment for treatment provided to injured employees by federal military facilities.

DIGEST: SB 935 would require workers' compensation insurance carriers to

reimburse a federal military treatment facility for care provided to an injured employee at the same rates that third-party payers were required to reimburse the facility under applicable federal law.

When an injured employee was treated at a federal military treatment facility, the bill would exempt the reimbursement of the facility's charges for those medical services from the Workers' Compensation Health Care Network Act, certain provisions of the Texas Workers' Compensation Act involving medical benefits and medical review, and provisions in statute relating to the election of workers' compensation coverage for political subdivision employees.

The bill would require the commissioner of workers' compensation to adopt rules necessary to implement the bill, not later than December 1, 2019, including rules governing the processing of medical bills and a separate medical dispute resolution process for bills sent directly to an injured employee by a federal military treatment facility.

The bill would apply to health care services provided on or after January 1, 2020.

The bill would take effect September 1, 2019.