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**SENATE BILL 5418**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Keiser, Braun, Parlette, McAuliffe, Benton, and Conway

AN ACT Relating to creating a pilot program to improve care for catastrophically injured workers; adding a new section to chapter 51.36 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds:

(1) Each year, only a small percentage of industrial insurance cases in Washington involve catastrophic workplace injuries, yet they exact a tremendous toll on affected individuals and their families, and impose disproportionately high costs on the industrial insurance system.

(2) The state has nothing in place specifically to address the unique nature and demands of cases involving catastrophic workplace injury. A recent analysis by the department of labor and industries identified numerous significant gaps in the care received by these injured workers under the state's current industrial insurance system.

(3) To remedy these gaps with the appropriate urgency will require innovative approaches, including new partnerships by the state with those having expertise, experience, and demonstrated success in meeting the needs of catastrophically injured workers.

The legislature therefore intends to create a pilot program whereby an experienced medical management firm partners with the department of labor and industries in being responsible for the medical management and treatment of catastrophically injured workers, with the goal of improved medical outcomes, increased return-to-work rates and/or better quality of life, and reduced industrial insurance costs.

NEW SECTION. **Sec.**  A new section is added to chapter 51.36 RCW to read as follows:

(1) The department must implement a pilot program under which:

(a) The department partners with a medical management firm with at least ten years' experience in handling catastrophic workers compensation cases and refers catastrophically injured workers to the firm beginning July 1, 2015.

(b) The partner firm must develop a treatment plan and contract for each injured worker referred by the department which identifies and guarantees an outcome, the steps needed to achieve the outcome, and a guaranteed price to achieve the outcome.

(c) If the department agrees to the contract, the partner firm will assume responsibility at the guaranteed price for the medical management and the payment of all medical costs until the guaranteed outcome has been achieved.

(d) The department must contract with the partner firm prior to December 31, 2015, to provide services for at least ten catastrophically injured workers. The department must contract for services for at least an additional ten catastrophically injured workers in each of 2016 and 2017 unless the department demonstrates based on the information reported under subsection (3) of this section that doing so would be harmful to the injured workers.

(e) Injured workers participating in the pilot program retain the right to receive care from providers of his or her choice within the medical provider network, and may choose to receive care from medical providers and specialists outside the network based on recommendations of the partner firm.

 (f) The department retains the exclusive authority to approve or deny particular treatment. The department may establish minimum qualifications for the medical management firm and case managers supporting the firm. When evaluating potential partner firms, the department must ensure the firm has in place adequate medical, professional, and pharmacy providers and a network of health care facilities, suppliers, and services.

(2) For the purposes of the pilot program, catastrophic injuries include acute brain injuries; major extremity or multiple extremity amputations, fractures, or crush injuries; multiple trauma injuries; severe burns; paraplegia, quadriplegia, hemiplegia, and diplegia; and any other medical diagnosis determined by the department to be catastrophic.

(3) The partner firm must make regular status reports to the department throughout treatment, and work with the department to develop and report on criteria to evaluate the pilot program. The criteria must address, but are not limited to:

(a) Whether the partner firm follows appropriate procedures in a timely fashion;

(b) The quality of the communication and other factors affecting the working relationship between the partner firm, the injured worker, the department, and those involved in the care and treatment of the injured worker;

(c) Whether working with the partner firm helps address the gaps in care and treatment identified by the department in its September 2014 catastrophic claims gap analysis;

(d) Whether working with the partner firm on cases involving catastrophic injury complements, informs, and improves the department's handling of other industrial insurance cases; and

(e) Whether working with the partner firm results in improved medical outcomes, increased return-to-work rates and/or better quality of life for catastrophically injured workers, and reduced industrial insurance costs.

(4) If at any point the department determines, based on the information reported under subsection (3) of this section, that working with the partner firm on an ongoing basis will benefit catastrophically injured workers and reduce industrial insurance costs, the department may contract with the partner firm to provide services to all catastrophically injured workers.

(5) The department must provide a written report on the pilot program to the legislature each December through 2017.

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