

BILL ANALYSIS

Senate Research Center

S.B. 1910
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State Affairs
4/3/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, fee guidelines for workers' compensation are prohibited from providing "for payment of a fee in excess of the fee charged for similar treatment of an individual of an equivalent standard of living." In order to artificially depress the fees paid to providers in the workers' compensation system, many carriers may contend that Medicare rates should be used as the benchmark because Medicare recipients may have an "equivalent standard of living" to injured workers in Texas. Retired Medicare recipients, however, may not have a living standard equivalent to workers in Texas. Comparisons of fees and rates between employed individuals may provide for fees charged by those who provide health care services to be closer to the statute's standard of "fair and reasonable" than between employed individuals and retired persons on Medicare.

Current law also requires the commissioner of insurance to take into account "the increased security of payment afforded by [workers' compensation]" in setting, and potentially reducing, fees for providers. However, this "security" is often offset by potential difficulty experienced by providers in treating workers' compensation patients and by the number of cases in which carriers refused to pay providers for pre-authorized surgeries that were performed properly. Amendment to statutory law changing the commissioner's requirement regarding the consideration of security into an authorization may better suit the reality of the situation.

As proposed, S.B. 1910 includes the word "employed" in the phrase that deals with an equivalent standard of living. This bill also authorizes, rather than requires, the commissioner of insurance to consider the "increased security" of payment in workers' compensation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 413.011(d), Labor Code, as follows:

(d) Prohibits fee guidelines regarding workers' compensation from providing for payment of a fee in excess of the fee charged for similar treatment of an injured employed individual, rather than an injured individual. Authorizes, rather than requires, the commissioner of insurance to consider the increased security of payment afforded by the subtitle regarding workers' compensation in establishing the fee guidelines.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.