

Adopted Fiscal Year 2022 Research Agenda

Workers' Compensation Research and Evaluation Group

Introduction

The commissioner of workers' compensation considers the Fiscal Year (FY) 2022 Research Agenda for the Workers' Compensation Research and Evaluation Group (REG) at the Texas Department of Insurance, Division of Workers' Compensation (DWC).

The Texas Labor Code requires the REG to conduct professional studies and research related to the operational effectiveness of the Texas workers' compensation system and annually publish a workers' compensation research agenda.

DWC published the proposed research agenda in the July 16, 2021, issue of the *Texas Register* (46 TexReg 4399-4400) and sought public review and comment. DWC received one comment and no requests for a public hearing.

Summary of Comments and Agency Response.

Comment: One commenter recommends that the REG includes as part of its proposed COVID-19 study an analysis of individual claim data by accident date and incurred and paid expenses on these claims on an inception to date (ITD) basis, including allocated loss adjustment expenses (ALAE). The commenter also recommends three additional studies:

- An analysis of cancer claims by accident date, type of cancer, and incurred and paid expenses on these claims on an inception to date basis, including ALAE;
- An analysis of loss development factors, including paid and incurred "tail factors" which are used by insurance carriers to estimate the ultimate cost of claims for ratemaking purposes; and
- An analysis of experience modifiers by premium size.

Response: The REG acknowledges the comment and notes that it has published several COVID-19 fact sheets in 2020 and 2021 summarizing individual COVID-19 fatal and non-fatal claim data using several measures, including accident date, industry sector, occupation, and type of insurance carrier. These fact sheets also provide information on indemnity and medical payments made to date for these claims, as well as the results from an ongoing data call with 74 insurance carriers to determine the positivity rate for COVID-19 claims and the percentage of these claims that were accepted or denied by the insurance carrier. A copy of these fact sheets can be viewed on DWC's coronavirus homepage at <https://www.tdi.texas.gov/wc/information/coronavirus.html>.

The other recommended studies focus on providing information that would assist insurance carriers with their insurance ratemaking responsibilities. Currently, the REG does not have access to the data or the resources necessary to provide this information, but will share these study recommendations with the Property and Casualty Lines Office at the Texas Department of Insurance for their consideration.

Order

It is ordered that the FY 2022 Research Agenda for the Workers' Compensation Research and Evaluation Group is adopted as follows:

1. Complete and publish the 16th 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. Update the 2020 biennial study to estimate employer participation in the Texas workers' compensation system.
3. Continue studying the impact of COVID-19 on the Texas workers' compensation system, including claim frequency, claim costs, disputes, access to care and return-to-work outcomes, and the number of claims affected by Senate Bill 22, 87th Legislature, Regular Session (2021).
4. Update key workers' compensation system trends to meet the requirements for the DWC biennial report required under Labor Code §402.066, including medical costs and utilization of care, return-to-work rates for injured employees, access to care for injured employees, and medical dispute resolution trends.
5. Analyze Texas workers' compensation hospital inpatient and outpatient payment trends over time.

The REG will consider expanding the scope of the research projects or conducting more projects to accommodate stakeholder suggestions, subject to the resources and data available.



Cassie Brown
Commissioner of Workers' Compensation