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Texas Workers' Compensation 101

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TDI Division of Workers' Compensation

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Learning objectives

- Learn about the Texas workers' compensation system.
- Understand the role of employees, employers, and insurance carriers.
- Identify available income benefits, eligibility, and duration.
- Understand maximum medical improvement (MMI) and impairment rating (IR).
- Discuss the dispute resolution process.
- Recognize the importance of compliance.
- Discover DWC resources and support services available.

What is workers' compensation?

- State-regulated insurance program.
- Pays medical care for job-related injury or illness.
- May provide disability or death benefits.
- Helps injured employees recover and return to work (RTW).
- Protects employers from most workplace injury lawsuits.
- Administered by DWC.

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Who participates in a claim?

Injured employee or beneficiary

Employer

Insurance carrier

DWC

Health care providers

Treating doctor, designated doctor (DD), required medical exam doctor (RME), etc.

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Workers’ compensation claim process

Understanding the workers' compensation claim journey

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Work-related injury → **Injury reported** → **Medical treatment begins** → **Claim administration** (carrier) → **Income benefits begin** (if eligible) → **Recovery and RTW** → **Dispute resolution** (if needed) → **Claim resolution**

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Medical benefits

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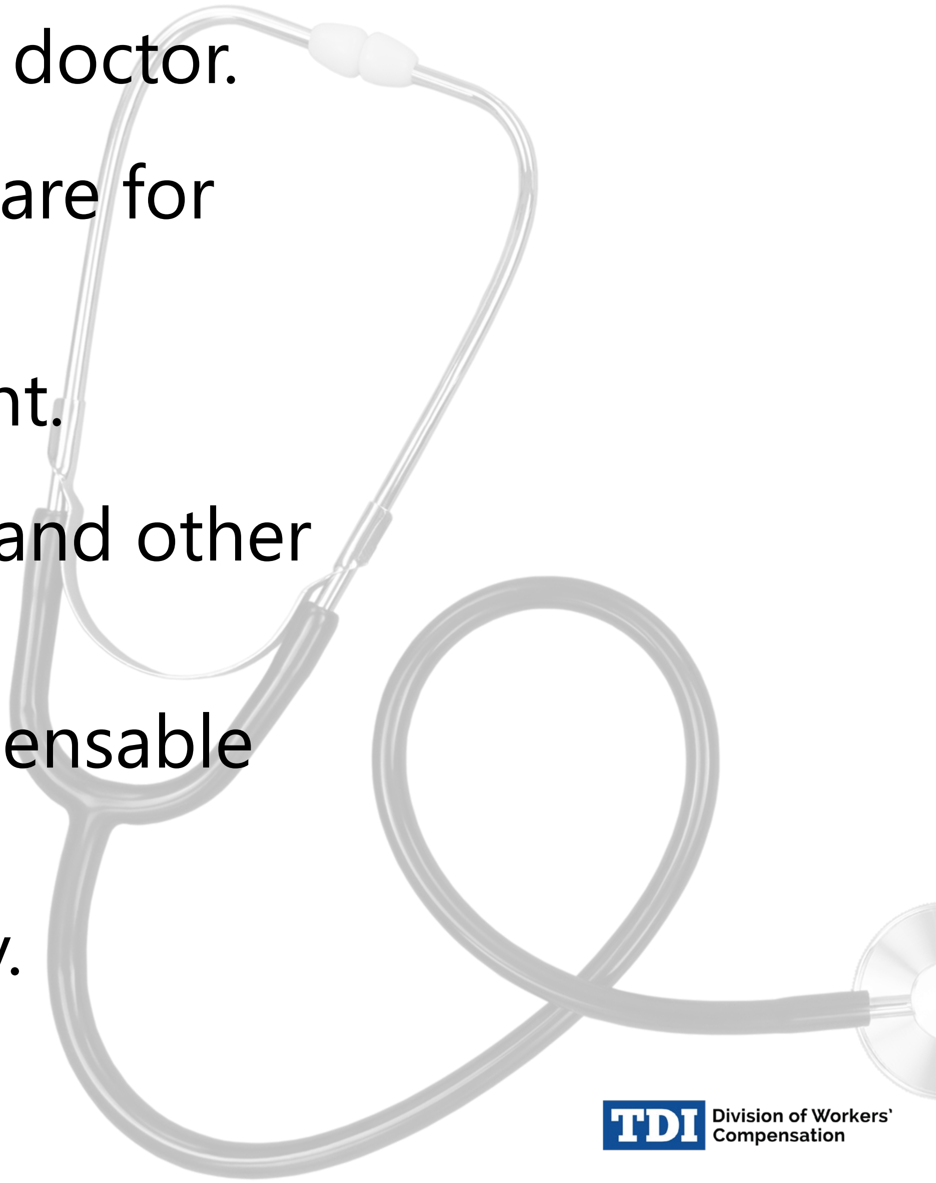
Overview of medical benefits



