

# SENATE BILL REPORT

## SB 6552

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As of January 31, 2020

**Title:** An act relating to eliminating the three-day waiting period for receiving industrial insurance compensation.

**Brief Description:** Eliminating the three-day waiting period for receiving industrial insurance compensation.

**Sponsors:** Senators Stanford and Hasegawa.

**Brief History:**

**Committee Activity:** Labor & Commerce: 1/28/20.

**Brief Summary of Bill**

- Removes the three-day waiting period that a worker may not receive workers' compensation benefits unless the disability continues for 14 consecutive calendar days.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Staff:** Susan Jones (786-7404)

**Background:** Workers who, in the course of employment, are injured or disabled are entitled to industrial insurance/workers' compensation benefits, which may include medical, temporary time-loss, vocational rehabilitation benefits, and permanent disabilities benefits.

No worker may receive compensation for or during the day on which injury was received or the three days following the day of the injury, unless the worker's disability continues for a period of 14 consecutive calendar days from date of injury.

**Summary of Bill:** The bill removes the three-day period that a worker may not receive workers' compensation benefits unless the disability continues for 14 consecutive calendar days.

**Appropriation:** None.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Fiscal Note:** Requested on January 22, 2020

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: We need to look at the schedule we have for when people are eligible for this compensation. There are 2 time periods, the 3 day waiting period and the 14 day period after which the worker would qualify for compensation for those 3 days. There are 2 factors we can look at adjusting to allow more workers to receive compensation. If we reduce the 14 days, it would bring us more in line with other states. This bill is a helpful fix that covers a gap in the system. Workers are missing work because of an on-the-job injury and they should be compensated like anybody else. This also clarifies that if they leave work early on the first day of injury, they will be compensated for that day as well. This is a small expansion to benefits.

CON: There are 50 states with 50 different waiting periods. Washington is on the lenient side, most are 7 days, like paid family and medical leave. This avoids short term claims and the administration that those claims take while providing for the return to work with the employer. This seems like a solution in search of a problem. The concern is the opportunity for light duty. There are other benefits like sick leave and paid family leave. Many other states have a 4, 5, or even 6 day waiting period. This will cause an increase in the L&I cost but also an increase in the fees by adding a whole new group of workers to the system, increasing the premiums. This is a cost driver, increasing costs.

OTHER: There are two primary concerns. It will greatly increase the number of time loss cases. With claims where they are off for less than 3 days, they are handled by a medical only adjudicator because they do not have to calculate the time loss. This will increase the L&I staffing cost. More importantly, there is a very limited window during this period for quick potential light duty action by the employer and worker in partnership to keep that worker on duty.

**Persons Testifying:** PRO: Senator Derek Stanford, Prime Sponsor; Doug Palmer, Washington State Association for Justice.

CON: Kris Tefft, Washington Self Insurers; Jerrold Bonagofsky, Washington Contract Loggers Association; Robert Battles, AWB.

OTHER: Vickie Kennedy, Department of Labor & Industries.

**Persons Signed In To Testify But Not Testifying:** CON: Tammie Hetrick, Washington Food Industry Association; Mark Johnson, Washington Retail Association; Brian Bishop, Association of Washington Cities.