

SENATE BILL REPORT

SB 6767

As of February 25, 2000

Title: An act relating to vocational rehabilitation.

Brief Description: Changing vocational rehabilitation services.

Sponsors: Senator Fairley; by request of Department of Labor & Industries.

Brief History:

Committee Activity: Labor & Workforce Development: 2/1/2000.

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Staff: Jack Brummel (786-7428)

Background: The performance audit of the state's workers' compensation system completed in 1998 for the Joint Legislative Audit and Review Committee found that in the area of vocational rehabilitation, there is a great deal of emphasis on closing claims by finding that the worker is employable. The audit suggests the system could be improved if the emphasis instead were shifted to actual return to work of injured individuals at some portion of wages at the time of injury rather than the minimum wage. The audit also recommended steps for increasing professionalism in vocational rehabilitation and for improving the performance-based system for referrals to private vocational rehabilitation counselors.

The Legislature increased the monetary limitations on vocational rehabilitation benefits during the 1999 legislation session from \$3,000 to \$4,000.

Summary of Bill: For a four-year period, beginning on July 1, 2001, the Department of Labor and Industries may pay, or direct a self-insurer to pay, the costs of vocational rehabilitation services, transportation, and accommodations medically necessary for retraining or work if:

- (1) an injured worker is not employable, or;
- (2) an injured worker's wage earning capacity is less than 70 percent of pre-injury wages, and;
- (3) the department determines that vocational rehabilitation services are necessary for employability or to increase wage earning capacity at least 20 percent and not less than \$2 per hour.

Vocational rehabilitation costs may not exceed \$5,000 over 18 months. Within this cost limitation, a wage subsidy of up to 50 percent of a worker's monthly wage may be paid to a new employer for up to six months. Costs for accommodations necessary for retraining or work are limited to \$5,000. Transportation and accommodation costs are chargeable to employers' accounts.

Beginning July 1, 2001, and ending June 30, 2005, the department may pay, or require a self-insured employer to pay, up to \$750 for job search and job placement services and up to \$500 for skill enhancement services.

The department is to regulate the provision of vocational services, require registration of vocational services providers, establish a fee schedule for their services and purchase vocational services based on provider performance.

Annual reports are required from December 2001 through December 2004.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed, except Section 1 which takes effect July 1, 2001.