

Amend CSHB 7 on page 254, between lines 13 and 14, by inserting a new SECTION 1.3955 to read as follows:

SECTION 1.3955. Chapter 410, Labor Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. PILOT PROGRAM ON
VOLUNTARY ALTERNATIVE AGREEMENTS

Sec. 410.351. PILOT PROGRAM; RECOGNITION OF MUTUALLY VOLUNTARY ALTERNATIVE AGREEMENTS. (a) Notwithstanding any other provision of this subtitle and except as provided by Subsections (c) and (d), if a mutually voluntary agreement entered into under 29 U.S.C. Section 151 et seq., 45 U.S.C. Section 151 et seq., or Chapter 174, Local Government Code, between a certified self-insurer, an individually insured employer, or an employer engaged in construction, construction maintenance, or construction inspection, and a labor organization that is the recognized or certified exclusive representative for employees employed by such a self-insurer or employer who receive workers' compensation coverage is filed with the department, a voluntarily mutually agreed-on provision of the agreement is valid and binding on the parties to the agreement if it does any or all of the following:

(1) establishes an alternative dispute resolution system, which may include provisions for conciliation, mediation, and arbitration that supplement, modify, or replace the provisions of Subchapter C;

(2) adopts an agreed-on list of health care providers of medical treatment as the exclusive source of all medical treatment provided under this subtitle;

(3) adopts a limited list of physicians to conduct independent medical examinations that the parties may agree is the exclusive source of independent medical examiners under this subtitle;

(4) adopts a case management, patient advocate, utilization review, or similar program or combination of programs intended to improve the quality and control the cost of medical and related treatment and care;

(5) adopts a light-duty, modified-job, or return-to-work program; or

(6) adopts a vocational rehabilitation or retraining program that uses an agreed-on list of providers of rehabilitation services as the exclusive source of providers of rehabilitation services under this subtitle.

(b) A mutually voluntary agreement described by this section may provide that arbitration held under the agreement:

(1) is binding on the parties; or

(2) is subject to review in the same manner as a final decision issued by a hearing officer under Subchapter D.

(c) This section may not be construed to permit an agreement that:

(1) diminishes an employee's entitlement to benefits for total or partial disability, vocational rehabilitation, or medical treatment that are fully paid by the employee's employer or as otherwise provided by this subtitle; or

(2) denies an employee the right to legal representation at each stage of the alternative dispute resolution process under this chapter.

(d) Any portion of an agreement that violates Subsection (c) is null and void.

Sec. 410.352. RULES. The commissioner shall adopt rules as necessary to implement this subchapter.

Sec. 410.353. ANNUAL REPORT. (a) Not later than September 30, 2006, and annually thereafter, the commissioner shall prepare and submit to the lieutenant governor, the speaker of the house of representatives, and the legislature a report, based on aggregate data, that includes the following regarding the operation of the pilot program established under Section 410.351:

(1) the number of employees and the amount of payroll covered by agreements filed under Section 410.351;

(2) the number of claims filed under the pilot program;

(3) the average cost per claim, reported by cost components if practicable;

(4) the number of litigated claims, including the number of claims submitted to mediation, arbitration, and judicial review;

(5) the number of contested claims resolved prior to arbitration;

(6) the projected incurred costs and actual costs of claims;

(7) the safety history of entities participating in the pilot program;

(8) the number of employees participating in the pilot program receiving vocational rehabilitation services; and

(9) the number of employees participating in the pilot program participating in light-duty programs.

(b) The commissioner may require the self-insurers and employers described by Section 410.351(a) to provide any necessary information required for the report.

Sec. 410.354. EXPIRATION. This subchapter expires and the pilot program is abolished effective September 1, 2015.