

SENATE BILL REPORT

EHB 1456

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, APRIL 1, 1993

Brief Description: Allowing self-insured employers to close disability claims after July 1990.

SPONSORS: Representatives King, G. Cole, Lisk, R. Johnson, Horn, Foreman, Sheahan and Chandler

HOUSE COMMITTEE ON COMMERCE & LABOR

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Amondson, Cantu, Fraser, McAuliffe, Newhouse, Pelz, Prince, Sutherland, Vognild, and Wojahn.

Staff: Dave Cheal (786-7576)

Hearing Dates: March 30, 1993; April 1, 1993

BACKGROUND:

Self-insured employers are authorized to close the industrial insurance claims of their workers if the claim involves only medical treatment. Claims with other types of compensation are closed by the Department of Labor and Industries.

Between 1986 and 1990, self-insured employers were authorized to close industrial insurance claims if either medical treatment payments or temporary disability payments were made on the claim. The self-insurer could not close the claim if it involved permanent disabilities or raised disputes that required intervention by the department. In addition, the injured worker was required to have returned to work with the employer. The authority to close these claims expired July 1, 1990.

SUMMARY:

Self-insured employers' authority to close certain industrial insurance claims is reinstated and made permanent. The claims may include time-loss compensation or both medical treatment and time-loss compensation, but may not involve permanent disability. The claims may not be closed by the self-insurer if the Department of Labor and Industries has intervened because of a dispute or if the injured worker has not returned to work with the self-insured employer.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

This would benefit everyone connected with the system because it would relieve an administrative burden on the department. These are "no controversy" claims. Prompt closure removes the reserve for the claim and saves the employer money. A study of closures before this authority expired in 1990 demonstrated proper handling by self-insurers.

TESTIMONY AGAINST:

Most injured workers (92 percent) are not represented. This procedure could result in improper claim closures. They are often based on a panel independent medical exam rather than a recommendation of the attending physician.

TESTIFIED: Lee Eberle (pro); Melanie Stewart (pro); Bill Hochberg (con)