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## Commerce & Labor Committee

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### SSB 6262

**Brief Description:** Establishing a pilot program to allow employers to assist employees in completing applications for industrial insurance benefits.

**Sponsors:** Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Parlette, Honeyford, Keiser, Prentice and Kline; by request of Department of Labor & Industries).

<p style="text-align: center;"><b>Brief Summary of Substitute Bill</b></p> <ul style="list-style-type: none"><li>• Creates an industrial insurance pilot project administered by the Department of Labor and Industries allowing participating employers to assist workers in filing industrial insurance claims.</li></ul>
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**Hearing Date:** 2/15/06

**Staff:** Sarah Dylag (786-7109).

**Background:**

Industrial Insurance

Industrial insurance is a no-fault state workers' compensation program that provides medical and partial wage replacement benefits to covered workers who are injured on the job or who develop an occupational disease. Employers who are not self-insured must insure with the state fund operated by the Department of Labor and Industries (Department).

When an accident occurs to a worker, the worker has a duty under the Industrial Insurance Act to report the accident "forthwith" to the employer or supervisor in charge of the work. The employer, in turn, has a duty to report the accident and resulting injury "at once" to the Department if the worker has received medical treatment, has been hospitalized or disabled from work, or has died as the apparent result of the injury.

Workers must also file a claim application with the Department or self-insured employer, together with a certificate of the attending health services provider. The attending provider must inform the worker of his or her rights under the Industrial Insurance Act and assist the worker in filing the claim application.

1998 JLARC Recommendations

In its 1998 Workers' Compensation System Performance Audit, the Joint Legislative Audit and Review Committee (JLARC) made a number of recommendations concerning the workers' compensation system, including Recommendation 2:

"The Department should adopt an alternative system for the reporting of injuries under which the worker would report to the employer and the employer would report to the Department. An educational effort should be launched to promote this method of reporting."

#### SHB 1918 (2005)

The 2005 Legislature passed and the Governor signed into law SHB 1918, which requires the Department to develop an initiative to encourage workers to report industrial insurance injuries to the employer and the employer, in turn, to report the injuries to the Department. As part of the initiative, the Department must take steps to educate workers and employers about the benefits of prompt reporting.

In addition, by December 1, 2006, the Department must:

- develop and make statutory recommendations for an alternative system of reporting injuries under which the worker would report to the employer and the employer would report to the Department. Upon passage of such legislation, the Department must immediately begin an educational effort to promote this method of reporting; and
- report to the Legislature on a study of (1) the claims that are not reported promptly, (2) the effect of the educational initiative on whether the number of claims reported to employers increased, whether there was a reduction in delays in benefit payments, and whether there was an improvement in employer involvement in assisting with claims management and an increase in appropriate return-to-work for injured workers, and (3) the efforts of the Centers of Occupational Health and Education in early reporting and early notification of employers.

#### **Summary of Bill:**

##### Department Initiative

The scope of the Department's initiative is amended to include encouraging the employer to provide assistance to the worker in completing the application for compensation.

##### Pilot Project

By January 1, 2007, the Department must implement a pilot project in which employers assist workers in filing workers' compensation claims. The pilot project does not replace the current method of reporting.

The pilot project must consist of employers who voluntarily participate and represent a cross-section of industries, geographic areas, union and nonunion workers, large and small businesses, and other criteria established by the Department. The Department must develop requirements or rules for employers who participate in the pilot program, including provisions to ensure prompt reporting of the claim and communicating a worker's rights and responsibilities under the pilot program.

During the pilot period, the Department must continue to expand the participation of employers and must consider steps to address the unique needs and issues of small employers. The Department must also attempt to include in the pilot all employers who volunteer.

The pilot project expires on July 1, 2009.

#### Reports to the Legislature

The existing requirement for the Department to develop and make statutory recommendations by December 1, 2006 is eliminated and the due date for the Department's report to the Legislature is extended to December 1, 2007 and December 1, 2008. The report must include results from the pilot project and whether additional statutory changes are needed.

**Rules Authority:** The Department must develop rules for employers who participate in the pilot program.

**Appropriation:** None.

**Fiscal Note:** Available on Senate Bill 6262.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.