

SENATE BILL REPORT

EHB 1653

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 25, 1994

**Brief Description:** Regulating vocational rehabilitation services in industrial insurance.

**SPONSORS:** Representatives King, Lisk, G. Cole and Fuhrman

**HOUSE COMMITTEE ON COMMERCE & LABOR**

**HOUSE COMMITTEE ON APPROPRIATIONS**

**SENATE COMMITTEE ON LABOR & COMMERCE**

**Majority Report:** Do pass as amended.

Signed by Senators Moore, Chairman; Amondson, Deccio, Fraser, McAuliffe, Newhouse, Pelz, Sellar, Vognild and Wojahn.

**Minority Report:** Do not pass as amended.

Signed by Senators Prentice, Vice Chairman; and Sutherland.

**Staff:** Dave Cheal (786-7576)

**Hearing Dates:** April 1, 1993; April 2, 1993; February 17, 1994; February 25, 1994

**BACKGROUND:**

Injured workers may participate in vocational rehabilitation programs if the programs are necessary and likely to enable the worker to become gainfully employed. The program may only be used before the worker is evaluated for permanent disability. The Department of Labor and Industries may pay, or direct a self-insurer to pay, up to \$3,000 toward the costs of books, tuition, supplies, transportation, child or dependent care, and other necessary expenses of the program.

**SUMMARY:**

The cost of an industrial insurance vocational rehabilitation program is changed from a maximum of \$3,000 to an amount not to exceed 155 percent of the state average monthly wage (currently, the amount would be approximately \$3,272).

In addition to the costs of the program, the department may pay for transportation and child or dependent care related to an injured worker's participation in a vocational rehabilitation program.

The department may make vocational rehabilitation referrals to administrative entities under the federal Job Training

Partnership Act if the entities meet minimum qualifications established by the department.

The requirement is deleted that a vocational rehabilitation program may only be used before the worker is evaluated for permanent disability.

A person who provides on-the-job training or a transitional work program for injured workers may elect industrial insurance coverage for the workers receiving the services, regardless of whether the person pays wages to the injured workers. The workers will be qualified under the preferred worker program, which exempts employers from premiums and charges related to employing these workers.

**SUMMARY OF PROPOSED COMMITTEE AMENDMENT:**

The bill is made prospective only, apply to claims filed on or after the effective date.

The index which fixes the level of the benefit is tied to the date of injury.

A global cap of benefits is imposed statewide so that the total spent on vocational rehabilitation rises and falls according to increases or decreases in total claims filed.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

The bill allows the benefit to increase with inflation. Dealing with child care and travel expenses separately from the basic benefit can provide fairness to single parents and workers who live in rural areas. The benefit has not been raised for ten years and has been severely eroded by inflation.

**TESTIMONY AGAINST:**

Indexing prevents careful examination of benefit levels. Providing for child care outside the basic benefit amounts to a huge increase. Currently there is a utilization problem. This bill will make it worse. There should be no changes in this program until the long-term disability pilot programs can be evaluated.

**TESTIFIED:** Steve Hamilton, WA Self Insurers Assn. (con); Dwight Thompson, NARPPS (pro)