

SENATE BILL REPORT

HB 2862

As Reported By Senate Committee On:
Labor, Commerce & Trade, February 22, 1996

Title: An act relating to the department of social and health services lien and notice to withhold and deliver.

Brief Description: Regulating department of social and health services liens and notices to withhold and deliver.

Sponsors: Representatives Hargrove and McMorris.

Brief History:

Committee Activity: Labor, Commerce & Trade: 2/22/96 [DPA].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass as amended.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Fraser and Newhouse.

Staff: Jack Brummel (786-7428)

Background: When a person accepts public assistance from the Department of Social and Health Services (DSHS), the department has a right to recover any time-loss compensation payable up to the amount of the public assistance provided. DSHS has a lien to secure reimbursement of the public assistance paid.

DSHS can assert the lien by serving the Department of Labor and Industries (L&I) or a self insurer with a signed statement of the lien and a notice to withhold and deliver. The notice must identify the recipient of both time-loss and public assistance and make a demand to withhold and deliver the amount claimed. The statute permits personal service or service by regular mail.

Notice of the lien must also be sent to the recipient by certified mail no later than the next business day after the notice is mailed or delivered to L&I.

The director of L&I must deliver to the secretary of DSHS any time-loss funds, up to the amount claimed in the lien notice.

A recipient who is aggrieved by the action against his or her time-loss compensation must file a notice requesting a hearing within 28 days after the notice to withhold and deliver has been mailed to or served on L&I.

Summary of Amended Bill: The requirements that the lien and notice to withhold and deliver be signed and include a demand to withhold and deliver are deleted.

DSHS may serve the lien and the notice to withhold and deliver by electronic device.

The statement of lien sent to the worker must be mailed within two business days, rather than by the next business day, after the notice is received by L&I.

Repeated references to "the period" for which time-loss compensation is payable are deleted.

A recipient who wishes to request a hearing before DSHS concerning the impoundment of his or her time-loss compensation may file a hearing application within 28 days after the notice was mailed to the recipient. A hearing may be held if an application is filed more than 28 days after but within one year of the date the notice was mailed and the applicant can show good cause for not filing within 28 days. Collection actions may continue until good cause is shown.

Amended Bill Compared to Original Bill: Archaic language is clarified and the statute is further updated.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This gives DSHS explicit authority to file claims electronically and updates the statute.

Testimony Against: None.

Testified: David Henry, DSHS (pro).