
Commerce & Labor Committee

SSB 6428

Brief Description: Concerning industrial insurance health care providers.

Sponsors: Senate Committee on Commerce & Trade (originally sponsored by Senator Honeyford).

Brief Summary of Substitute Bill

- Allows the Department of Labor and Industries (Department) to petition for immediate suspension of a provider's eligibility to provide services to injured workers if the provider appeals a Department order terminating the provider's eligibility.
- Specifies the purposes for Department audits of providers and the actions the Department may take in cases of overutilization, improper billing, or failure to comply with Department rules.

Hearing Date: 2/26/04

Staff: Chris Cordes (786-7103).

Background:

The Director of the Department of Labor and Industries (Department) is responsible for supervising the prompt and efficient care and treatment provided to injured workers by health services providers. "Health services provider" or "provider" means any person or firm that provides any kind of services related to the treatment of injured workers.

To provide oversight of the health services provided to injured workers and to assure that workers receive the services for which the state fund pays, the Department is authorized to conduct audits and investigations of providers. The Department may also approve or deny applications from providers to participate as a provider of services to injured workers or may terminate or suspend the provider's eligibility to participate as a provider.

Under Department rules, providers must qualify to treat injured workers and must obtain a provider number before the provider is eligible to be paid for services rendered to injured workers. The Department may deny a provider number for, among other reasons: incompetence or negligence; controlled substance-related issues; probation, suspension, revocation, or other limitations on the provider's license to practice; commission of an act involving dishonesty or corruption relating to the provider's practice; billing an injured worker for treatment; and repeated use of controversial or experimental treatments. If the Department finds reasons to take corrective

action, these actions may include: recoupment of payments made to the provider; denial or reduction of payment; assessment of penalties; placement of the provider on prepayment review status; or the imposition of requirements for remedial education or other conditions on the privilege to be reimbursed for treating injured workers.

If the Department suspends a provider's eligibility to provide services to injured workers and the provider appeals that suspension to the Board of Industrial Insurance Appeals (BIIA), the Department's order will be stayed pending the outcome of the appeal.

Summary of Bill:

Provider Suspension

When a provider files an appeal with the BIIA from a Department order terminating the provider's authority to provide services to injured workers, the Department may request the BIIA for an expedited hearing on a petition to immediately suspend the provider's eligibility to provide services under the industrial insurance system pending the outcome of the appeal. The BIIA must grant the petition if it finds good cause to believe that injured workers may suffer serious physical or mental harm if the petition is not granted.

Provider Audits

The purpose of the Department's audits and investigations of providers is specified. These audits will determine whether the provider is:

- complying with the industrial insurance law and rules;
- engaging in overutilization or improper billing; and
- adhering to practice parameters and protocols of treatment established under the industrial insurance law.

If a provider has improperly billed, overutilized, or failed to comply with industrial insurance rules, the Department must notify the provider and may determine that the provider must repay or may not receive payment. The Department may impose penalties of up to \$500.

"Overutilization" means establishing a pattern of providing an inappropriate health service or level of service to injured workers, including but not limited to providing treatment in excess of established practice parameters and protocols of treatment.

Rules Authority: The bill does not contain provisions addressing the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Available.

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