

DWC Quarterly Meeting

January 21, 2026 – 2 p.m. to 3:30 p.m.



Agenda

- Welcome.
- Operations update.
- Business Process update.
- Hearings update.
- Compliance and Investigations update.
- Claims and Customer Services update.
- Q&A.
- Closing remarks.

Welcome

Jeff Nelson, Commissioner of Workers' Compensation



DWC 2025 review



304,369

workers'
compensation
policies



\$2.6 billion

in direct
written
premiums



1.3 million

electronic
documents
processed



2,256

workplace
safety
consultations



335

workers'
compensation
insurance
carriers



81,006

claims filed



12,934

dispute
proceedings

Commitment to customer service



121,587
participants
helped through
call center



15 seconds
average
customer
wait time



\$2.4 million
returned to
system
participants



1,447
providers helped
through
CompConnection



1,909
complaints
resolved

New tools and services

**Benefit
Estimator tool**

**Contested case
hearings by
videoconference**

**Searchable
databases on
DWC's website**

**Employer E-File
tool**

Efficiency and modernization

- Adopted rules to:
 - Allow treating doctors can now perform certain exams by telehealth or telemedicine.
 - SIF notifications to ensure accurate payment of lifetime income benefits.
- Modernized correspondence from our legacy system.
- Developed designated doctor narrative report templates.

Top trainings



Health care providers

- Health Care Provider Boot Camp

Designated doctors

- Designated doctor case-based webinars

Carriers and adjusters

- CompCourses

Employers and safety professionals

- OSHA 10-hour Construction and General Industry classes

Attorneys

- Conference

Operations update

TDI Division of Workers'
Compensation

Health care provider outreach

Amy Rich, Director of Health Care Provider and Return to Work Outreach



2026 Professional reimbursement rates

- DWC conversion factors increased by 2.7% (based on MEI).
- Medicare has two conversion factors for 2026:
 - Qualifying providers in an alternative payment model (QPP).
 - Nonqualifying providers (non QPP).
- Medicare's conversion factors do not change the amount of DWC's non-network professional reimbursement **because** our calculation replaces the Medicare conversion factors.

DWC's 2026 conversion factors

Type of service	Conversion factor
Evaluation and management, anesthesia, general medicine, pathology, physical medicine and rehab, radiology, surgery in office	\$72.07 (216% of non QPP)
Surgery in facility	\$90.48 (271% of non QPP)

Example 2026 professional reimbursement rates

CPT code 99213 established office visit (Austin, Texas)

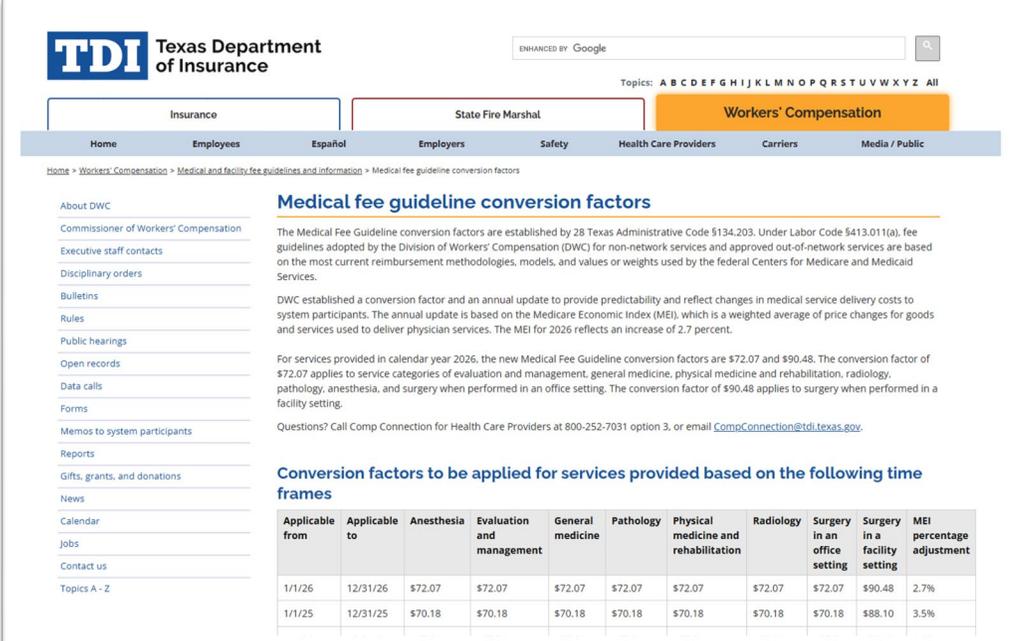
Medicare reimbursement amount for non QPP = \$97.77

$$\$97.77 \times 2.16 \text{ (or 216\%)} =$$

DWC MAR = \$ 211.18 (216% of non QPP amount)

2026 Workers' compensation-specific exam rates

- Increased by 2.7%.
- Based on the MEI also.
- Exam fee chart can be found on DWC's conversion factor [webpage](#) or under these A-Z topics:
 - Certifying doctor exam fees,
 - Designated doctor exam fees, or
 - Conversion factor (MEI).



