

1292-S

Sponsor(s): House Committee on Commerce & Labor (originally sponsored by Representatives McMorris, Lisk, Quall, Linville, Thompson, Mulliken, Sheldon, Grant, D. Schmidt, Skinner, Robertson, Boldt, Honeyford and Clements)

Brief Title: Expanding claims management authority for industrial insurance rating programs.

HB 1292-S.E - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Requires the department to offer a retrospective rating plan to qualified employers and qualified groups of employers.

Requires the retrospective rating plan to be consistent with recognized insurance principles and to be administered according to rules, schedules, and factors adopted by the department.

Declares that, in addition to those general powers and rights deemed appropriate by the department, retrospective rating plan employers and groups who administer their plans with an authorized claims administrator are authorized to assist the department in the processing of claims that have a date of injury on or after January 1, 1998.

Declares that retrospective rating plan employers and groups who administer their plans with authorized claims administrators may close claims as authorized in this act.

Provides that if a dispute arises from the handling of a claim before the condition of the injured worker becomes fixed, the worker or employer may request the department to resolve the dispute or the director, or his or her designee, may initiate an inquiry on his or her own motion.

Provides that, if the department determines that a retrospective rating employer or group may have violated the authority granted in this act, the department shall notify the retrospective rating employer or group in writing outlining the violation and the corrective action required.

VETO MESSAGE ON HB 1292-S

May 16, 1997

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed Substitute House Bill No. 1292 entitled:

"AN ACT Relating to expanding claims management authority for industrial insurance retrospective rating programs;"

This bill would authorize employers and groups of employers participating in retrospective rating plans to assist the Department of Labor and Industries ("L&I") in processing workers' compensation claims. It would allow the employers to schedule medical examinations and initiate vocational or other rehabilitation services. The bill would also authorize these

employers to close claims involving medical treatment or time loss of less than 120 days.

While I share the concerns of the proponents of this bill about the need to improve the timeliness of claims processing and claims closure, I believe the approach taken in this legislation grants employers too much control over their own workers' compensation claims. The authority given to employers to select independent medical examiners and vocational rehabilitation counselors is not tempered by enough protection for injured workers. Also, the definition of any claim with a duration of less than 120 days as a simple claim is not consistent with the findings of the Long-Term Disability Task Force, which determined that 90 days is the appropriate duration.

L&I currently offers state fund employers the ability to participate in a successful retrospective rating workers' compensation program. That program has proven successful by lowering costs for employers, providing safer work sites for employees, and maintaining the balance between employers and injured workers. Under the current plan, L&I serves as the neutral administrator of the claim, balancing the interests of the employer and the injured worker.

I encourage the interested parties to continue to work together to find a solution to the concerns that provided the impetus for this legislation. Those who represent workers as well as those who represent employers have come a long way toward meeting each other in the middle on these difficult issues.

For these reasons, I have vetoed Engrossed Substitute House Bill No. 1292 in its entirety.

Respectfully submitted,
Gary Locke
Governor