

No. 4298

**Official Order**  
*of the*  
**Texas Commissioner of Insurance**

**Date:** FEB 10 2016

**FY 2016 Research Agenda for the Workers' Compensation Research and Evaluation Group at the Texas Department of Insurance**

The commissioner of insurance considers the proposed Fiscal Year (FY) 2016 Research Agenda for the Workers' Compensation Research and Evaluation Group (REG) at the Texas Department of Insurance. Labor Code §405.0025 authorizes the REG to conduct professional studies and research related to the delivery of benefits; litigation and controversy related to workers' compensation; insurance rates and ratemaking procedures; rehabilitation and reemployment of injured employees; the quality and cost of medical benefits; employer participation in the workers' compensation system; employment health and safety issues; and other matters relevant to the cost, quality, and operational effectiveness of the workers' compensation system. Insurance Code §1305.502 requires the REG to develop and issue an annual informational report card that identifies and compares, on an objective basis, the quality, costs, health care provider availability, and other analogous factors of workers' compensation health care networks operating under the workers' compensation system of this state, with each other, and with medical care provided outside of networks. Labor Code §405.0026 requires the REG to prepare and publish annually in the *Texas Register* a proposed workers' compensation research agenda for the commissioner's review and approval.

In October 2015, the REG posted an informal request for suggestions for its FY 2016 research agenda on the TDI website to get input from stakeholders and the general public. The REG also asked legislative offices for input. The REG received one suggestion from a member of the public to conduct an analysis of supplemental income benefits, which are paid to permanently impaired injured employees for ongoing disability after the expiration of Impairment Income Benefits. Subsequent to the informal posting of the research agenda, the speaker of the House of Representatives assigned an interim charge to the House Business and Industry Committee that focuses on the adequacy of lifetime income benefits and death benefits for injured employees and their beneficiaries who receive those benefits. In response, the REG added project #7 to the FY 2016 Research Agenda to address the interim charge, and as resources permit, will review the feasibility of obtaining data on access to supplemental income benefits for injured employees in Texas.

TDI published a proposed research agenda in the December 11, 2015, issue of the *Texas Register* (40 TexReg 8974) for public review and comment. TDI received no comments or requests for a public hearing.

The commissioner adopts the following FY 2016 Research Agenda for the Workers' Compensation Research and Evaluation Group at the Texas Department of Insurance.

1. Completion and publication of the 10th edition of the Workers' Compensation Health Care Network Report Card (required under Insurance Code §1305.502(a)-(d) and Labor Code §405.0025(b)).

2. An update of the 2014 Setting the Standard biennial report on the impact of the HB 7 (2005) legislative reforms of the Texas workers' compensation system. The report presents results on the affordability and availability of workers' compensation insurance for Texas employers and the impact of certified workers' compensation health care networks on return-to-work outcomes, medical costs, quality-of-care issues, and

medical dispute resolution (required by Insurance Code §2053.012 and Labor Code §405.0025(a)-(c)).

3. An update of the 2014 biennial study to estimate employer participation in the Texas workers' compensation system (required by Insurance Code §2053.012(a) and Labor Code §405.0025(a)(6)).

4. An analysis of designated doctor examinations in the Texas workers' compensation system.

5. An annual update of medical costs and utilization in the Texas workers' compensation system, with additional attention on the cost and utilization of office visits and physical medicine services.

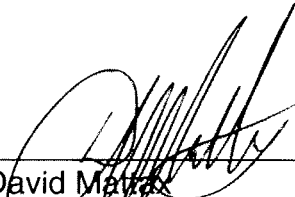
6. An updated analysis of the impact of the pharmacy closed formulary on the utilization and cost patterns in pharmacy prescriptions for new and legacy claims, with special focus on the preliminary impact of federal reclassification of hydrocodone-combination drugs, as well as post-formulary trends in the utilization of physical medicine in the Texas workers' compensation system.

7. Examine the adequacy of lifetime income benefits and death benefits for injured employees and their beneficiaries who receive those benefits, and related issues cited in the House of Representatives Interim Charges to the 84th Legislature for the House Business and Industry Committee.

The commissioner approves and adopts the FY 2016 Research Agenda for the Workers' Compensation Research and Evaluation Group at the Texas Department of Insurance, as specified above, effective immediately.

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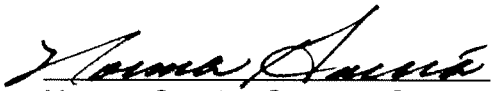
David Mattox  
Commissioner of Insurance

Recommended by:



D.C. Campbell, Director  
Workers' Compensation Research and Evaluation Group  
Texas Department of Insurance

Attest:



Norma Garcia, General Counsel  
Texas Department of Insurance

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