

ADVISORY NO. 389
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TOPIC: CARRIER AS A “NETWORK” - REGISTRATION REQUIREMENT

At the TDI conference concerning Workers’ Compensation Health Care Networks (HCNs), TDI introduced the new network application form. That form is now available on their website. This was introduced in the TDI Conference on HCNs.

Among the information provided at the network conference, TDI clarified its comment to the adopted Rule 10.20(a)(2). *The rule requires an insurance carrier having more than one Texas network with overlapping coverage areas (for example: more than one network providing care to Dallas area workers) to become certified as a network.*

Accordingly, for any insurance carrier managing claims through more than one TPA, it is highly likely that the TPAs will adopt different networks. (For a TPA to utilize its network for a claim of any underwriting carrier, the carrier must contract with the network.) That will result in multiple networks for a single carrier, and if the network coverage areas overlap, it will trigger the duty for the underwriting carrier to apply to TDI and become certified as a Workers’ Compensation Health Care Network. All of the disclosure requirements contained in the statute and the miscellaneous duties required of a network will then apply to the carrier as well as each network contracting with the carrier. Each carrier would then be regulated by TDI in its capacity as an underwriting insurance carrier, and would also be regulated as a “network.”

Because it is unlikely that any carrier has anticipated this obligation, we are sending this advisory about this narrow topic only. While this interpretation does not appear to be compelled by statute, it is clearly the intention of TDI under the adopted Rule 10.20(a)(2).