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SENATE BILL 5552

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State of Washington

53rd Legislature

1993 Regular Session

By Senators Prentice, Moore and Franklin; by request of Department of Labor & Industries

Read first time 02/03/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to fee schedules for industrial insurance medical  
2 aid; and amending RCW 51.04.030, 51.36.080, and 51.36.085.

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

4 **Sec. 1.** RCW 51.04.030 and 1989 c 189 s 1 are each amended to read  
5 as follows:

6 The director shall, through the division of industrial insurance,  
7 supervise the providing of prompt and efficient care and treatment,  
8 including care provided by physician(~~s~~) assistants governed by the  
9 provisions of chapters 18.57A and 18.71A RCW, acting under a  
10 supervising physician to workers injured during the course of their  
11 employment at the least cost consistent with promptness and efficiency,  
12 without discrimination or favoritism, and with as great uniformity as  
13 the various and diverse surrounding circumstances and locations of  
14 industries will permit and to that end shall, from time to time,  
15 establish and promulgate and supervise the administration of printed  
16 forms, rules, regulations, and practices for the furnishing of such  
17 care and treatment: PROVIDED, That, the department may recommend to an  
18 injured worker particular health care services and providers where  
19 specialized treatment is indicated or where cost effective payment

1 levels or rates are obtained by the department: AND PROVIDED FURTHER,  
2 That the department may enter into contracts for goods and services  
3 including, but not limited to, durable medical equipment so long as  
4 state-wide access to quality service is maintained for injured workers.

5 The director shall ~~((make))~~, in consultation with interested  
6 persons, establish and, ~~((from time to time,))~~ in his or her  
7 discretion, periodically change as may be necessary, and ~~((promulgate))~~  
8 make available a fee ~~((bill))~~ schedule of the maximum charges to be  
9 made by any physician, surgeon, hospital, druggist, physicians'  
10 assistants as defined in chapters 18.57A and 18.71A RCW, acting under  
11 a supervising physician or other agency or person rendering services to  
12 injured workers. No service covered under this title shall be charged  
13 or paid at a rate or rates exceeding those specified in such fee  
14 ~~((bill))~~ schedule, and no contract providing for greater fees shall be  
15 valid as to the excess. The establishment of such a schedule does not  
16 constitute "agency action" as used in RCW 34.05.010(3), nor does such  
17 a fee schedule constitute a "rule" as used in RCW 34.05.010(15).

18 The director or self-insurer, as the case may be, shall make a  
19 record of the commencement of every disability and the termination  
20 thereof and, when bills are rendered for the care and treatment of  
21 injured workers, shall approve and pay those which conform to the  
22 promulgated rules, regulations, established fee schedules, and  
23 practices of the director and may reject any bill or item thereof  
24 incurred in violation of the principles laid down in this section or  
25 the rules ~~((and))~~, regulations, or the established fee schedules and  
26 rules and regulations promulgated under it.

27 **Sec. 2.** RCW 51.36.080 and 1987 c 470 s 1 are each amended to read  
28 as follows:

29 (1) All fees and medical charges under this title shall conform to  
30 ~~((regulations promulgated))~~ the fee schedule established by the  
31 director and shall be paid within sixty days of receipt by the  
32 department of a proper billing in the form prescribed by department  
33 rule or sixty days after the claim is allowed by final order or  
34 judgment, if an otherwise proper billing is received by the department  
35 prior to final adjudication of claim allowance. The department shall  
36 pay interest at the rate of one percent per month, but at least one  
37 dollar per month, whenever the payment period exceeds the applicable  
38 sixty-day period on all proper fees and medical charges.

1 Beginning in fiscal year 1987, interest payments under this  
2 subsection may be paid only from funds appropriated to the department  
3 for administrative purposes. A record of payments made under this  
4 subsection shall be submitted twice yearly to the commerce and labor  
5 committees of the senate and the house of representatives and to the  
6 ways and means committees of the senate and the house of  
7 representatives.

8 Nothing in this section may be construed to require the payment of  
9 interest on any billing, fee, or charge if the industrial insurance  
10 claim on which the billing, fee, or charge is predicated is ultimately  
11 rejected or the billing, fee, or charge is otherwise not allowable.

12 In establishing fees for medical and other health care services,  
13 the director shall consider the director's duty to purchase health care  
14 in a prudent, cost-effective manner without unduly restricting access  
15 to necessary care by persons entitled to the care. With respect to  
16 workers admitted as hospital inpatients on or after July 1, 1987, the  
17 director shall pay for inpatient hospital services on the basis of  
18 diagnosis-related groups, contracting for services, or other prudent,  
19 cost-effective payment method, which the director shall establish by  
20 rules adopted in accordance with chapter 34.05 RCW.

21 (2) The director may establish procedures for selectively or  
22 randomly auditing the accuracy of fees and medical billings submitted  
23 to the department under this title.

24 **Sec. 3.** RCW 51.36.085 and 1987 c 316 s 4 are each amended to read  
25 as follows:

26 All fees and medical charges under this title shall conform to  
27 regulations promulgated, and the fee schedule established by the  
28 director and shall be paid within sixty days of receipt by the self-  
29 insured of a proper billing in the form prescribed by department rule  
30 or sixty days after the claim is allowed by final order or judgment, if  
31 an otherwise proper billing is received by the self-insured prior to  
32 final adjudication of claim allowance. The self-insured shall pay  
33 interest at the rate of one percent per month, but at least one dollar  
34 per month, whenever the payment period exceeds the applicable sixty-day  
35 period on all proper fees and medical charges.

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