

BILL ANALYSIS

Senate Research Center
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S.B. 1494
By: Zaffirini
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

So-called “work-hardening” and “work-conditioning” are costly, time-consuming physical therapies intended to return an injured employee to full capacity for work. “Preauthorization” and “concurrent review” mean that insurance carriers must approve these therapies before they can be performed and may continue monitoring the treatment on an ongoing basis. Under current law, work-hardening and work-conditioning treatments require pre-authorization and concurrent review unless provided by an organization credentialed by the commissioner of workers’ compensation (commissioner) by rule. The Texas Department of Insurance believes the credentialing requirement has not been sufficient to deter overutilization of these costly treatments, often with no better outcomes than would be expected from non-credentialed providers. S.B. 1494 would address the ineffective overutilization of work-hardening and work-conditioning therapies by amending Section 413.014(c), Labor Code, to give the commissioner discretion to require preauthorization and concurrent review of such therapies even when performed by credentialed providers.

As proposed, S.B. 1494 amends current law relating to preauthorization and concurrent review of certain health care services under the workers' compensation system.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of workers’ compensation (commissioner) is modified in SECTION 1 (Section 413.014, Labor Code) of this bill.

Rulemaking authority is expressly granted to the commissioner in SECTION 1 (Section 413.014, Labor Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 413.014, Labor Code, by amending Subsection (c) and adding Subsection (c-1), as follows:

(c) Requires the commissioner of workers’ compensation’s (commissioner) rules adopted under this section (Preauthorization Requirements; Concurrent Review and Certification of Health Care) to provide that preauthorization and concurrent review are required at a minimum for, among certain other requirements, work-hardening or work-conditioning services, rather than for work-hardening or work-conditioning services provided by a health care facility that is not credentialed by an organization recognized by commissioner rules.

(c-1) Authorizes the commissioner, by rule, notwithstanding Subsection (c)(2), to exempt from preauthorization and concurrent review work-hardening or work-conditioning services provided by a health care facility that is credentialed by an organization designated by commissioner rule.

SECTION 2. Provides that the change in law made by this Act applies only to health care services provided on or after the effective date of this Act in conjunction with a claim for workers’ compensation benefits, regardless of the date on which the compensable injury that is the basis of the claim occurred.

SECTION 3. Effective date: September 1, 2017.