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**Labor & Workforce Development  
Committee**

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**HB 2318**

**Brief Description:** Addressing contractor liability for industrial insurance premiums for not-for-profit nonemergency medicaid transportation brokers.

**Sponsors:** Representatives Seaquist and Appleton.

**Brief Summary of Bill**

- Provides that not-for-profit nonemergency transportation brokers of Medicaid clients are not liable for a subcontractor's industrial insurance premiums if the subcontractor has an industrial insurance account in good standing or is a self-insurer.

**Hearing Date:** 1/24/14

**Staff:** Trudes Tango (786-7384).

**Background:**

Contractors and subcontractors are subject to industrial insurance laws. The person, firm, or corporation awarding the contract is entitled to collect from the contractor the full amount of industrial insurance premiums. In turn, the contractor is entitled to collect from the subcontractor his or her proportionate amount of the payment.

However, in construction, registered contractors and licensed electrical contractors are not liable for any premiums of a subcontractor if the subcontractor meets certain requirements. One of the requirements is that the subcontractor has an industrial insurance account in good standing with the Department of Labor and Industries (Department) or is a self-insurer. A contractor may consider a subcontractor's account to be in good standing if, within a year prior to awarding the contract, and at least once a year after, the contractor has verified with the Department that the subcontractor's account is in good standing and the contractor has not received any written notice

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from the Department that the subcontractor's account status has changed. Verification can include a dated printout from the Department's web site showing the subcontractor's status.

*Nonemergency Medicaid transportation:* Medicaid clients in Washington are provided nonemergency medical transportation to and from covered services, such as doctor's appointments. Transportation brokers contract with the state to arrange, coordinate, and manage nonemergency medical transportation for Medicaid clients. Brokers determine the mode of transportation for each client and enter subcontracts with transportation providers for services.

**Summary of Bill:**

Nonemergency transportation brokers that operate as not-for-profit businesses are not liable for a subcontractor's industrial insurance premiums if, at the time of contract, the subcontractor has an industrial insurance account in good standing with the Department or is a self-insurer.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.