

## **BILL ANALYSIS**

H.B. 2247  
By: Shine  
Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been suggested that the system of retroactive decision-making and billing currently used to manage workers' compensation for state employees is overly burdensome, outdated, and incapable of processing medical payments quickly enough. There have been calls to explore additional methods to manage workers' compensation for state employees that may prove to be more cost-effective and efficient in processing payments for medical services. H.B. 2247 seeks to remedy this situation by requiring the State Office of Risk Management to develop and implement a program for processing applicable payment authorizations and medical bills in real time.

### **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. 2247 amends the Labor Code to authorize the State Office of Risk Management (SORM) to develop and implement a demonstration program for processing workers' compensation authorizations of payment for medical services and medical bills in real time if it determines that the program would be cost-effective. The bill requires SORM to study and determine whether the program would be cost-effective not later than January 1, 2022, and, if it determines so, to implement the program fully not later than January 1, 2023.

H.B. 2247 requires the demonstration program to include the following:

- a secure single platform, Internet-based portal for use by SORM, state agencies, injured employees, and health care providers;
- the ability to collect, input, and transmit specified administrative and clinical data;
- an automated process to streamline requests for authorizations of payment for medical services and peer reviews at the point of care; and
- return-to-work best practices for workers' compensation claims, including complex case management.

The bill authorizes the workers' compensation research and evaluation group to assist SORM in identifying and adopting measures for evaluating the program. The program's evaluation period ends on June 30, 2024.

H.B. 2247 requires SORM, if it implements the program, to provide a report to the risk management board not later than December 31, 2024, that does the following:

- evaluates the program, including any effects of the program on administrative cost savings;
- recommends whether to use the automated process implemented under the program on a permanent basis; and
- if SORM determines the program did not achieve cost savings, includes the reasons why and recommendations for proposed legislation to develop a cost-effective system for real-time processing of the authorizations of payment for medical services and medical bills.

The bill authorizes the board to adopt and use on a permanent basis a process implemented under the program if the report indicates that the process achieves administrative cost savings. The bill's provisions expire September 1, 2025.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.