- Injured employees may choose their treating doctor.
- Provides reasonable and necessary medical care for work-related injuries and illnesses.
- No out-of-pocket cost for approved treatment.
- Includes doctor's visits, diagnostics, therapy, and other necessary services.
- Continues if treatment is related to the compensable injury or illness.
- Certified health care network rules may apply.

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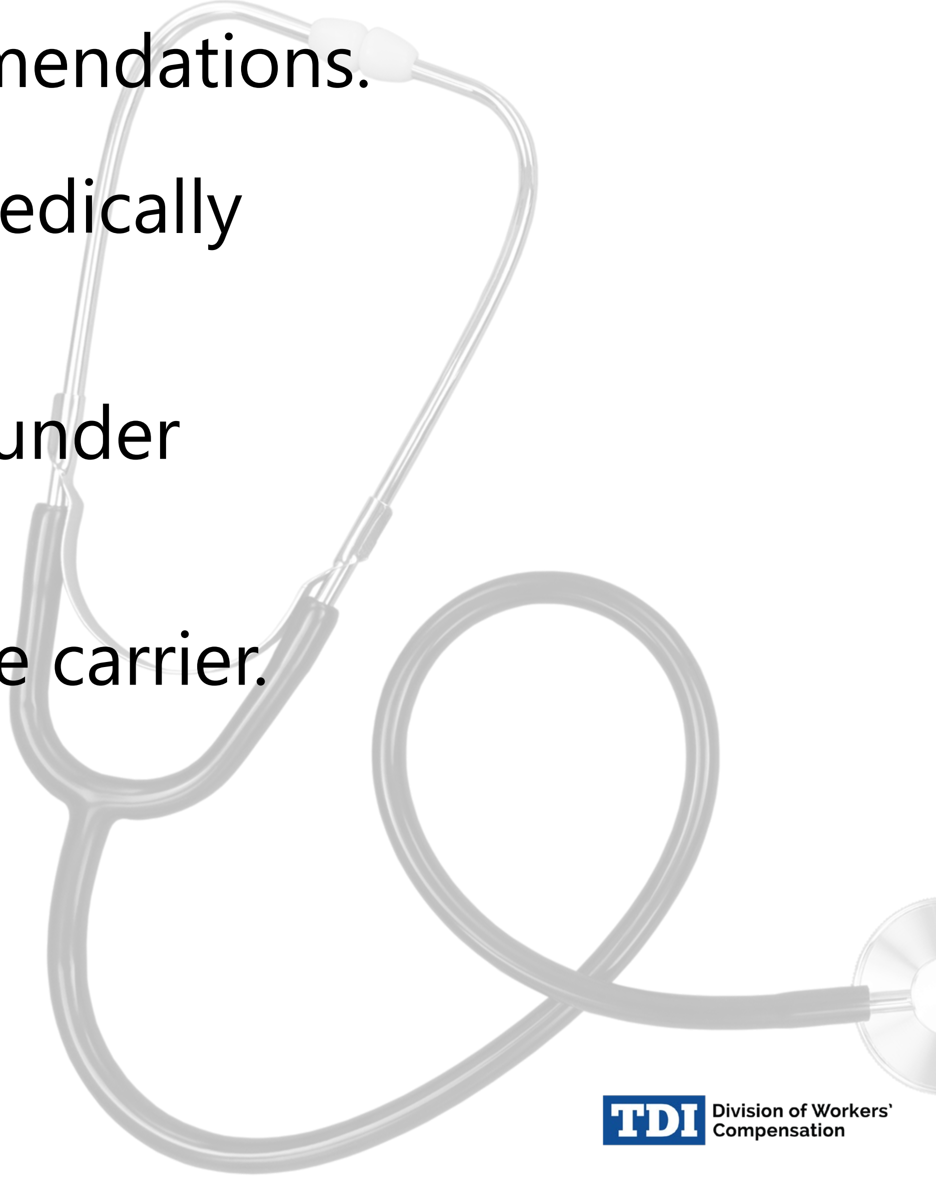
Medical treatment process

