

SENATE BILL REPORT

SB 6393

As of January 22, 2004

Title: An act relating to workers' compensation managed care arrangements.

Brief Description: Authorizing workers' compensation managed care arrangements.

Sponsors: Senators Honeyford and T. Sheldon.

Brief History:

Committee Activity: Commerce & Trade: 1/23/04.

SENATE COMMITTEE ON COMMERCE & TRADE

Staff: Jennifer Strus (786-7316)

Background: A worker who is injured on the job has the right to seek treatment for that injury from a physician or other health services provider of his or her choosing. Generally, the plan of treatment prescribed by the provider for that injury is not structured or controlled by either the Department of Labor & Industries (L&I) or by statute.

Summary of Bill: L&I may furnish to some or all workers covered by the state workers' compensation fund and the self-insurers may furnish to its workers, medical, surgical and hospital care and services through a managed care arrangement for the period of the worker's disability.

Before a self-insurer can be authorized to offer or use a workers' compensation managed care arrangement, the self-insurer must develop a managed care plan of operation, which must be approved by L&I. The plan must include evidence that there are, among other requirements, an adequate number of physicians and emergency services in the area. The plan must also specify the billing practices to be used; contain written procedures for providing medical records to self-insurers; and contain evidence that health care providers and staff in a managed care arrangement have received training on workers' compensation. The plan must also assure the assignment of health care coordinators licensed under the appropriate statutes to manage care provided by different health practitioners.

Before L&I can use a managed care arrangement, it must comply with the same plan development requirements as a self-insurer. L&I must further provide a public comment period of at least 30 days on its managed care plan.

Both L&I and self-insurers, if using a managed care arrangement, must have procedures in place to hear complaints and resolve grievances from injured workers and health care providers. Detailed information about these procedures must be provided to both the workers and health care providers.

If a self-insurer or L&I uses a managed care arrangement, workers subject to managed care must receive their health care for work-related injuries and diseases through the managed care

arrangement. Treatment received outside the managed care arrangement is not compensable unless authorized by the self-insurer or L&I before the treatment is provided.

When a self-insurer or L&I enters into a managed care arrangement, employees covered under it are deemed to have received all benefits to which they are entitled under the medical aid portion of the workers' compensation law.

L&I may suspend or revoke a self-insurers' authority to offer any managed care arrangement. L&I has authority to adopt rules to govern managed care arrangements.

The standards of care for providing medical care under a managed care arrangement are as follows: abnormal anatomical findings alone, without objective relevant medical findings, are not an indication of injury or illness; the premise upon which health care providers shall act is that returning to work is an integral part of the treatment plan (removing all restrictions and limitations as early as appropriate is also part of the treatment plan); medical care of injured workers shall in all situations: a) use a high intensity, short duration treatment approach that focuses on early activation and restoration of function whenever possible; b) reassess treatment plans, regimes, therapies functional limitations and restrictions prescribed by the provider every 30 days; and d) focus on treatment of workers' specific clinical dysfunction or status.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.