

# SENATE BILL REPORT

## SB 5614

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As Passed Senate, February 6, 1996

**Title:** An act relating to compensation during appeal of department of labor and industries' industrial insurance orders.

**Brief Description:** Revising provisions relating to compensation during appeal of department of labor and industries industrial insurance orders.

**Sponsors:** Senators Pelz, Franklin, Hargrove, Snyder, Fraser, Bauer, McAuliffe, Smith, Prentice, Heavey and Rinehart.

**Brief History:**

**Committee Activity:** Labor, Commerce & Trade: 2/7/95, 2/22/95 [DP, DNP]; 1/24/96 [DP].

Passed Senate, 3/14/95, 30-19; 2/6/96, 30-19.

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### SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

**Majority Report:** Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Franklin, Fraser and Wojahn.

**Staff:** Jack Brummel (786-7428)

**Background:** Under written departmental policy, the Department of Labor and Industries does not pay benefits to an injured worker while the employer's appeal is pending at the Board of Industrial Insurance Appeals. However, this policy permits the payment of benefits if the issue under appeal does not involve the payment of benefits or the allowance or reopening of the claim, or if the employer's appeal is unfounded. The department's policy states that it is intended to avoid unnecessary department recoupment costs when an appeal is resolved in favor of the employer. If the department pays benefits, all parties to the appeal are notified and the benefits are subject to recoupment.

**Summary of Bill:** If an employer appeals a Department of Labor and Industries' industrial insurance order that grants the injured worker temporary total disability benefits or medical aid benefits, the worker is entitled to provisional benefits while the case is on appeal before the Board of Industrial Insurance Appeals.

Technical changes are also made to clarify and reorganize the statute.

**Appropriation:** None.

**Fiscal Note:** Requested on January 31, 1995.

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

**Testimony For:** Workers going without payment shifts costs to other parts of state government and causes hardship to the workers and their families. The worker prevails in 81 percent of appeals and they shouldn't have to wait for the outcome of the appeal to collect.

**Testimony Against:** The bill will chill and restrain filing of appeals by self-insured employers. There is a 400 day time lag between the department's decision and the Appeals Board decision.

**Testified:** Robby Stern, WA State Labor Council (pro); Kathryn Fewell, WA Self-Insurers Assn. (con); Clif Finch, AWB (con); Bob Dilger, WA State Building & Construction Trades Council (pro).