
Commerce & Labor Committee

HB 1918

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

Sponsors: Representatives Conway, Wood and Chase.

Brief Summary of Bill

- Requires the Department of Labor and Industries (Department) to develop an educational initiative to encourage prompt reporting of industrial insurance injuries by the worker to the employer and by the employer to the Department.

Hearing Date: 2/15/05

Staff: Chris Cordes (786-7103).

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.

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 of Labor and Industries (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 provider. The attending provider must inform the worker of his or her rights under the Industrial Insurance Law and assist the worker in filing the claim application.

An employer that fails or refuses to file the required report is subject to a penalty of up to \$250, as determined by the Director of the Department, for each offense. An attending physician who fails, neglects, or refuses to file any required report with the Department within five days of treatment, or fails or refuses to assist the worker in filing the claim, is subject to a penalty of up to \$250, as determined by the Director of the Department.

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."

Summary of Bill:

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 the physician.

The Department of Labor and Industries 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 report to the Legislature on a study of the claims that are not reported promptly and the effect of the initiative on reducing delays in benefit payments and encouraging employer involvement in assisting with claims management.

These provisions expire July 1, 2007.

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

Appropriation: None.

Fiscal Note: Requested on February 9, 2005.

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