- Treating doctors guide care and RTW recommendations.
- Referrals to specialists may be made when medically necessary.
- Some services may require preauthorization under treatment guidelines.
- Approved medical providers bill the insurance carrier.



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Understanding rights and responsibilities

Employee rights

- Right to sue.
- Receive income benefits.
- Receive medical care.
- Get help from the Office of Injured Employee Council (OIEC).
- Access dispute resolution.
- Get legal representation.
- Claim confidentiality.
- Choose their first treating doctor.

Employee responsibilities

- Report injury to their employer (30 days).
- Report injury to DWC (one year).
- Report any changes in employment.
- Explain injury.
- Keep contact information current.
- Know if their claim is in a network.

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First responders

- Applies to qualifying peace officers, paramedics, firefighters, detention officers, county jailers, or emergency medical personnel.
- Expedited medical and health care service benefits.
- Expedited dispute resolution.
- Certain diseases and conditions may be presumed to be work-related.
- Certain surviving spouses may receive death benefits for life, even if they remarry.
- DWC single-point-of-contact assigned to help navigate the workers' compensation claim.

Employer rights

- Choose whether to carry coverage.
- Insurance coverage options.
- Ability to dispute claims.
- Get notified about proceedings.
- Attend proceedings.
- Report fraud.
- Receive RTW services.
- Get reimbursed for voluntary payment.

Employer responsibilities

- Notify employees of coverage and provide written notice.
- Report injury, illness, and work-related fatality (eight days).
- Report wages to the insurance carrier (30 days).
- Report changes.
- File forms timely.
- Post written notice in workplace area.
- Maintain record of all reported claims.
- Cooperate with DWC audits and investigations.
- Provide a safe workplace.

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Insurance carrier rights

- Investigate claims.
- Request medical documentation related to an injury.
- Dispute compensability and benefit issues.
- Request DD and RME exams.
- Appeal decisions through the dispute resolution process.

Insurance carrier responsibilities

- Process claims according to Texas law.
- Pay benefits when due.
- Issue necessary notices.
- Communicate claims decisions.
- Coordinate medical and benefit-related services.
- Participate in dispute resolution processes.

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Income benefits

Disability in workers' compensation

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- Refers to a loss of earning capacity due to a work-related injury.
- Required for eligibility for many income benefits.
- Does not mean having a physical injury or medical condition.
- Is different from social security disability.

Able to work and earn pre-injury wages

Unable to work and earn pre-injury wages

Income benefit overview

- Replaces a portion of lost wages.
- Available when a work-related injury affects an employee's ability to work.
- Different benefit types.
- Eligibility requirements.

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Types of income benefits

Temporary income benefits (TIBs)

Impairment income benefits (IIBs)

Supplemental income benefits (SIBs)

Lifetime income benefits (LIBs)

Death and burial benefits

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Temporary income benefits (TIBs)

- May be available when a work-related injury or illness causes a loss of wages.
- Begins after more than seven days of disability.
- Paid weekly.
- Based on the employee’s average weekly wage (AWW).
- Ends when the employee reaches MMI or returns to earning pre-injury wages.

Maximum medical improvement (MMI)

- The point when an injured employee's condition has stabilized.
- Additional medical treatment is not expected to significantly improve the injured employee's condition.
- Does not necessarily mean the injured employee has fully recovered.
- May mark the end of TIBs.
- An important milestone in a workers' compensation claim.
- Helps determine eligibility for future benefits.
- Leads to the assignment of an IR.

Impairment rating (IR)

- Assigned after an employee reaches MMI.
- A percentage that represents permanent impairment resulting from a work-related injury.
- Based on medical findings and established guidelines.
- Assessed as a percentage (ex: 4%, 13%, 20%).
- Helps measure the lasting effects of an injury.
- Determines the duration of IIBs.
- May affect eligibility of SIBs.

