

FINAL BILL REPORT

SHB 1918

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Synopsis as Enacted

Brief Description: Implementing a recommendation of the joint legislative audit and review committee with regard to industrial insurance.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Wood and Chase).

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce, Research & Development

Background:

Industrial insurance is a no-fault state workers' compensation program that provides medical and partial wage replacement benefits to covered workers who are injured on the job or who develop an occupational disease. Employers who are not self-insured must insure with the state fund operated by the Department of Labor and Industries (Department).

When an accident occurs to a worker, the worker has a duty under the Industrial Insurance Act to report the accident "forthwith" to the employer or supervisor in charge of the work. The employer, in turn, has a duty to report the accident and resulting injury "at once" to the Department if the worker has received medical treatment, has been hospitalized or disabled from work, or has died as the apparent result of the injury.

Workers must also file a claim application with the Department or self-insured employer, together with a certificate of the attending health services provider. The attending provider must inform the worker of his or her rights under the Industrial Insurance Act and assist the worker in filing the claim application.

In its 1998 Workers' Compensation System Performance Audit, the Joint Legislative Audit and Review Committee (JLARC) made a number of recommendations concerning the workers' compensation system, including Recommendation 2:

The Department should adopt an alternative system for the reporting of injuries under which the worker would report to the employer and the employer would report to the Department. An educational effort should be launched to promote this method of reporting.

In June 2002, the Department implemented an Occupational Health Services Project (Project) developed in partnership with the Workers' Compensation Advisory Committee and the University of Washington. Under the program, two Centers of Occupational Health and Education have been established, one in Renton, Washington, and one in Spokane, Washington. These centers have several objectives, including providing interdisciplinary occupational health training and mentoring, working directly with community providers, and

facilitating communication among providers, workers, employers, and the industrial insurance system. The University of Washington provides process improvement services to the Project and will undertake a formal evaluation of the Project.

Summary:

The Legislature finds that the JLARC Workers' Compensation System Performance Audit reported that:

- a significant cause for delayed benefit payments and lack of employer involvement in claims was the manner in which claims were reported;
- adopting a system in which the employee first reports to the employer and the employer reports to the Department would speed the first payment of benefits and involve the employer in the claim from the beginning; and
- the new reporting system should be an alternative to the current system in which the worker reports to the physician.

The Department is required to develop an initiative to encourage workers to report industrial insurance injuries to the employer and the employer, in turn, to report the injuries to the Department, including taking steps to educate workers and employers about the benefits of prompt reporting.

By December 1, 2006, the Department must:

- develop and make statutory recommendations for an alternative system of reporting injuries under which the worker would report to the employer and the employer would report to the Department. Upon passage of the legislation, the Department must immediately begin an educational effort to promote this method of reporting; and
- report to the Legislature on a study of (1) the claims that are not reported promptly, (2) the effect of the educational initiative on whether the number of claims reported to employers increased, whether there was a reduction in delays in benefit payments, and whether there was an improvement in employer involvement in assisting with claims management and an increase in appropriate return-to-work for injured workers, and (3) the efforts of the Centers of Occupational Health and Education in early reporting and early notification of employers.

If an attending health services provider files a claim application on behalf of an injured worker, the provider may fax the application to the Department. When the Department has received an application, the Department must promptly notify the employer and, if the employer is a state fund employer, must instruct the employer to submit a report of accident and provide the employer with a telephone number for assistance with the report. The Department must also send a copy of the application to the employer if the employer has not received a copy.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 24, 2005
June 30, 2007 (Sections 3-6)