TDI Texas Department of Insurance

ENHANCED BY Google

Topics: A B C D E F G H I J K L M N O P Q R S T U V W X Y Z All

Home Insurance Employees Español Employers Safety Health Care Providers Carriers Media / Public

Home > Workers' Compensation > Medical and facility fee guidelines and information > Medical fee guideline conversion factors

Medical fee guideline conversion factors

The Medical Fee Guideline conversion factors are established by 28 Texas Administrative Code §134.203. Under Labor Code §413.011(a), fee guidelines adopted by the Division of Workers' Compensation (DWC) for non-network services and approved out-of-network services are based on the most current reimbursement methodologies, models, and values or weights used by the federal Centers for Medicare and Medicaid Services.

DWC established a conversion factor and an annual update to provide predictability and reflect changes in medical service delivery costs to system participants. The annual update is based on the Medicare Economic Index (MEI), which is a weighted average of price changes for goods and services used to deliver physician services. The MEI for 2026 reflects an increase of 2.7 percent.

For services provided in calendar year 2026, the new Medical Fee Guideline conversion factors are \$72.07 and \$90.48. The conversion factor of \$72.07 applies to service categories of evaluation and management, general medicine, physical medicine and rehabilitation, radiology, pathology, anesthesia, and surgery when performed in an office setting. The conversion factor of \$90.48 applies to surgery when performed in a facility setting.

Questions? Call Comp Connection for Health Care Providers at 800-252-7031 option 3, or email CompConnection@tdi.texas.gov.

Conversion factors to be applied for services provided based on the following time frames

Applicable from	Applicable to	Anesthesia	Evaluation and management	General medicine	Pathology	Physical medicine and rehabilitation	Radiology	Surgery in an office setting	Surgery in a facility setting	MEI percentage adjustment
1/1/26	12/31/26	\$72.07	\$72.07	\$72.07	\$72.07	\$72.07	\$72.07	\$72.07	\$90.48	2.7%
1/1/25	12/31/25	\$70.18	\$70.18	\$70.18	\$70.18	\$70.18	\$70.18	\$70.18	\$88.10	3.5%



Educational opportunities:

2026

REIMBURSEMENT
RATES WEBINAR



2026 Reimbursement rates webinar

- Occurred on January 15, 2026.
- Video to be posted soon.



2026 Health care provider boot camp series

- Begins February 24, 2026.
- [Registration](#) now open.



Live and on-demand webinars webpage is being updated

OMA complaints and investigations, AMA Guides study

Jennifer Self, Manager of Health Care Quality Review



CY 25 overview

Office of the Medical Advisor (OMA)	
Complaints received by OMA	80
Closed with no action	43
Closed with letter of education	21
Closed with medical quality review	17
Total complaints closed by OMA	81

Medical Quality Review Panel (MQRP) reviews	
Complaint-based	11
Plan-based audits	10
Performance-based oversight (PBO) audit	384
Acceptable	158
Not acceptable	226

CY 25 audits

Gabapentin or pregabalin plan-based audit

- Executive summary and memo with results on OMA [webpage](#).
- Ten providers:
 - Seven letters of education.
 - Three closed with no further action.

PBO audit

- Return-to-work measure completed for 384 DWC Form-073s.

Designated doctor (DD) plan-based audit

- Posted audit plan of 8-10 subjects and up to 5 cases each to review referrals for additional testing.
- Complete and post findings later this spring.

Annual audit plan

- Posted and receiving comments based on two topics.
- Prescribing Topical Analgesics and evaluating URA peer review reports for compliance regarding ODG, SOC and evidence medicine.

