



**Division of Workers'
Compensation**

**Medical Quality Review
Calendar Year 2026 Annual Audit Plan**

December 17, 2025

DRAFT

Section 1: Review Categories

The Medical Quality Review Annual Audit Plan (Audit Plan) sets priorities for the Medical Quality Review Panel (MQRP) audits during the upcoming year. In calendar year 2026, the Texas Department of Insurance, Division of Workers' Compensation (DWC) will conduct one audit from the two categories listed below:

1. Evaluate the appropriateness and medical necessity for the prescribing of topical analgesics.
2. Evaluate peer review reports issued by Utilization Review Agents (URAs) to ensure they adhere to the ODG and medically accepted standards of care for conducting utilization review, including the appropriate selection of reviewing health care providers.

The category for review will be selected based on the feedback received on each topic. If time and resources are available, both audits will be conducted. The medical advisor may modify the Audit Plan. The commissioner of workers' compensation must approve any recommended changes before adoption.

Section 2: General Statement, Overview, and Purpose

Texas Labor Code Section [413.002](#) requires DWC to "monitor health care providers, insurance carriers, independent review organizations, and workers' compensation claimants who receive medical services to ensure the compliance of those persons with rules adopted by the commissioner relating to health care, including medical policies and fee guidelines." DWC audits ensure that doctors in the workers' compensation system treat, recommend, and prescribe medically necessary and appropriate health care that is timely and cost-effective, as well as facilitate functional recovery and appropriate return-to work outcomes.

DWC's medical advisor oversees the Medical Quality Review Process conducted by the MQRP. Under 28 TAC Section [180.68](#), the Medical Quality Review Process is a medical case review initiated based on complaints, plan-based audits, or monitoring as a result of a consent order. The MQRP follows the criteria adopted under Labor Code Section [413.05115](#). DWC will manage the Medical Quality Review Process in a manner that is fair, open, and transparent to all workers' compensation system participants to the extent consistent with state confidentiality laws to help DWC monitor compliance with the Labor Code and DWC rules.

Section 3: Scope and Selection Criteria

For each category in the Audit Plan, the medical advisor and DWC staff will define the scope and selection criteria for a plan-based audit. DWC will get input from system participants on the development of each individual plan-based audit proposal within the Audit Plan. Individual plan-based audit proposals will specify relevant steps and include specific procedures for each step, including, but not limited to:

- Inclusion and exclusion criteria.

- Service time frame to be audited.
- Sample size.
- Subject and case file selection.

The basis for determining the medical necessity and appropriateness of health care services is under the Labor Code; 28 TAC Chapter 180, [Subchapter C](#); and the Medical Quality Review Process.

Section 4: Conflicts

The Audit Plan incorporates the approved Medical Quality Review Process. However, if a specific conflict exists between this plan and the Medical Quality Review Process, this plan prevails.

Section 5: Approvals

Submitted by:

Graves Owen, M.D. Date
Medical Advisor
TDI, Division of Workers' Compensation

Approved by:

Jeff Nelson Date
Commissioner
TDI, Division of Workers' Compensation