
SUBSTITUTE SENATE BILL 6030

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Goings, Anderson, Haugen, Horn, Rasmussen, Long and Oke)

Read first time 03/05/97.

1 AN ACT Relating to establishing a performance audit and operations
2 review of the state workers' compensation system; and creating new
3 sections.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes the importance of
6 the state workers' compensation program in providing medical and
7 financial services to workers who are injured on the job and
8 facilitating their return to employment and a productive life. In
9 addition, the legislature considers periodic performance audits to be
10 of assistance in determining the impact of state programs and in
11 developing findings and recommendations that ensure the most effective
12 use of worker, employer, state agency, and public time and resources.

13 NEW SECTION. **Sec. 2.** The joint legislative audit and review
14 committee, in consultation with a legislative advisory committee and
15 the workers' compensation advisory committee established under RCW
16 51.04.110, shall conduct a performance audit of the state workers'
17 compensation program within the department of labor and industries.
18 The legislative advisory committee is comprised of four legislative

1 members, two from the house of representatives committee on commerce
2 and labor and two from the senate committee on commerce and labor, one
3 from each caucus respectively. House of representatives members are
4 appointed by the speaker of the house of representatives, and senate
5 members are appointed by the president of the senate.

6 The performance audit shall review the following issues:

7 (1)(a) The organizational structure of the workers' compensation
8 system and its effectiveness;

9 (b) The management principles, program process, and ongoing
10 practices of the workers' compensation system;

11 (2)(a) The program's taxation system, including the method of
12 collection and the manner in which funds are prioritized and
13 distributed;

14 (b) The use of all revenues generated from reserve surpluses and
15 all other fund sources;

16 (3) The types of services and programs within the system;

17 (4) The level of cooperation and continuity between program and
18 services;

19 (5) The effectiveness of the department in providing the sure and
20 certain relief to injured workers guaranteed by the state constitution;

21 (6) The effectiveness of the workers' compensation system in
22 returning injured workers to work and meeting other system goals;

23 (7) The level of customer satisfaction of workers and employers
24 participating in the system;

25 (8) The current method by which the department internally reviews
26 and determines the workers' compensation program effectiveness and
27 performance and its process for responding to its findings or
28 recommendations;

29 (9) The manner in which the workers' compensation system
30 coordinates its activities with other programs or activities within the
31 department or other state agencies, including: WISHA, employment
32 security, department of revenue, and the work force education,
33 training, and coordination board;

34 (10) The cost-effectiveness, efficiency, and long-term impact of
35 the state workers' compensation system as compared with other private
36 and public sector delivery systems; and

37 (11) Any other item considered necessary by the joint legislative
38 audit and review committee.

1 NEW SECTION. **Sec. 3.** The joint legislative audit and review
2 committee is directed to contract with a private entity that is not
3 affiliated with an insurance company, brokerage, or agency, consistent
4 with the provisions of chapter 39.29 RCW. The committee shall consult
5 with the legislative advisory committee and the workers' compensation
6 advisory committee in the design of the request for proposals from
7 potential contractors and in the choice of a performance audit
8 contractor. The committee shall provide an interim report on its
9 findings and recommendations to the appropriate house of
10 representatives and senate standing committees by December 31, 1997,
11 and a final report by August 1, 1998.

12 NEW SECTION. **Sec. 4.** The department of labor and industries shall
13 actively cooperate with the committee in the course of the audit
14 performance and provide information and assistance as necessary.
15 Funding for the performance audit in the amount, as determined by the
16 joint legislative audit and review committee, is provided from the
17 nonappropriated medical aid fund within the department of labor and
18 industries.

19 NEW SECTION. **Sec. 5.** If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

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