AMA 6th edition (2024) guides study

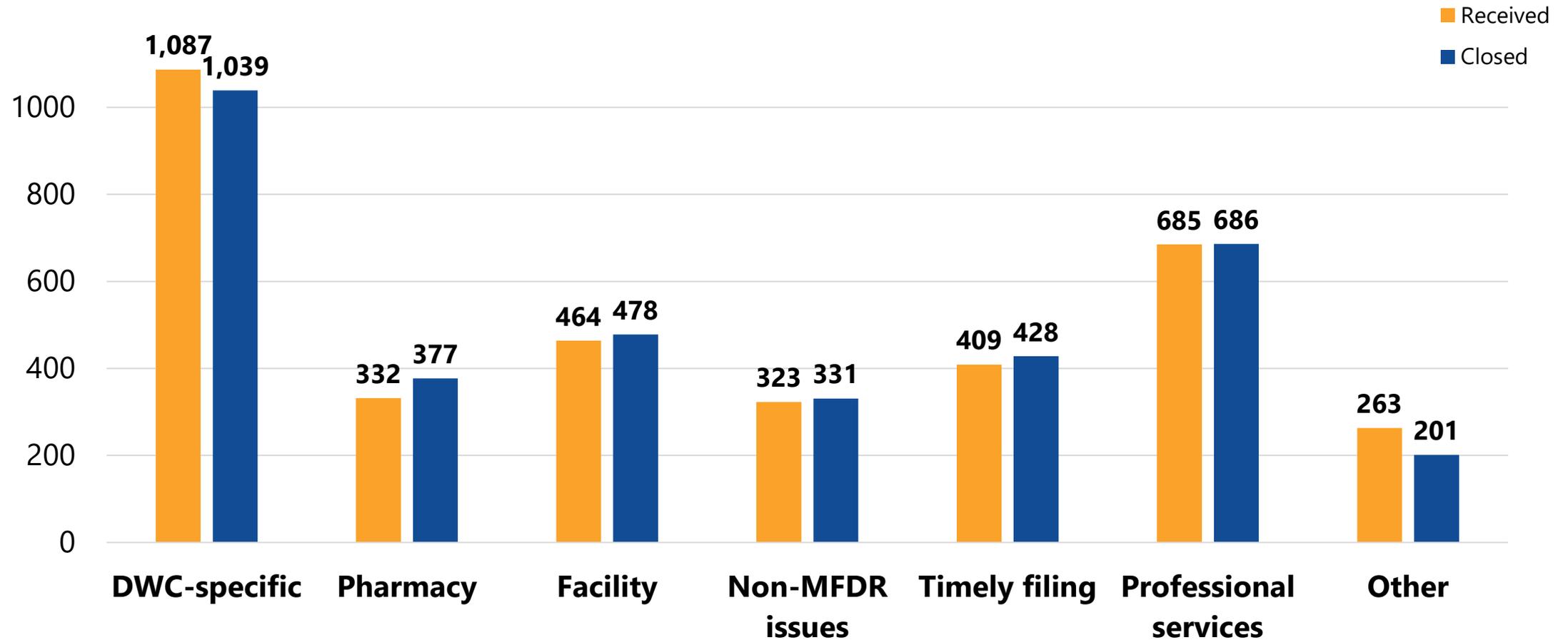
- Reviewed over 300 cases to compare the IR to the 4th edition.
- AMA recently updated with a 2025 version. DWC will present findings to REG for output.

MFDR update

Greg Arendt, Director of Medical Fee Dispute Resolution



CY 2025 Medical fee disputes



Common issues with fee disputes

Requesters

- Reconsideration request to the insurance carrier is not done prior to filing the fee dispute.
- All requesters must follow the required billing forms/formats found in 28 TAC Section [133.10](#) for a bill to be considered complete.

Respondents

- No response to the dispute is received from the insurance carrier. In CY 2025 it was 13%.

Online portal for dispute submission and response

- Requesters will be able to submit medical fee disputes and insurance carriers will be able to respond to disputes using the online portal.
 - ✓ Submitting disputes is easier.
 - ✓ The MFDR tracking number will be available to the requester immediately.
 - ✓ Requesters can view the status of all disputes submitted, including those that have been adjudicated.
 - ✓ Insurance carriers can upload responses directly to the dispute folder.

Business Process update

Martha Luevano, Director of Enterprise Automation Systems



2026 Initiatives

DD exam services

- Outreach: Using TXCOMP to view and print orders.
- Monitoring: Reports for DDs and their agents.
- Process improvement.
 - ✓ Streamline processes.
 - ✓ Improve quality.

Claim EDI

- Monitoring: Lump sum payment reports (PY) following.
 - ✓ DWC Form-024 agreements to pay.
 - ✓ After indemnity payments are ordered.
 - ✓ Payment to SIF following a report of a death with no beneficiaries.

Medical EDI

- Monitoring: Reports for trading partners.
- Outreach: Reporting of DN0581 authorization number.

Performance-based oversight updates

The 2026 insurance carrier assessment plan posted on our [website](#).

January - June

Claim and
medical EDI
accepted.



July

Results sent to
carriers.



August

Rebuttals
reviewed.



September

Final results
are issued.



October

PBO
complete.

Health care provider PBO:

- The 2025 results were posted November 2025.
- The 2027 assessment plan will be posted in August.

