



WORKERS' COMPENSATION (WC) NETWORKS

The information contained in this document does not cover each portion of House Bill 7 (HB 7), and therefore may not address a particular circumstance applicable to the reader. As it becomes available, the Texas Department of Insurance (department) will supplement this document with additional questions and answers and updated information. All references to a "network" mean a Workers' Compensation Health Care Network.

FREQUENTLY ASKED QUESTIONS FOR EMPLOYERS/CARRIERS

Q: When is a workers' compensation carrier authorized to enroll an injured employee into a certified workers' compensation health care network?

A: A workers' compensation carrier is authorized to enroll an injured employee into a certified workers' compensation healthcare network as follows:

1) If (a) an employee sustained a compensable injury before September 1, 2005, (b) the workers' compensation insurance carrier has entered into a contract to provide workers' compensation medical benefits through a certified workers' compensation healthcare network, and (c) the employee lives within the service area for a certified workers' compensation health care network, the workers' compensation carrier liable for the claim may elect to enroll the injured employee into the certified workers' compensation health care network.

In such an instance, the carrier does not need to have contracted with the employer to provide services through a certified workers' compensation health care network. However, the workers' compensation carrier is first required to give the injured employee a notice of network requirements, and the carrier must allow the injured employee an opportunity to select a network treating doctor. When the employee's claim for benefits is based on an injury that occurred before September 1, 2005, the carrier is not required to provide benefits through a certified workers' compensation healthcare network.

2) If an employee lives within the service area for a certified workers' compensation health care network, and the employee sustained a compensable injury on or after September 1, 2005 but before the date that the workers' compensation insurance carrier contracted with a certified network, the carrier may elect to provide notice of network requirements to the injured employee and move injured employee into the network for care.

3) If an employee lives within the service area for a certified workers' compensation health care network, and the employee sustained a compensable injury on or after September 1, 2005 and after the date that the workers' compensation insurance carrier



contracted with a certified network, the carrier may not move the injured employee into network care unless the employer has elected network coverage.

Carriers and networks should note that some injured employees may be receiving ongoing treatment that requires a smooth transition to network providers. The Department expects that carriers and networks will realize that allowances may be necessary for the best interest of the injured employee and in order to provide continuous care in such situations.

The response to this FAQ may not apply to an employee who is subject to a settlement agreement for an injury sustained before January 1, 1991.

Q. Does HB 7 allow for the use of networks by insurance carriers?

A. Yes. HB 7 allows for the creation of workers' compensation health care networks to provide health care services to injured employees. Under HB 7, an insurance carrier (including insurance companies, certified self-insured employers, group self-insured employers, and self-insured governmental entities) may establish or contract with a workers' compensation health care network.

Q. What is a workers' compensation health network?

A. A network is an organization formed as a health care provider network to provide health care services to injured workers and is certified by the Texas Department of Insurance. The network must be certified in accordance with [Chapter 1305](#), Texas Insurance Code, and [28 TAC §§10.20 -10.27](#) and established by, or operating under contract with, an insurance carrier.

Q. How do workers' compensation health care networks work?

A. An employer who elects to provide workers' compensation insurance coverage under the Texas Workers' Compensation Act may elect to receive workers' compensation health care services for the employer's injured employees from a certified network. The employer's employees who receive notice of network requirements and live in the network service area will be required to seek covered health care services through a network health care provider if the employee is injured on the job. Injured employees must choose a treating doctor from the list of treating doctors provided by the network. If specialty treatment or services are required, the injured employee must be referred, by the primary treating doctor, to another provider in the network for such care. If medically necessary specialty treatment or health care services are not reasonably available from a network provider, a treating doctor must refer the injured employee to a provider outside the network, subject to the approval of the network.



