

SENATE BILL REPORT

SB 6482

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, JANUARY 28, 1994

Brief Description: Creating pilot projects to reduce long-term disability within workers' compensation.

SPONSORS: Senators Prentice, Amondson, Oke and Winsley; by request of Department of Labor & Industries

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

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

Staff: Dave Cheal (786-7576)

Hearing Dates: January 20, 1994; January 28, 1994

BACKGROUND:

Most claims for workers' compensation are of short duration. However, somewhat less than 5 percent of all claims involve long-term disability and account for more than 80 percent of state fund workers' compensation costs.

The Workers' Compensation Advisory Committee, which is established by statute and composed of representatives of business and labor, recognized the high impact of long-term disability and established a task force to develop prevention strategies.

The task force was formed, employed staff, and met frequently for more than two years. The result is a detailed proposal for the department to conduct two pilot projects which include the practices identified by the task force for the prevention of long-term disability.

SUMMARY:

The Department of Labor and Industries is directed to conduct two pilot projects. Both projects include an effort to shift resources to the early management of the most difficult claims in an attempt to prevent system failures that contribute to long-term disability.

The first pilot project includes pre-injury outreach and planning to prevent injury, to provide transitional work and reemployment for workers who are injured. Service provider education and outreach are to be enhanced.

Various claims management initiatives are included, such as lower claims loads, intensive screening of claims, and intensive claims management for injured workers at high risk of long-term disability. Vocational rehabilitation resources may be redirected to on-the-job training. A finding of medically fixed and stable as a basis for claim closure is to be replaced by finding suitable work, working with the employer to use job modification and on-the-job training to achieve reemployment, and when necessary to coordinate with other resources such as basic health plan, unemployment benefits and other job services.

The second pilot project must include all the elements of the first pilot and also provide case managers for injured workers at high risk of long-term disability. This project will also make certain changes in the independent medical examination system.

Case managers will organize a team approach and provide intensive coordination of resources in claims where there is risk of long-term disability. This is to occur as soon as possible after the injury.

A medical progress examination which is distinct from an impairment rating examination must be used to determine whether a different treatment strategy is in order. This must occur at or before six months of time loss payments and is conducted by a physician other than the primary provider or attending physician. Attending physicians are required to respond to any findings of this examination. Attending physicians are encouraged to either conduct or participate in any future impairment rating exams. Injured workers must be notified if their attending physician chooses not to participate in the rating exam.

Provisions are included to encourage agreement on the rating examiner. A pool of qualified examiners is to be established based on new criteria and standards developed by the department, Workers' Compensation Advisory Committee and other interested parties. Various provisions are included to encourage the participation of the attending physician, claims manager, and injured worker in reviewing and discussing the recommended rating. An opportunity for a second rating is provided if either the worker or employer disagrees with an attending physician's rating. The claims manager must then select one or the other of the ratings and may not split the difference between the ratings.

Claim closure must be handled with greater sensitivity and improved notification and medical transition procedures.

Provision is made for evaluation and measurement of both pilot projects. Certain outcome measures are specified.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The pilot project will provide a chance to reduce long-term disability, which is the biggest cost center in the system. The pilots will provide an opportunity to measure different techniques and programs.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Theresa Whitmarsh, L&I; R. Stern, WSLC; Clif Finch, AWB