
HOUSE BILL 1779

State of Washington 54th Legislature 1995 Regular Session

By Representatives Cairnes, Chandler, Hargrove, Horn and Dyer

Read first time 02/08/95. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to medical benefits for injured workers; and
2 amending RCW 43.72.850 and 43.72.860.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 43.72.850 and 1993 c 492 s 485 are each amended to
5 read as follows:

6 On or before January 1, 1995, and on or before January 1, 1996, the
7 health services commission, in coordination with the department of
8 labor and industries and the workers' compensation advisory committee,
9 shall study and make an interim report, and on or before January 1,
10 (~~1996~~) 1997, a final report, to the governor and appropriate
11 committees of the legislature on the provision of medical benefits for
12 injured workers under a consolidated health care system. The study
13 shall include a review of options and recommendations for modifying the
14 industrial insurance system to provide medical services for injured
15 workers in a more cost-effective manner under a consolidated system,
16 and may include consideration of the purchase of industrial insurance
17 medical benefits through the health care authority or the inclusion of
18 industrial insurance medical benefits in the services offered by
19 certified health plans or other appropriate options. The commission

1 should also give consideration to at least the following issues: The
2 use of managed care and the effect of managed care options on the
3 injured workers' choice of health services provider; the potential cost
4 savings or other impacts of various consolidation options; the benefit
5 structure required under industrial insurance; the potential for
6 consolidation to meet or exceed existing medical cost management of the
7 medical aid fund; the impact of separating the medical management of
8 claims from the disability management of claims; the relationship
9 between return-to-work efforts, medical services, and disability
10 prevention; the relationship between medical services and
11 rehabilitation services; and the effects of the quasi-judicial system
12 that determines industrial insurance rights and obligations. The
13 commission shall also, in coordination with the department of labor and
14 industries and the workers' compensation advisory committee, conduct
15 pilot projects that examine and measure the efficacy and cost-
16 effectiveness of consolidation of medical benefits provided under
17 industrial insurance and those offered by certified health plans or
18 other appropriate options. In addition, the final report shall include
19 a proposed plan that considers the results achieved under the pilot
20 project authorized by this section and a timeline for including the
21 medical benefits of the industrial insurance system in the services
22 offered by certified health plans. The proposed plan shall assure
23 that:

24 (1) The plan shall not take effect until at least ninety-seven
25 percent of state residents have access to the uniform benefits package
26 as required in chapter 492, Laws of 1993;

27 (2) The uniform benefits package of the certified health plan will
28 provide benefits for injured workers that are at least equivalent to
29 the medical benefits provided to injured workers under Title 51 RCW as
30 determined by the department of labor and industries as of the
31 effective date of the plan, including payments for services that are
32 ancillary to industrial insurance medical benefits, such as but not
33 limited to medical examinations for permanent disabilities;

34 (3) Other nonmedical benefits required to be provided under Title
35 51 RCW, such as but not limited to total or partial disability benefits
36 or vocational rehabilitation benefits, are not affected;

37 (4) Employers who do not choose to become certified health plans
38 under chapter 492, Laws of 1993, will continue to be required to
39 provide industrial insurance medical benefits under Title 51 RCW;

1 (5) Employees participating in the plan shall not be required to
2 pay deductibles, copayments, or other point of service charges for
3 services related to industrial insurance injuries or diseases, such
4 costs to be paid by the department of labor and industries or self-
5 insured employer, as applicable;

6 (6) The plan includes a mechanism to return to workers and
7 employers, in equal shares, any savings that are realized in the costs
8 of medical services for injured workers, as identified by the
9 department of labor and industries;

10 (7) The majority of the employer's employees or, if the employees
11 are represented for collective bargaining purposes, the exclusive
12 bargaining representative voluntarily agree to the employer's
13 participation in the plan.

14 **Sec. 2.** RCW 43.72.860 and 1993 c 492 s 486 are each amended to
15 read as follows:

16 (1) The department of labor and industries, in consultation with
17 the workers' compensation advisory committee, may conduct pilot
18 projects to purchase medical services for injured workers through
19 managed care arrangements. The projects shall assess the effects of
20 managed care on the cost and quality of, and employer and employee
21 satisfaction with, medical services provided to injured workers.

22 (2) The pilot projects may be limited to specific employers. The
23 implementation of a pilot project shall be conditioned upon a
24 participating employer and a majority of its employees, or, if the
25 employees are represented for collective bargaining purposes, the
26 exclusive bargaining representative, voluntarily agreeing to the terms
27 of the pilot. Unless the project is terminated by the department, both
28 the employer and employees are bound by the project agreements for the
29 duration of the project.

30 (3) Solely for the purpose and duration of a pilot project, the
31 specific requirements of Title 51 RCW that are identified by the
32 department as otherwise prohibiting implementation of the pilot project
33 shall not apply to the participating employers and employees to the
34 extent necessary for conducting the project. Managed care arrangements
35 for the pilot projects may include the designation of doctors
36 responsible for the care delivered to injured workers participating in
37 the projects.

1 (4) The projects shall conclude no later than January 1, 1997. The
2 department shall make an interim report on the projects to the governor
3 and appropriate committees of the legislature on or before October 1,
4 1996. The department shall present the final results of the pilot
5 projects and any final recommendations related to the projects to the
6 governor and appropriate committees of the legislature on or before
7 ((October)) April 1, ((1996)) 1997.

--- END ---