

SENATE BILL REPORT

SHB 2537

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 23, 2006

Title: An act relating to establishing a pilot program to allow employers to assist employees in completing applications for industrial insurance benefits.

Brief Description: Establishing a pilot program to allow employers to assist employees in completing applications for industrial insurance benefits.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Condotta, McCoy, Hudgins and B. Sullivan; by request of Department of Labor & Industries).

Brief History: Passed House: 2/10/06, 97-1.

Committee Activity: Labor, Commerce, Research & Development: 2/21/06, 2/23/06 [DP, DNP, w/oRec].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Brown, Keiser and Prentice.

Minority Report: Do not pass.

Signed by Senator Honeyford.

Minority Report: That it be referred without recommendation.

Signed by Senator Parlette, Ranking Minority Member.

Staff: Jennifer Strus (786-7316)

Background: The 2005 Legislature passed, and the Governor signed into law, SHB 1918, which requires the Department of Labor and Industries (L&I) 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 L&I. As part of the initiative, L&I must take steps to educate workers and employers about the benefits of prompt reporting.

In addition, by December 1, 2006, L&I 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 L&I. Upon passage of such legislation, L&I must immediately begin an educational effort to promote this method of reporting; and report to the Legislature on a study of the claims that are not reported promptly, 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 the efforts of the Centers of Occupational Health and Education in early reporting and early notification of employers.

Summary of Bill: By January 1, 2007, L&I must implement a pilot project in which employers assist workers in filing workers' compensation claims. The pilot project does not replace the current method of reporting.

The pilot project must consist of employers who voluntarily participate and represent a cross-section of industries, geographic areas, union and nonunion workers, large and small businesses, and other criteria established by L&I. L&I may develop requirements or rules for employers who participate in the pilot program, including provisions to ensure prompt reporting of the claim and communicating a worker's rights and responsibilities under the pilot program. During the first year of the pilot, the number of participating employers must not be more than 500. This number may be increased to 750 during the second year of the pilot. Further, L&I must consider steps to address the unique needs and issues of small employers.

The pilot project expires on July 1, 2009. The due dates for L&I's report to the Legislature are December 1, 2007, and December 1, 2008. The report must include results from the pilot project and whether additional statutory changes are needed.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: Concerns raised by labor were addressed in Mr. Weeks' letter to the Chair dated January 24th. This bill changes nothing about current law; it just provides on a pilot basis what might happen if workers report their injuries to the employer instead of their doctor. This bill will not confuse things or interfere with the evaluation of the COHEs. This bill was worked aggressively by all sides and we think it will provide the Legislature with good information with which to make future decisions. The caps added by the House are too limiting; L&I needs flexibility to determine how many employers to include.

Testimony Against: There are overlapping pilot periods for the COHEs and this project. There are deep concerns about employers directly sending injured workers to specific doctors.

Testimony Other: There are concerns about how to keep the data from the COHE projects from corrupting the data from this pilot. It would be a good idea to postpone this pilot until the information on the COHE projects is completed. At a minimum, the letter from Gary Weeks must be made part of the permanent record so the parameters of the pilot are laid out. There should be language tolling the statute of limitations in cases where a worker reports the injury to his/her employer who does not report the injury to L&I in a timely fashion.

Who Testified: PRO: Gary Weeks, Director, L&I; Carolyn Logue, NFIB; Kris Tefft, AWB.

CON: Jerri Wood, COHE Business and Labor Advisory Board.

OTHER: Owen Linch, Teamsters; Robby Stern, WSLC; Michael Temple, WSTLA.