

## **BILL ANALYSIS**

H.B. 2053  
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Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties assert that workers' compensation fraud results in higher insurance premiums for Texas employers and drains resources that could otherwise provide benefits for injured employees. H.B. 2053 amends the law relating to the enforcement of workers' compensation compliance and practice requirements in an effort to better provide for investigation of workers' compensation fraud.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2053 amends the Labor Code to expand the purposes for which the workers' compensation division of the Texas Department of Insurance is required to maintain an investigation unit to include conducting investigations relating to alleged offenses under the Texas Workers' Compensation Act, with particular emphasis on the offenses that involve fraudulently obtaining or denying benefits or fraudulently obtaining workers' compensation insurance coverage. The bill authorizes the division to provide technical or litigation assistance to the authority to which the division refers persons involved in a case subject to an investigation for further investigation or the institution of appropriate proceedings.

H.B. 2053 increases from \$1,500 to \$2,500 the threshold value of benefits involved in the commission of an offense of fraudulently obtaining or denying workers' compensation benefits below which the offense is a Class A misdemeanor and at or above which the offense is a state jail felony. The bill increases from \$1,500 to \$2,500 the threshold amount of premium avoided in the commission of an offense of fraudulently obtaining workers' compensation insurance coverage below which the offense is a Class A misdemeanor and at or above which the offense is a state jail felony. The changes to these thresholds apply only to an offense committed on or after September 1, 2017.

H.B. 2053 authorizes the commissioner of workers' compensation to issue a subpoena to compel the attendance and testimony of a witness or the production of materials relevant to an investigation of a criminal offense under the Texas Workers' Compensation Act and clarifies that such authority applies with regard to a witness or materials located in Texas or in another state. This subpoena authority applies to a subpoena issued on or after the bill's effective date, regardless of whether the offense investigated was committed before, on, or after that date.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.