Impairment income benefits (IIBs)

- Begin after MMI is reached.
- Must have an IR.
- Paid weekly.
- Three weeks of benefits are paid for each percentage point of impairment.
- Duration is based on IR.
- Disability is not required.

Supplemental income benefits (SIBs)

- May be available after IIBs end.
- Requires an IR of 15% or more.
- Injured employees must actively seek employment or meet other statutory requirements.
- Eligibility is determined on a quarterly basis.
- Paid monthly.
- Injured employees must continue to qualify to receive benefits.

Lifetime income benefits (LIBs)

- Available for certain catastrophic injuries.
- Must meet statutory eligibility requirements.
- Paid for the lifetime of the employee.
- Begins once eligibility is established.
- Subject to annual increases.

Income benefit overview

- Total and permanent loss of sight in both eyes.
- Loss of both feet, both hands, or one hand and one foot.
- Paralysis.
- Severe traumatic brain injury.
- Extensive third-degree burns.

Death and burial benefits

- Available when an employee dies due to a work-related injury or illness.
- Must file DWC Form-042, *Claim for Workers' Compensation Death Benefits*.
- Provides financial support and burial expenses.
- Paid to beneficiaries like surviving spouse, minor children, and other eligible children.
- Paid weekly.
- Benefit duration depends on beneficiary eligibility.

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Dispute resolution process

Understanding the dispute resolution process

- Designed to resolve disagreements related to a claim.
- Common indemnity disputes may involve:
  - Compensability.
  - Income benefits.
  - Medical issues.
  - MMI.
  - IR.

Dispute resolution stages

Benefit review conference (BRC) →

Informal meeting to attempt resolution.

Contested case hearing (CCH) →

Formal hearing before a DWC administrative law judge.

Appeals Panel →

Reviews decision issues at the CCH level.

Judicial review

Certain disputes may proceed to court.

Medical fee and necessity disputes

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Medical fee disputes

- Disagreements about payments for medical services.
- Non-network medical fee disputes are reviewed through DWC's Medical Fee Dispute Resolution process.
- Certified health care networks use their own internal process to resolve these disputes.

Medical necessity disputes

- Disagreements about whether the requested treatment is medically necessary.
- May be reviewed by an independent review organization, with additional appeal rights available through DWC.

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Compliance basics

Why compliance matters

- Conduct audits and investigations when necessary.
- Monitor reporting requirements and deadlines.
- Support fair and consistent claim handling.
- Review required notices and filings.
- Promote accountability among system participants.
- Protect the rights of all parties involved.
- Help maintain the integrity of the workers' compensation system.

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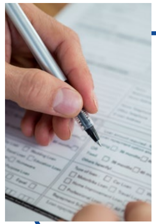
DWC resources

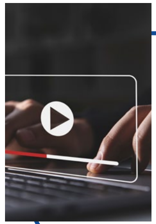
Educational resources

CompCourses and webinars

Educational publications and guides



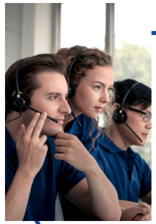
Forms, notices, and reference materials



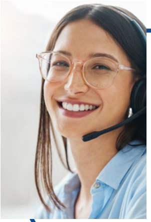
Online videos and recorded presentations

Safety and RTW resources

Website tools and self-service resources



Customer assistance and outreach services



Single-point-of-contact assistance

Visit our website to learn more!

