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ENGROSSED SUBSTITUTE SENATE BILL 5813

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State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, Deccio, Costa and Winsley)

Read first time 03/03/1999.

1 AN ACT Relating to health plan medical director licensure and  
2 accountability; amending RCW 51.04.020, 51.14.030 and 74.09.050; adding  
3 a new section to chapter 48.43 RCW; and adding a new section to chapter  
4 41.05 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43 RCW  
7 to read as follows:

8 Any carrier that offers a health plan and any self-insured health  
9 plan subject to the jurisdiction of Washington state shall designate a  
10 medical director who is licensed under chapter 18.57 or 18.71 RCW.

11 **Sec. 2.** RCW 51.04.020 and 1994 c 164 s 24 are each amended to read  
12 as follows:

13 The director shall:

14 (1) Establish and adopt rules governing the administration of this  
15 title;

16 (2) Ascertain and establish the amounts to be paid into and out of  
17 the accident fund;

1 (3) Regulate the proof of accident and extent thereof, the proof of  
2 death and the proof of relationship and the extent of dependency;

3 (4) Supervise the medical, surgical, and hospital treatment to the  
4 intent that it may be in all cases efficient and up to the recognized  
5 standard of modern surgery;

6 (5) Issue proper receipts for moneys received and certificates for  
7 benefits accrued or accruing;

8 (6) Investigate the cause of all serious injuries and report to the  
9 governor from time to time any violations or laxity in performance of  
10 protective statutes or regulations coming under the observation of the  
11 department;

12 (7) Compile statistics which will afford reliable information upon  
13 which to base operations of all divisions under the department;

14 (8) Make an annual report to the governor of the workings of the  
15 department;

16 (9) Be empowered to enter into agreements with the appropriate  
17 agencies of other states relating to conflicts of jurisdiction where  
18 the contract of employment is in one state and injuries are received in  
19 the other state, and insofar as permitted by the Constitution and laws  
20 of the United States, to enter into similar agreements with the  
21 provinces of Canada; and

22 (10) Designate a medical director who is licensed under chapter  
23 18.57 or 18.71 RCW.

24 **Sec. 3.** RCW 51.14.030 and 1977 ex.s. c 323 s 10 are each amended  
25 to read as follows:

26 The director may issue a certification that an employer is  
27 qualified as a self-insurer when such employer meets the following  
28 requirements:

29 (1) He or she has fulfilled the requirements of RCW 51.14.020.

30 (2) He or she has submitted to the department a payroll report for  
31 the preceding consecutive twelve month period.

32 (3) He or she has submitted to the department a sworn itemized  
33 statement accompanied by an independent audit of the employer's books  
34 demonstrating to the director's satisfaction that the employer has  
35 sufficient liquid assets to meet his or her estimated liabilities as a  
36 self-insurer.

1 (4) He or she has demonstrated to the department the existence of  
2 the safety organization maintained by him or her within his or her  
3 establishment that indicates a record of accident prevention.

4 (5) He or she has submitted to the department a description of the  
5 administrative organization to be maintained by him or her to manage  
6 industrial insurance matters including:

7 (a) The reporting of injuries;

8 (b) The authorization of medical care;

9 (c) The payment of compensation;

10 (d) The handling of claims for compensation;

11 (e) The name and location of each business location of the  
12 employer; (~~and~~)

13 (f) The qualifications of the personnel of the employer to perform  
14 this service; and

15 (g) The designation of a medical director who is licensed under  
16 chapter 18.57 or 18.71 RCW.

17 Such certification shall remain in effect until withdrawn by the  
18 director or surrendered by the employer with the approval of the  
19 director. An employer's qualification as a self-insurer shall become  
20 effective on the date of certification or any date specified in the  
21 certificate after the date of certification.

22 **Sec. 4.** RCW 74.09.050 and 1979 c 141 s 335 are each amended to  
23 read as follows:

24 The secretary shall appoint such professional personnel and other  
25 assistants and employees, including professional medical screeners, as  
26 may be reasonably necessary to carry out the provisions of this  
27 chapter. The medical screeners shall be supervised by one or more  
28 physicians who shall be appointed by the secretary or his designee.  
29 The secretary shall appoint a medical director who is licensed under  
30 chapter 18.57 or 18.71 RCW.

31 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.05 RCW  
32 to read as follows:

33 The administrator shall designate a medical director who is  
34 licensed under chapter 18.57 or 18.71 RCW.

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