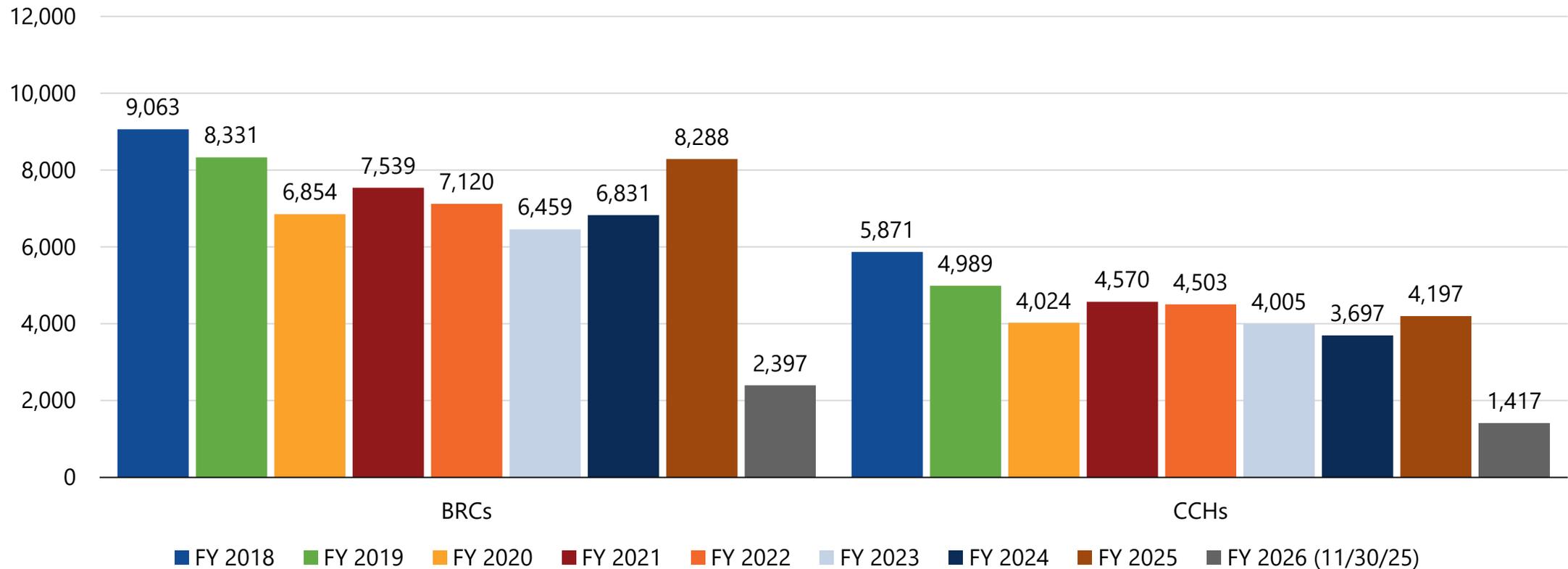
Hearings update

Jeff Carothers, Regional Director of Hearings, Southern and Eastern Region



Proceedings concluded

FY 2018 – FY 2026



Rule updates

Rename chapter

Update outdated information

Chapter 144

Update per style guide

Add administrative law judges (ALJs) to pool of arbitrators

Interpreter services

Interpreter availability is becoming more limited for certain languages.

Costs and scheduling challenges continue to increase statewide.

Hearings is piloting alternative service delivery models to improve access and efficiency.

Pilot overview

Pilot project

Hearings will pilot allowing interpreters to appear remotely for contested case hearings.

Initial pilot is anticipated to begin in the Dallas Field Office.

The pilot will test different configurations based on how the hearing itself is conducted.

Remote hearings



Tools

Zoom interpreter tools.

General testimony

Interpreter provides simultaneous interpretation to the claimant through a dedicated language channel.

Claimant's testimony

When the claimant testifies, they are returned to the main channel and interpretation is provided consecutively.

In-person hearings



Tools

- Interpreter appears via Zoom.
- The claimant is provided a device with headphones.
- The ALJ uses a speaker and microphone for the hearing room.

General testimony

When the claimant is not testifying, the interpreter provides simultaneous interpretation via Zoom interpreter channel.

Claimant's testimony

- The ALJ switches to the Zoom main channel.
- The interpreter provides consecutive interpretation during the claimant's testimony.

Looking ahead

- Hearings is also exploring the potential use of AI-based interpretation tools.
- This work is currently in the investigation and evaluation stage only.
- Any future use would be carefully evaluated for accuracy, reliability, and due process concerns.

Communication

- Secure File Transfer Protocol.
- TXCOMP.
- PROs:
 - Hearings [webpage](#), click “Dispute Resolution News”, then click “Contact information for PROs.”
- Emails:
 - [BRC Exchanges@tdi.texas.gov](mailto:BRC_Exchanges@tdi.texas.gov).
 - [CCH Exhibits@tdi.texas.gov](mailto:CCH_Exhibits@tdi.texas.gov).
- Hearings fax: 512-804-4011.

Compliance and Investigations update

Dan LaBruyere, Deputy Commissioner of Compliance and Investigations



Audits & Investigations update

FY 2026 Q1 complaints

537 complaints received

8	attendance
152	communications
198	indemnity benefit delivery
89	medical benefit delivery
72	other
18	quality of care

629 complaints closed

166	confirmed
147	DWC education letter (low risk)
316	not confirmed

Based on data as of 11/30/2025.

FY 2026 Q1 – complaints received by respondent type

Type of complaint	Injured employee	Insurance carrier	Health care provider	Employer	Attorney	Other
Attendance	4	0	4	0	0	0
Communications	0	54	69	21	8	0
Indemnity benefits	0	191	0	4	3	0
Medical benefits	0	65	24	0	0	0
Quality of care	N/A	0	18	N/A	N/A	0
Other	0	35	0	34	2	1

Based on data as of 11/30/2025.

