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To: Texas Workers' Compensation System Participants

From: Graves Owen, M.D., Medical Advisor

Date: June 30, 2026

Subject: 2026 Designated Doctor Referral Plan-Based Audit

On November 6, 2025, the Texas Department of Insurance, Division of Workers' Compensation (DWC) announced a plan-based audit of designated doctors (DDs) to ensure that additional testing and referrals ordered by DDs were medically necessary, reasonable, and appropriately documented. The audit also reviewed how DDs incorporate referral and testing results into their narrative reports. DWC has posted an executive summary with the overall assessment of this completed audit, including a summary of findings to promote evidence-based medical practices and support the educational guidance to DDs and injured employees in Texas.

The purpose of the audit was to promote quality, cost-effective care that protects injured employees when making referrals for additional testing. It also aimed to confirm that testing supported timely dispute resolution, recovery, and appropriate return-to-work outcomes for injured employees.

We found no issues requiring referral to Enforcement but did identify opportunities for letters of education to the subjects of the audit, which were all with the same scheduling company. Evidence indicated unnecessary referrals for tests such as functional capacity evaluations, electromyography, neuropsychological testing, and a few additional diagnostic studies. Most referrals were for neuropsychological testing, which was the costliest testing performed. With these findings, we will send letters of education to the subjects that identify Official Disability Guidelines and evidence-based medicine practices regarding diagnosis, additional testing, and required documentation. DWC will continue monitoring referrals for additional testing for compliance purposes.

If you have any questions, contact Jennifer Self at [Jennifer.Self@tdi.texas.gov](mailto:Jennifer.Self@tdi.texas.gov) or 512-804-4852.