

SENATE BILL REPORT

SHB 1426

As Reported By Senate Committee On:
Commerce & Labor, March 27, 1997

Title: An act relating to liens filed by the department of social and health services.

Brief Description: Revising provisions for liens filed by the department of social and health services.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Bush, McMorris and Dickerson; by request of Department of Social and Health Services).

Brief History:

Committee Activity: Commerce & Labor: 3/20/97, 3/27/97 [DP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Schow, Chair; Horn, Vice Chair; Anderson, Fraser and Newhouse.

Staff: Jack Brummel (786-7428)

Background: When a person accepts public assistance from the Department of Social and Health Services (DSHS), the department has a right to recover any time-loss compensation payable up to the amount of the public assistance provided. DSHS has a lien to secure reimbursement of the public assistance paid.

DSHS can assert the lien by serving the Department of Labor and Industries (L&I) or a self-insurer with a signed statement of the lien and a notice to withhold and deliver. The notice must identify the recipient of both time-loss and public assistance and make a demand to withhold and deliver the amount claimed. The statute permits personal service or service by regular mail.

Notice of the lien must also be sent to the recipient by certified mail no later than the next business day after the notice is mailed or delivered to L&I or a self-insured employer.

The director of L&I must deliver to the secretary of DSHS any time-loss funds, up to the amount claimed in the lien notice.

A recipient who is aggrieved by the action against his or her time-loss compensation must file a notice requesting a hearing within 28 days after the notice to withhold and deliver has been mailed to or served on L&I.

Current law allows DSHS to serve liens and notices to withhold and deliver property in child support cases by personal service or certified mail.

DSHS must commence action to collect overpayments and other debt within six years of notice of overpayment or other debt. The department is authorized to accept offers of compromise on disputed claims and may write off debts when it is no longer cost-effective to pursue collection.

Summary of Bill: Statutory language is simplified and clarified. The requirements that the lien and notice to withhold and deliver be signed and include a demand to withhold and deliver are deleted.

DSHS may serve the lien and the notice to withhold and deliver by electronic means.

The statement of lien sent to the worker must be mailed within two business days, rather than by the next business day, after the notice is mailed, delivered, or transmitted to L&I or a self-insured employer.

The director of L&I, or a self-insured employer, is to deliver to DSHS any time-loss payments claimed in the lien and notice to withhold and deliver.

A recipient who wishes to request a hearing before DSHS concerning the recovery by DSHS of his or her time-loss compensation may file a hearing application within 28 days after the notice was mailed to the recipient. A hearing may be held if an application is filed more than 28 days after but within one year of the date the notice was mailed and the applicant can show good cause for not filing within 28 days. Collection actions may continue until good cause is shown.

The secretary of DSHS may serve support liens and orders to withhold and deliver property by electronic means if there is an agreement between DSHS and the party receiving the notice.

DSHS must report to the Legislature annually on the amount of overpayment and other debt that is due and the amount that has been written off as no longer cost-effective to pursue. The report is to include both cumulative and annual information for the previous five fiscal years.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The bill allows for electronic submission of liens and notices, thereby allowing the department to operate efficiently and save money.

Testimony Against: None.

Testified: PRO: Representative Bush, original prime sponsor; Carole Washburn, DSHS.