FY 2026 compliance audits

Death benefits/lifetime income benefits

21 initiated
2 completed

Initial payment of temporary income benefits

20 initiated in FY 26
10 to be initiated per audit plan
1 completed (rolled over from FY 25)

Medical bill processing

20 to be initiated per audit plan
5 completed (rolled over from FY 25)

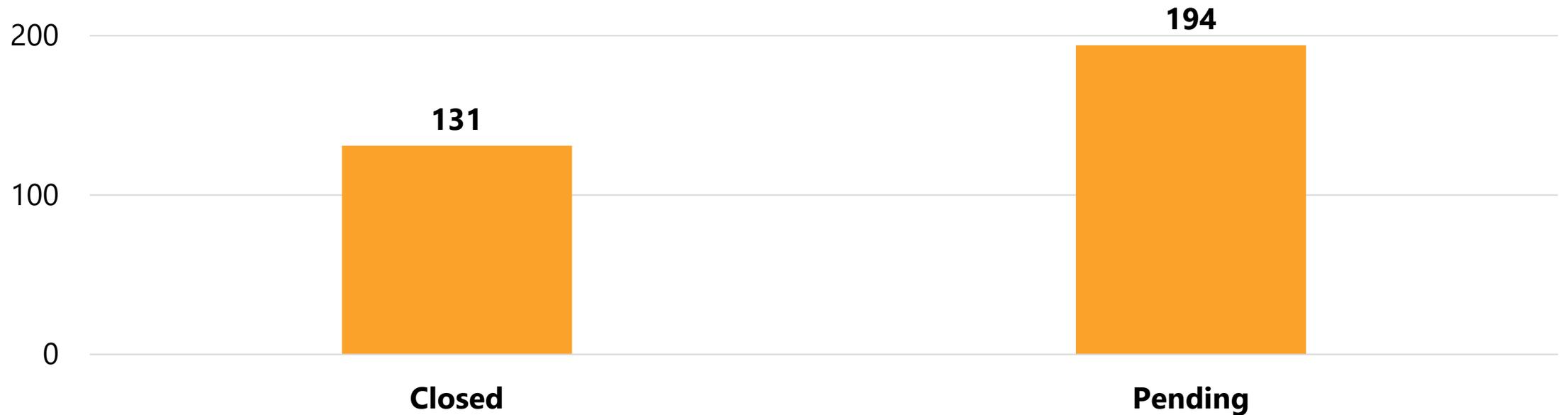
Based on data as of 1/6/2026.

Total money to system participants

- \$544,606.42 on 76 complaints.
- Two of the 21 LIBs/DBs audits have been completed. There were no underpayments identified from these two audits.

Enforcement update

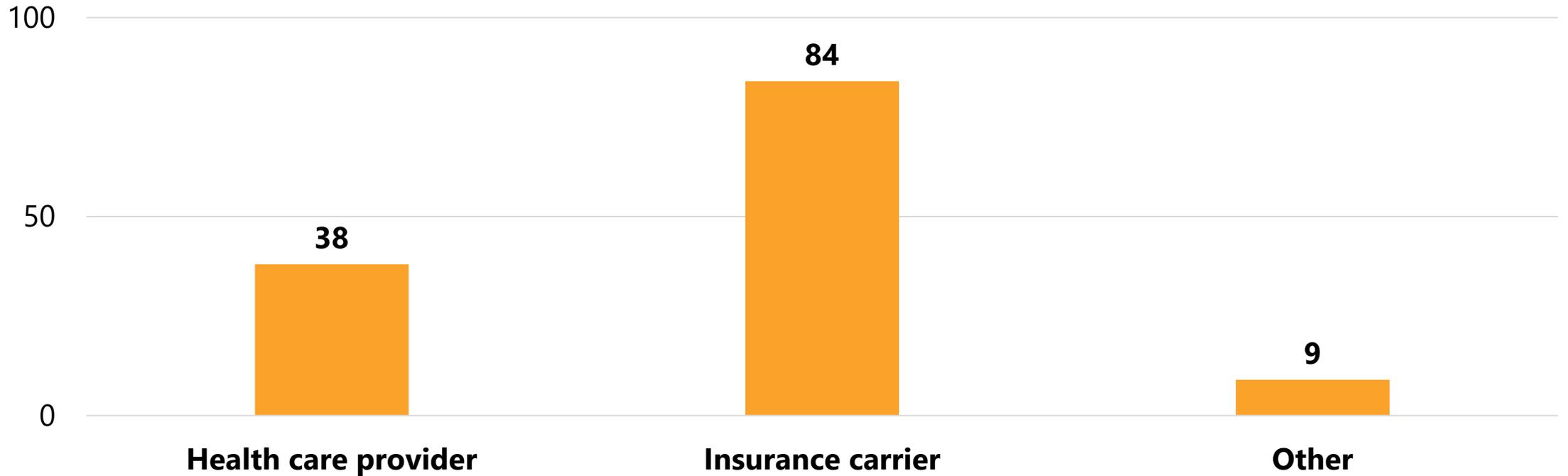
FY 2026 Q1– Enforcement case status



FY 2026	Closed cases	Pending cases
Cases	131	194

Based on enforcement data as of 1/8/2026.

