

SENATE BILL REPORT

SHB 2614

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 23, 1994

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

**SPONSORS:** House Committee on Commerce & Labor (originally sponsored by Representatives King, Lisk, G. Cole, Foreman, Chandler, Brough, Dyer, Silver and Van Luven)

**HOUSE COMMITTEE ON COMMERCE & LABOR**

**SENATE COMMITTEE ON LABOR & COMMERCE**

**Majority Report:** Do pass.

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

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

**Hearing Dates:** February 21, 1994; February 23, 1994

**BACKGROUND:**

Self-insured employers are authorized to close the industrial insurance claims of their workers if the claims involve 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 claims. The self-insurer could not close claims that 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.

The Governor vetoed a bill enacted in 1993 that would have reauthorized closure of these claims by self-insurers. The bill would have added the condition that the worker had returned to work with the employer at the previous job or a job with comparable wages, benefits and permanency.

**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. These claims may be closed by the self-insurer

only if the Department of Labor and Industries has not intervened because of a dispute and if the injured worker has returned to work with the self-insured employer at the worker's previous job or a job that has comparable wages and benefits.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**TESTIMONY FOR:**

Self-insurers have demonstrated their commitment to proper use of claim closure authority according to a Department of Labor and Industries study. Adequate protections exist to avoid inappropriate closures. This will save department resources.

**TESTIMONY AGAINST:**

Most workers are not represented by counsel and could be taken advantage of. A worker could be back at work and thus be eligible for claim closure, but the return to work is only to a temporary job and illusory. Some requirement of job permanency should be included.

**TESTIFIED:** Melanie Stewart, WSIA (pro); Wayne Lieb, WSTLA (con); Jody Moran, Labor and Industries (pro)