

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 34
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State Affairs
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, the Texas Workers' Compensation Act outlines administrative violations for employees, employers, insurance carriers, and health care providers involved in workers' compensation claims. However, this Act does not provide any specific prohibitions against kickbacks for arranging referrals for services by individuals in control of the management of a claim.

C.S.H.B. 34 prohibits paying, allowing, or offering fees, rebates, or other considerations in exchange for the referral of medical or case management services on a claim.

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 Subchapter A, Chapter 415, Labor Code, by adding Section 415.0036, as follows:

Sec. 415.0036. ADMINISTRATIVE VIOLATION BY PERSON PERFORMING CERTAIN CLAIM SERVICES. (a) Provides that this section applies to an insurance adjuster, case manager, or other person who has authority under Title 5 (Workers' Compensation), Labor Code, to request the performance of a service affecting the delivery of benefits to an injured employee or who actually performs such a service, including certain actions.

(b) Provides that a person described by Subsection (a) commits an administrative violation if the person offers to pay, pays, solicits, or receives an improper inducement relating to the delivery of benefits of an injured employee or who improperly attempts to influence the delivery of benefits to an injured employee, including through the making of improper threats. Provides that this section applies to each person described by Subsection (a) who is a participant in the workers' compensation system of this state and to an agent of such a person.

(c) Provides that a violation under this section is a Class A administrative violation.

SECTION 2. Makes application of this Act prospective. Provides that a violation is committed before the effective date of this Act if any element of the violation occurs before that date.

SECTION 3. Effective date: September 1, 2007.