

BILL ANALYSIS

Senate Research Center
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S.B. 1514
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DIGEST AND PURPOSE

Currently, the medical care offered to Texas Department of Transportation (department) employees with work-related injuries or illnesses is costly and does not discourage unnecessary use of medical services. As proposed, S.B. 1514 authorizes the department to use medical provider networks to provide medical, pharmaceutical, and hospital services under the workers' compensation program, and require employees with work-related injuries to use the networks to obtain treatment.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Sections 505.103 and 505.104, Labor Code) and to the commissioner of insurance in SECTION 1 (Section 505.104, Labor Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 505, Labor Code, by adding Subchapter D, as follows:

SUBCHAPTER D. USE OF HEALTH CARE DELIVERY NETWORKS

Sec. 505.101. DEFINITIONS. Defines "health care delivery network," "managed care organization," and "managed care plan."

Sec. 505.102. IMPLEMENTATION OF HEALTH CARE DELIVERY SYSTEM. Authorizes the Texas Department of Transportation (department), in accordance with this subchapter and any other applicable state law, to perform certain actions. Authorizes the department, to comply with this subchapter, to perform certain actions. Requires the department and the Texas Department of Insurance, except as prohibited by federal law, to share confidential information, including financial data, that relates to or affects a person that may contract with the department to carry out the purposes of this subchapter.

Sec. 505.103. USE OF HEALTH CARE DELIVERY NETWORKS. Authorizes the Texas Transportation Commission (commission) by rule to require the use of health care delivery networks under this subchapter to provide medical benefits to employees under this chapter. Requires the department to notify its employees of the adoption of a health care delivery system (system) and to periodically provide the employees with a list of health care providers who are participating members of the participating health care delivery networks.

Sec. 505.104. RULES. Requires the commission to adopt rules as necessary or appropriate to carry out its functions under this subchapter. Requires the commissioner of insurance to adopt rules as necessary or appropriate to carry out the functions of the Texas Department of Insurance under Section 505.102.

Sec. 505.105. DESIGN AND DEVELOPMENT OF HEALTH CARE DELIVERY SYSTEM. Requires the department, in developing a system under this chapter and to the

extent possible, to design the system in a certain manner.

Sec. 505.106. AUDITS; MEMORANDUM OF UNDERSTANDING. (a) Requires the department to audit at least biennially each managed care organization that contracts with the state under this subchapter.

(b) Provides that a managed care organization audited under Subsection (a) is responsible for paying the costs of the audit. Authorizes the costs of the audit to be allowed as a credit against premium taxes paid by the managed care organization, except as provided by Section 2, Article 1.28, Insurance Code.

(c) Requires the department and the Texas Department of Insurance to enter into a memorandum of understanding to coordinate audits of managed care organizations. Requires the memorandum to contain certain items.

Sec. 505.107. DUTIES OF MANAGED CARE ORGANIZATION; CONTRACTUAL PROVISIONS. Requires a managed care organization that contracts with the department under this subchapter to perform certain actions. Requires the department to require that each contract between a managed care organization and the state under this subchapter include certain statements.

SECTION 2. Amends Section 505.002(a), Labor Code, by adding Sections 408.022, 408.023, and 408.024 to a list of sections that do not apply to and are not included in this chapter.

SECTION 3. Amends Chapter 505B, Labor Code, by adding Section 505.014, as follows:

Sec. 505.014. USE OF HEALTH CARE DELIVERY NETWORK. Authorizes an employee to be required to use the services of a health care provider who is a participating member of a health care delivery network implemented under Subchapter D in order to receive medical benefits under this chapter.

SECTION 4. Effective date: September 1, 2001.

Makes application of this Act prospective to January 1, 2002.