

Proposed Fiscal Year 2016 Research Agenda
Workers' Compensation Research and Evaluation Group
Texas Department of Insurance

Labor Code §405.0026 requires the commissioner of insurance to adopt an annual 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 research agenda on the TDI website to get input from stakeholders and the general public. The REG also asked legislative offices for input on the Fiscal Year (FY) 2016 Research Agenda.

The REG received one response to its request for suggestions. The respondent requested a research project on Texas workers' access to supplemental income benefits (SIBs). The REG will review the feasibility of obtaining data on Texas workers' access to SIBs.

The REG used the following criteria to evaluate the responses:

- Is the proposed research project required by statute or likely to be part of an upcoming legislative review?
- Will the results of the proposed research project address the information needs of multiple stakeholder groups and legislative committees?
- Is there available data to complete the project or can data be obtained easily and economically to complete the project?
- Does the REG have the resources to complete the project during FY 2016?

Based on the one response received and the criteria outlined above, the REG proposes the following seven research projects for the FY 2016 Research Agenda:

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 REG will consider expanding the scope of listed projects or conducting additional projects to accommodate stakeholder suggestions, subject to resource and data availability.

REQUEST FOR PUBLIC COMMENT OR PUBLIC HEARING

If you wish to comment on the proposed FY 2016 Research Agenda or request a public hearing, you must do so in writing no later than 5 p.m., Central time, on January 11, 2016. A hearing request must be on a separate page from any written comments. TDI requires two copies of your comments or hearing request. Send one copy by mail to the Office of the Chief Clerk and General Counsel, Mail Code 113-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104 or by email to ChiefClerk@tdi.texas.gov. Send the other copy by mail to D.C. Campbell, Director of the Workers' Compensation Research and Evaluation Group, Texas Department of

Insurance, Mail Code 105-2A, P.O. Box 149104, Austin, Texas 78714-9104 or by email to wcresearch@tdi.texas.gov. If the commissioner holds a hearing, he will also consider written and oral comments presented at the hearing.

Please visit the TDI website at www.tdi.texas.gov for copies of the proposed research agenda. You may send any questions you have regarding the proposed agenda to D.C. Campbell at wcresearch@tdi.texas.gov.