Q. Is the employer required to inform employees about a network?

A. Yes. If an employer has agreed to use the insurance carrier's workers' compensation health care network, then the employer is required to provide notice to all existing employees and all new hires of network requirements. The employer must obtain a signed acknowledgment from each employee that the employee has received the information and must post notice of network requirements at each place of employment. An employee who lives in the network's service area is not required to comply with network requirements until he or she receives this notice. The refusal of an employee to sign the acknowledgment form does not allow the employee to obtain health care services outside of the network, except for an emergency. The employer must also provide an injured employee with the notice of the network requirements at the time the employer receives notice of an injury.

Q. Will networks be required to comply with utilization review requirements?

A. Networks are not required to perform utilization review. However, if they choose to contract with carriers to do so, then HB 7 requires networks to comply with statutory requirements relating to utilization review and retrospective review, including new and amended provisions in HB 7 that impact such reviews. The network must be certified as a utilization review agent.

Q. Will networks be required to comply with Division of Workers' Compensation (DWC) rules specifying which health care treatments and services require the insurance carrier's express preauthorization or concurrent review?

A. No. If a network or carrier uses a preauthorization process within a network, the requirements of Insurance Code Chapter 1305 and applicable TDI rules apply. A network or carrier may establish its own list of health care services that require preauthorization or concurrent review within a network.

Q. Who will be a treating doctor in a network?

A. The network determines the specialty or specialties of doctors who may serve as treating doctors. However, even if a specialty is excluded as being a treating doctor for that network, providers of that specialty may provide health care services if they are in the network and the injured employee is referred to that provider by the treating doctor.

Q. Can an employer require an injured employee to use a network treating doctor?

A. Yes, under certain circumstances. If the employer contracts with an insurance carrier for the provision of health care services through a network, the requirement to use network providers depends on whether the injured employee lives in the network service area and whether the employee has received notice of the network requirements. If the



injured employee lives within the network's service area and has received notice of network requirements, then the employee is required to choose his or her treating doctor from the network's list of treating doctors and receive health care from network health care providers, regardless of the date of injury. The selection must be made within fourteen (14) days after the notice of network requirements have been received. There are exceptions to this requirement for emergency care and for health care provided by an out-of-network provider pursuant to a referral from a treating doctor for medically necessary services that are not available in the network. The out-of-network referral must be approved by the network. If the employer contracts with an insurance carrier for the provision of health care services through a network, the requirements to use a network provider apply to all injured employees living in the network's service area, including those with injuries occurring prior to the inception of the certified WC networks, once proper notice of the network requirements has been given to the injured employee.

Q. I offer health insurance to my employees through an HMO plan. Can my employees go to their HMO primary care physician instead of a workers' compensation health network doctor?

A. Yes, under certain circumstances. If your employees have health insurance through a health maintenance organization (HMO) plan, your employees may select their primary care physician, who they selected prior to their injury, as their treating doctor for their workers' compensation claim. However, your employee's primary care physician must agree to follow all the terms and conditions of the workers' compensation health care network's contract and comply with the Workers' Compensation Health Care Network Act (Chapter 1305, Insurance Code) and applicable rules.

Q. Can my employees continue to select any provider as a treating doctor?

A. No. If the employer contracts with an insurance carrier for the provision of health care services through a network, the injured employee must select a treating doctor from the list of available treating doctors in that network. However, network doctors do not have to be on the Division's Approved Doctor List (ADL) to provide treatment.

Q. What requirements apply under HB 7 if an insurance carrier disputes the compensability of an employee receiving in-network medical care?

A. HB 7 requires carriers to notify a network health care provider in writing if the carrier decides to dispute the compensability of a claim. The carrier is prohibited from denying a medical bill for medically necessary services on the basis of compensability for health care services that were provided before the carrier's written notification to the provider.



Q. What requirements apply under HB 7 if a carrier successfully contests the compensability of a claim for in-network medical care?

A. HB 7 provides that if the carrier successfully contests compensability, the carrier is liable for up to a maximum of \$7,000 for medically necessary health care provided before the carrier's written notification that the carrier contests the compensability of an injury.