

# HOUSE BILL REPORT

## HB 2724

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### As Reported By House Committee On:

Commerce & Labor

**Title:** An act relating to payment of job modification or accommodation costs for injured workers.

**Brief Description:** Providing for payment of job modification or accommodation costs for injured workers.

**Sponsors:** Representatives McMorris, Cole and Costa.

### Brief History:

#### Committee Activity:

Commerce & Labor: 1/30/96, 2/1/96 [DPS].

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## HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives McMorris, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith; Horn and Lisk.

**Staff:** Chris Cordes (786-7117).

**Background:** The Department of Labor and Industries is authorized to pay the costs of job modification at an injured worker's previous job or a new job. The statute recognizes that job modification is a desirable method of returning injured workers to gainful employment. The statute further provides that (1) the purpose of the program is to encourage and assist employers to modify jobs to accommodate retaining or hiring workers with job-related disabilities; and (2) the program is intended to be a cooperative effort with the employer, with the department's costs paid from the second injury fund within the accident fund.

Under this statute, the department had been funding modifications at on-the-job training facilities. This type of funding was discontinued after the department determined that it was not authorized by the statute.

**Summary of Substitute Bill:** The authority for the Department of Labor and Industries to fund vocational rehabilitation programs for injured workers is modified. Under the new authority, the department may spend an additional \$5,000 to

- (1) accommodate an injured worker when the accommodations are medically necessary for the worker to participate in an approved retraining plan; and
- (2) provide accommodations that are necessary to perform the essential functions of an occupation in which the worker is seeking employment, consistent with the retraining plan or the vocational evaluation.

The need for these accommodations must be verified by the worker's attending physician.

The total of the expenditures for an injured worker for these accommodations and any job modification may not exceed \$5,000.

**Substitute Bill Compared to Original Bill:** The substitute bill deletes provisions that would have changed the Department of Labor and Industries' authority to fund job modifications. Instead, the substitute bill modifies the department's authority to fund vocational rehabilitation programs for injured workers. Under the new authority, the department may spend an additional \$5,000 to accommodate an injured worker when the accommodations are medically necessary for the worker to participate in an approved retraining plan, and when the accommodations are necessary to perform the essential functions of an occupation in which the worker is seeking employment, consistent with the retraining plan or the vocational evaluation. The costs of these new accommodations will not be funded from the second injury fund.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** With agreed-to changes that tighten control over these expenditures, employers can support funding of accommodations that get injured workers back to the job. This bill is needed because the Department of Labor and Industries determined that these expenditures were not authorized by statute, although for some years the expenditures had been allowed. These accommodations give counselors more flexibility in setting up training programs and can be very cost effective.

**Testimony Against:** There is a need to work out language that everyone can agree to. One concern is that the department's obligation under Washington and federal law

to provide equal access to state programs for certain disabled persons might be affected because of the way the bill is drafted.

**Testified:** (In favor) Julie Grant. (In favor of substitute) Clif Finch, Association of Washington Business; Jan Gee, Association of Retrospective Rating Employers; Dedi Hitchens, National Federation of Independent Business; and Melanie Stewart, Washington Self-Insurers Association. (With concerns) Robby Stern, Washington State Labor Council; and Toby Olson, Governor's Committee on Disability Issues and Employment.