

HOUSE BILL REPORT

HB 1242

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to compensation during industrial insurance appeals.

Brief Description: Making technical changes to the statute governing compensation during industrial insurance appeals.

Sponsors: Representatives King, Heavey, Franklin, G. Cole, Jones, Springer and Veloria.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 19, 1993, DP.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 6 members:
Representatives Heavey, Chair; G. Cole, Vice Chair; Conway;
King; Springer; and Veloria.

Minority Report: Do not pass. Signed by 3 members:
Representatives Lisk, Ranking Minority Member; Chandler,
Assistant Ranking Minority Member; and Horn.

Staff: Chris Cordes (786-7117).

Background: According to written policy, the Department of Labor and Industries does not pay benefits to an injured worker while the employer's appeal is pending at the Board of Industrial Insurance Appeals. This policy permits the payment of benefits, however, if the issue under appeal does not involve the payment of benefits or the allowance or reopening of the claim, or if the employer's appeal is unfounded. The department's policy states that it is intended to avoid unnecessary department recoupment costs when an appeal is resolved in favor of the employer. If the department pays benefits, all parties to the appeal are notified and the benefits are subject to recoupment.

Summary of Bill: If an employer appeals a Department of Labor and Industries' industrial insurance order that grants the injured worker temporary total disability benefits, the worker is entitled to provisional benefits while the case is on appeal before the Board of Industrial Insurance Appeals.

Technical changes are also made to clarify and reorganize the statute.

Fiscal Note: Requested February 15, 1993.

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

Testimony For: Industrial insurance appeals can take six months to a year or more to resolve. The employer can stop the worker's benefits by filing an appeal. If the worker's benefits are stopped during a lengthy appeal, the worker may be unable to make mortgage payments or keep up with other financial obligations.

Testimony Against: The department has an obligation to interpret the industrial insurance law "liberally" to benefit the injured worker. The worker gets the benefit of any doubt. When an appeal later overturns the award, it is very difficult to recoup the payments that were erroneously made. The worker may not even know that the benefits may have to be paid back. In some cases, the Board of Industrial Insurance Appeals has ordered continuation of benefits during the appeal.

Witnesses: (In favor): Jeff Johnson, Washington State Labor Council. (Opposed): Clif Finch, Association of Washington Business.