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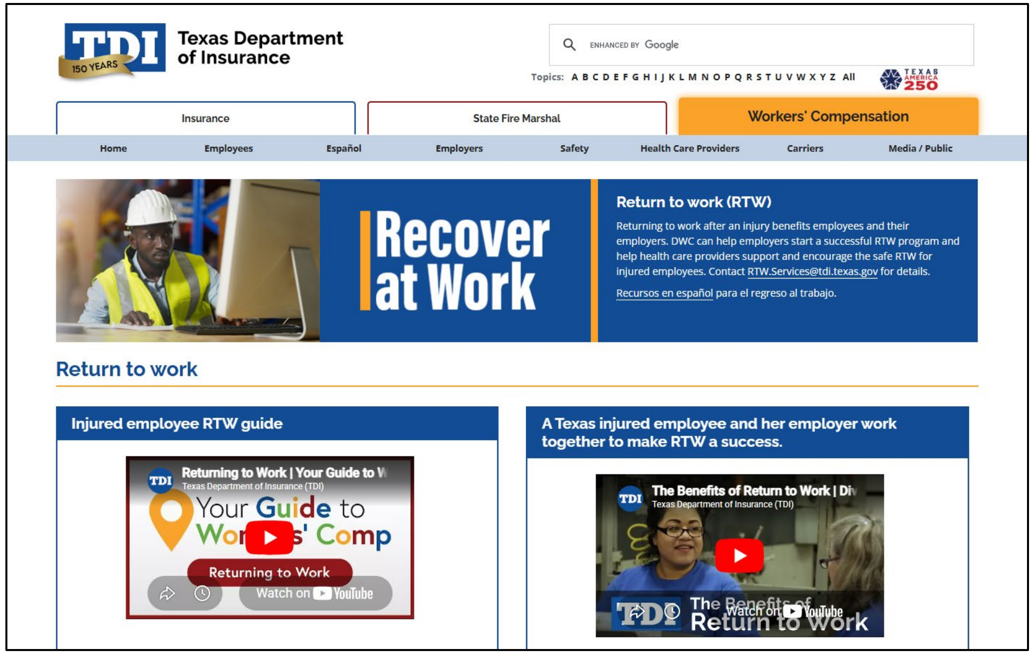
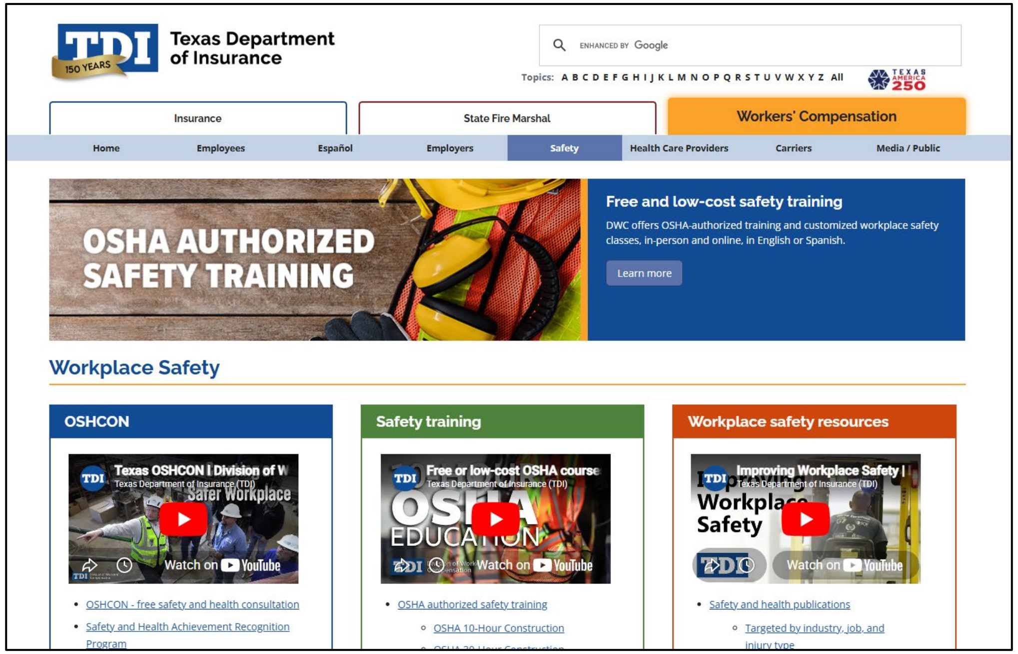
Additional resources

RTW services



Job safety resources



Key takeaways

- Workers' compensation provides medical and income benefits for work-related injuries and illnesses.
- Employees, employers, insurance carriers, and DWC all play important roles throughout the claim process.
- Understanding rights, responsibilities, and reporting requirements helps claims move more smoothly.
- Income benefits vary based on an employee's stage of recovery and eligibility requirements.
- MMI and IR are important claim milestones.
- DWC offers dispute resolution services to help resolve disagreements fairly.
- Compliance supports a fair, consistent, and effective workers' compensation system.

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Contact us

DWC Customer Service Line

800-252-7031, option 1