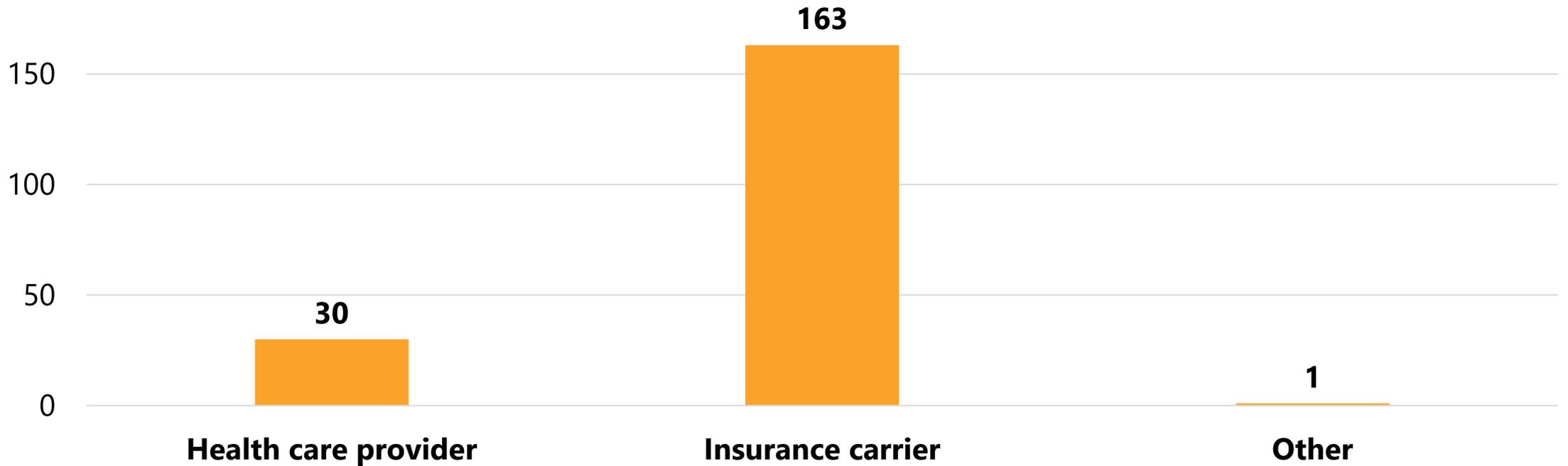
FY 2026 Q1 – cases closed by subject type



FY 2026	Health care provider	Insurance carrier	Other
Cases	38	84	9

Based on enforcement data as of 1/8/2026.

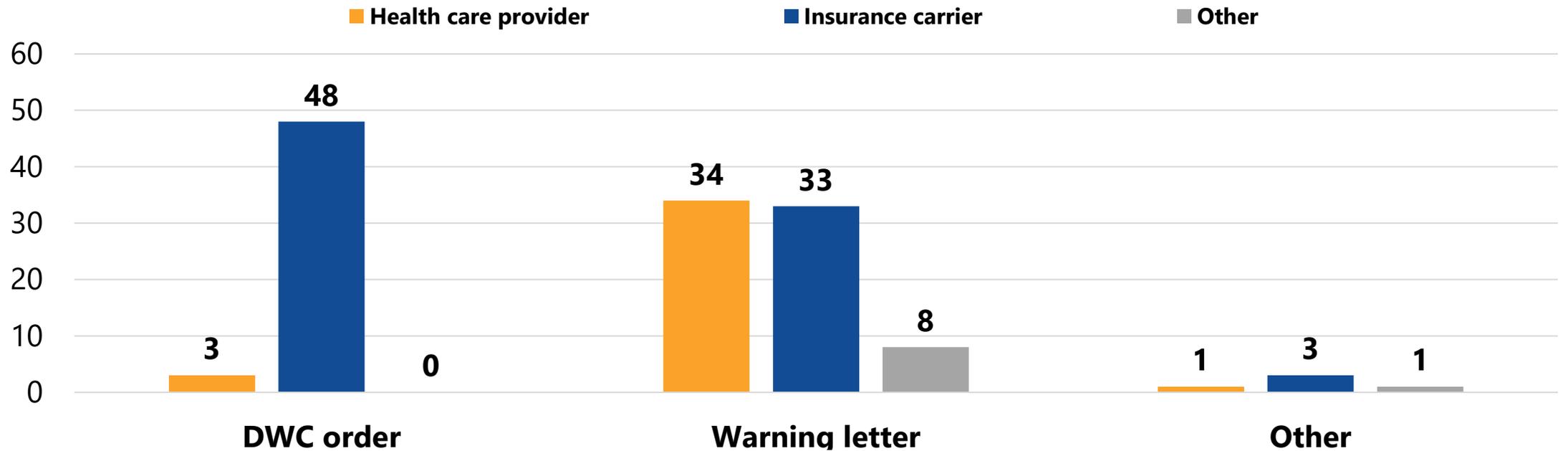
FY 2026 Q1 – cases pending by subject type



FY 2026	Health care provider	Insurance carrier	Other
Cases	30	163	1

Based on enforcement data as of 1/8/2026.

