

FINAL BILL REPORT

SHB 2318

C 193 L 14
Synopsis as Enacted

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

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representatives Seaquist and Appleton).

House Committee on Labor & Workforce Development
Senate Committee on Commerce & Labor

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. Two of the requirements are: (1) the subcontractor has an industrial insurance account in good standing with the Department of Labor and Industries (Department) or is a self-insurer; and (2) the subcontractor maintains a separate set of books or records reflecting its income and expenses.

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 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 Health Care Authority to arrange, coordinate, and manage nonemergency medical transportation for Medicaid clients. Brokers

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determine the mode of transportation for each client and enter subcontracts with transportation providers.

Summary:

Nonemergency transportation brokers that operate as not-for-profit businesses are not liable for a subcontractor's industrial insurance premiums if, throughout the contract, the subcontractor has an industrial insurance account in good standing with the Department or is a self-insurer and the subcontractor maintains a separate set of books or records reflecting its income and expenses.

Nonemergency transportation brokers are defined as those organizations or entities that contract with the state Health Care Authority to arrange nonemergency transportation for qualified clients.

Votes on Final Passage:

House	95	1
Senate	48	1

Effective: June 12, 2014