
HOUSE BILL 2107

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Miloscia, Green, Ormsby, Sells, Hasegawa, Moscoso, and Kelley

Read first time 04/22/11. Referred to Committee on Labor & Workforce Development.

1 AN ACT Relating to implementing performance measures and
2 improvement plans for the workers' compensation system, including the
3 occupational safety and health program, to improve administration and
4 efficiency; and adding a new section to chapter 51.04 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 51.04 RCW
7 to read as follows:

8 (1) The department of labor and industries shall implement an
9 improvement plan as provided in this section to continuously improve
10 efficiency, effectiveness, integrity, and satisfaction in the state's
11 workers' compensation system, including the occupational safety and
12 health program, to best in the nation. Self-insured employers shall
13 cooperate with the department and provide information necessary for the
14 department to fully implement this section.

15 (2) The department shall apply to the Washington state quality
16 award or a similar Baldrige assessment organization such as the
17 Baldrige national quality program for a full Baldrige assessment within
18 ten months of the effective date of this section. To assure continued
19 improvement to the system, the department shall apply for a full

1 assessment every two years after the initial assessment, and every
2 three years after reaching a score of sixty percent. The department
3 shall commit and develop a plan to become a high performance, high
4 integrity organization and reach a score of sixty percent in six years.

5 (3) The department shall develop a statewide worker safety and
6 workers' compensation performance improvement plan and a performance
7 dashboard grading program within six months of the effective date of
8 this section, and update the plan and performance grading program
9 annually. The department shall develop online real time monitoring of
10 all measures and shall link a plan with improvement strategies for each
11 measurement with a target. The measures must at a minimum include in
12 order of priority:

13 (a) Claims reduction: Reduce the number of allowed claims by hours
14 worked by four percent within two years and twenty percent within ten
15 years, to include at a minimum, segmentation by occupation, industry,
16 county, and permanent total disability benefits awarded;

17 (b) Cost reduction: Reduce total workers' compensation system
18 costs, including occupational safety and health costs, by four percent
19 within two years and twenty percent within ten years to include at a
20 minimum, segmentation by occupation, industry, county, permanent total
21 disability benefits, and average medical cost per claim segmented by
22 average total cost per claim with seven days or more of temporary total
23 disability benefits;

24 (c) Best practice implementation: Share and increase adoption of
25 best practices by employers, workers, and providers;

26 (d) Productivity improvement and waste reduction: Reduce system
27 waste to zero and increase system productivity;

28 (e) Employer safety plan and implementation:

29 (i) All employer safety plans rated excellent; and

30 (ii) Reduce to zero the rate of serious hazards identified per
31 occupational safety and health consultation and citations for serious
32 violations issued per inspection;

33 (f) Performance management: Increase the Baldrige assessment to
34 sixty percent and increase lean or lean six sigma implementation to one
35 hundred percent as measured by the audit conducted under subsection (4)
36 of this section;

37 (g) Provider performance: Increase percentage of providers rated
38 excellent within five years;

1 (h) System integrity and ethics: Increase integrity and reduce
2 fraud by employers, workers, providers, and others;

3 (i) System satisfaction: Improve employer, worker, stakeholder,
4 and provider satisfaction to best in the nation; and

5 (j) Timeliness improvement: Decrease claims processing time,
6 worker return-to-work time, and average duration of temporary total
7 disability benefits.

8 (4) The state auditor shall conduct an audit of the department's
9 workers' compensation and occupational safety and health performance
10 measures, strategic plan, government management and accountability
11 performance, lean implementation plan, and other major processes every
12 two years until certified as fully implemented, and then every five
13 years.

14 (5) The department shall report to the appropriate committees of
15 the legislature annually regarding the requirements of this section.
16 The report must include a summary of the most recent Baldrige
17 assessment, a description of the most recent performance improvement
18 plan and performance grading program, and the most recent annual
19 performance scorecards.

20 (6) The department shall recognize annually with the governor's
21 workplace safety award the employers, by industry, that are the safest
22 and the most improved with respect to safety and cost. The department
23 shall also recognize employers that have adopted best practices.

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