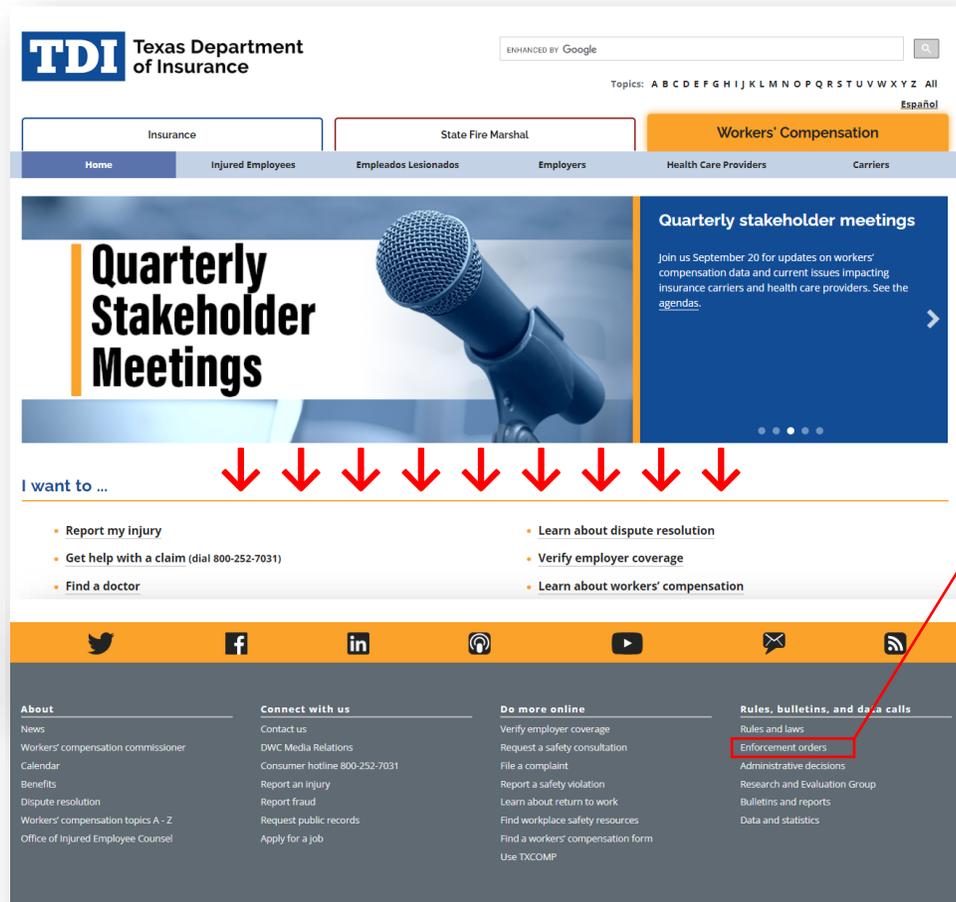
FY 2026 Q1 – cases closed by disposition type



FY 2026	Health care provider	Insurance carrier	Other
DWC order	3	48	0
Warning letter	34	33	8
Other	1	3	1

Based on enforcement data as of 1/8/2026.

Enforcement orders webpage



Scroll to bottom of [DWC homepage](#) and click "Enforcement orders".

or

Visit www.tdi.texas.gov/wc/orders/index.html.

Fraud and Prosecution teams update

FY 2026 Q1 DWC Fraud and Prosecution

- 17 fraud cases opened
- 21 fraud cases closed
- 4 cases referred for prosecution

Based on data as of 12/31/2025.

FY 2026 Q1 DWC Fraud and Prosecution

4 successful prosecutions

1	beneficiary
3	employer
\$887,310	restitution received

Based on data as of 12/31/2025.

New audits

Repeat violators

Questions?

Dan.LaBruyere@tdi.texas.gov



Claims & Customer Services update

Erica De La Cruz, Deputy Commissioner of Claims and Customer Services



Customer Service Operations highlights

Key performance metrics	Goal	Actual (2025)
Average wait time	Less than one minute	15 seconds
Call capture rate	95%	99%
Quality assurance scores	90%	98%



How to reach us?
1-800-252-7031, Option 1.

Outreach and Claims Services highlights



Initiated outreach and oversight of claims related to **five** catastrophic incidents.



Processed **2,967** requests for required medical examinations.



Made **306** supplemental income benefits determinations.



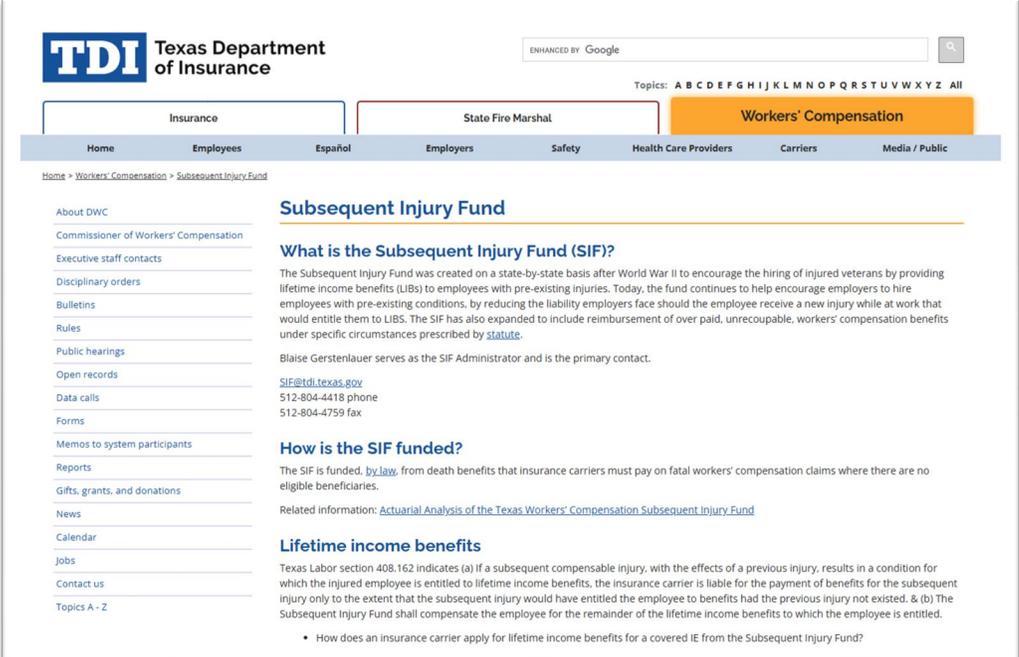
Processed **231** requests for advance of income benefits.



