

2 **SB 5401** - H COMM AMD **FAILED 4/6/95**

3 By Committee on Health Care

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 51.04 RCW
8 to read as follows:

9 On or before January 1, 1996, the department of labor and
10 industries and the workers' compensation advisory committee, in
11 coordination with the joint committee on health systems oversight, if
12 created by law, shall study and make an interim report, and on or
13 before January 1, 1997, a final report, to the governor and appropriate
14 committees of the legislature on the provision of medical benefits for
15 injured workers under a consolidated health care system. The study
16 shall include a review of options and recommendations for modifying the
17 industrial insurance system to provide medical services for injured
18 workers in a more cost-effective manner under a consolidated system,
19 and may include consideration of the purchase of industrial insurance
20 medical benefits through the health care authority or the inclusion of
21 industrial insurance medical benefits in the services offered by health
22 carriers or other appropriate options. The committee should also give
23 consideration to at least the following issues: The use of various
24 health care coverage arrangements and the effect of various health care
25 coverage arrangements on the injured workers' choice of health services
26 provider; the potential cost savings or other impacts of various
27 consolidation options; the benefit structure required under industrial
28 insurance; the potential for consolidation to meet or exceed existing
29 medical cost management of the medical aid fund; the impact of
30 separating the medical management of claims from the disability
31 management of claims; the relationship between return-to-work efforts,
32 medical services, and disability prevention; the relationship between
33 medical services and rehabilitation services; and the effects of the
34 quasi-judicial system that determines industrial insurance rights and
35 obligations. In addition, the final report shall include a proposed
36 plan and timeline for including the medical benefits of the industrial

1 insurance system in the services offered by health carriers. The
2 proposed plan shall assure that:

3 (1) The plan shall not take effect until at least ninety-seven
4 percent of state residents have access to the standard benefits
5 package, if created in statute;

6 (2) The standard benefits package, if created in statute, will
7 provide benefits for injured workers that are at least equivalent to
8 the medical benefits provided to injured workers under this title as
9 determined by the department of labor and industries as of the
10 effective date of the plan, including payments for services that are
11 ancillary to industrial insurance medical benefits, such as, but not
12 limited to, medical examinations for permanent disabilities;

13 (3) Other nonmedical benefits required to be provided under this
14 title, such as, but not limited to, total or partial disability
15 benefits or vocational rehabilitation benefits, are not affected;

16 (4) Employers who do not choose to offer benefits under the plan
17 will continue to be required to provide industrial insurance medical
18 benefits under this title;

19 (5) Employees participating in the plan shall not be required to
20 pay deductibles, copayments, or other point-of-service charges for
21 services related to industrial insurance injuries or diseases, such
22 costs to be paid by the department of labor and industries or the self-
23 insured employer, as applicable;

24 (6) The plan includes a mechanism to return to workers and
25 employers, in equal shares, any savings that are realized in the costs
26 of medical services for injured workers, as identified by the
27 department of labor and industries;

28 (7) The majority of the employer's employees or, if the employees
29 are represented for collective bargaining purposes, the exclusive
30 bargaining representative voluntarily agree to the employer's
31 participation in the plan.

32 In addition, the study shall include review of an option for an
33 employer to elect to provide medical aid benefits under this title
34 through the employer-sponsored general health plan if the employer pays
35 one hundred percent of the premium cost of the general employee health
36 care benefit plan and the medical aid premium.

37 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.04 RCW
38 to read as follows:

1 (1) The department of labor and industries, in consultation with
2 the workers' compensation advisory committee, may conduct pilot
3 projects to purchase medical services for injured workers through
4 various health care coverage arrangements. The projects shall assess
5 the effects of various health care coverage arrangements on the cost
6 and quality of, and employer and employee satisfaction with, medical
7 services provided to injured workers.

8 (2) The pilot projects may be limited to specific employers. The
9 implementation of a pilot project shall be conditioned upon a
10 participating employer and a majority of its employees, or, if the
11 employees are represented for collective bargaining purposes, the
12 exclusive bargaining representative, voluntarily agreeing to the terms
13 of the pilot. Unless the project is terminated by the department, both
14 the employer and employees are bound by the project agreements for the
15 duration of the project.

16 (3) Solely for the purpose and duration of a pilot project, the
17 specific requirements of this title that are identified by the
18 department as otherwise prohibiting implementation of the pilot project
19 shall not apply to the participating employers and employees to the
20 extent necessary for conducting the project. The various health care
21 coverage arrangements for the pilot projects may include the
22 designation of doctors responsible for the care delivered to injured
23 workers participating in the projects.

24 (4) The projects shall conclude no later than January 1, 1997. The
25 department shall make an interim report on the projects to the governor
26 and appropriate committees of the legislature on or before October 1,
27 1996. The department shall present the final results of the pilot
28 projects and any final recommendations related to the projects to the
29 governor and appropriate committees of the legislature on or before
30 April 1, 1997.

31 NEW SECTION. **Sec. 3.** The following acts or parts of acts are each
32 repealed:

33 (1) RCW 43.72.850 and 1993 c 492 s 485; and

34 (2) RCW 43.72.860 and 1993 c 492 s 486."

35 Correct the title accordingly.

--- END ---