Received **306** claims for death benefits.

Subsequent Injury Fund (SIF) highlights

- Adopted new rule for SIF's verification of lifetime income benefit recipient information (28 TAC Section [131.5](#)).
- **Twenty-one** injured employees receiving lifetime income benefits from the fund.
- Processed **358** insurance carrier reimbursement requests.
- Reimbursed insurance carriers over **\$8.8 million** in benefits.



The screenshot shows the Texas Department of Insurance (TDI) website. The header includes the TDI logo, the text "Texas Department of Insurance", and a search bar. Below the header is a navigation menu with tabs for "Insurance", "State Fire Marshal", and "Workers' Compensation". The "Workers' Compensation" tab is selected. The main content area is titled "Subsequent Injury Fund" and contains the following text:

What is the Subsequent Injury Fund (SIF)?
The Subsequent Injury Fund was created on a state-by-state basis after World War II to encourage the hiring of injured veterans by providing lifetime income benefits (LIBs) to employees with pre-existing injuries. Today, the fund continues to help encourage employers to hire employees with pre-existing conditions, by reducing the liability employers face should the employee receive a new injury while at work that would entitle them to LIBs. The SIF has also expanded to include reimbursement of over paid, unrecoupable, workers' compensation benefits under specific circumstances prescribed by [statute](#).

Blaise Gerstenlauer serves as the SIF Administrator and is the primary contact.
SIF@di.texas.gov
512-804-4418 phone
512-804-4759 fax

How is the SIF funded?
The SIF is funded, [by law](#), from death benefits that insurance carriers must pay on fatal workers' compensation claims where there are no eligible beneficiaries.

Related information: [Actuarial Analysis of the Texas Workers' Compensation Subsequent Injury Fund](#)

Lifetime income benefits
Texas Labor section 408.162 indicates (a) if a subsequent compensable injury, with the effects of a previous injury, results in a condition for which the injured employee is entitled to lifetime income benefits, the insurance carrier is liable for the payment of benefits for the subsequent injury only to the extent that the subsequent injury would have entitled the employee to benefits had the previous injury not existed. & (b) The Subsequent Injury Fund shall compensate the employee for the remainder of the lifetime income benefits to which the employee is entitled.

- How does an insurance carrier apply for lifetime income benefits for a covered IE from the Subsequent Injury Fund?



2026 Initiatives



- Relocate Lubbock field office.
- Create workers' comp 101 training resources for stakeholders.
- Explore the use of AI for customer service knowledge base.
- Update SIF webpage and forms.

Tools for you

Topics include:

- Employer responsibilities.
- Understanding workers' compensation disputes.
- Compliance.
- Employer's wage statement.

Learn more:

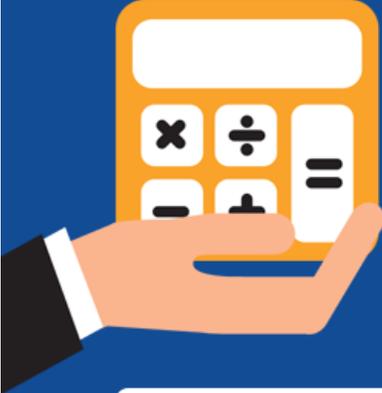


Tools for you

This tool is designed to help you estimate:

- Average weekly wage.
- Income benefits.
- Death benefits.

Learn more:



Hurt at work?
Curious about your benefit amount?

Check your math with DWC's new

BENEFITS ESTIMATOR

- ✓ Enter your wages or use our average weekly wage estimator.
- ✓ Get estimates for income and death benefits.
- ✓ Use on your laptop or mobile device.

Questions?

TDI Division of Workers'
Compensation

Closing remarks

Jeff Nelson, Commissioner of Workers' Compensation



Ways to connect with DWC

- 1. Customer service line:** 800-252-7031
- 2. Website:** www.tdi.texas.gov/wc
- 3. CompConnection for Health Care Providers:**
CompConnection@tdi.texas.gov
- 4. Email list:** bit.ly/DWC-alerts
- 5. Media resources portal:** bit.ly/DWC-mediaportal