

# FINAL BILL REPORT

## SHB 1607

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C 416 L 97

Synopsis as Enacted

**Brief Description:** Providing for industrial insurance self-insurers to determine benefits for permanent disability.

**Sponsors:** By House Committee on Commerce & Labor (originally sponsored by Representatives McMorris, Thompson, Dyer, Sheldon, Boldt, Honeyford, Lisk, Clements, Mulliken and Mielke).

**House Committee on Commerce & Labor**  
**Senate Committee on Commerce & Labor**

**Background:** The Department of Labor and Industries supervises all determinations of permanent disability in industrial insurance claims and closes all claims involving a permanent disability, whether the injured worker is insured by the state fund or covered by a self-insured employer.

Self-insurers are authorized to close only those claims that do not involve a permanent disability and that meet the criteria established by statute. The self-insurer must request the department to close other claims. If a self-insurer closes a claim, the order must include notice of the worker's right to protest the order to the department within 60 days. If a protest is filed, the department must review the closure and enter a determinative order.

When the department issues a final order, the order must state that it will become final unless, within 60 days of the date that the order is communicated, a written request for reconsideration is filed with the department or an appeal is filed with the Board of Industrial Insurance Appeals.

**Summary:** Beginning with claims accepted after July 31, 1997, self-insured employers are authorized to close certain industrial insurance claims that involve a determination of permanent partial disability (PPD).

The claims that self-insurers may close must be undisputed and must involve a worker who has returned to work with the self-insurer of record at his or her previous job or a job with comparable wages and benefits. For these claims, the self-insurer may initiate the permanent partial disability determination and may require the worker to undergo a special medical examination.

Before closing the claim, a self-insurer must get a supplemental medical opinion from a provider approved by the Department of Labor and Industries if:

- (1) a physician submits a report to a self-insurer that concludes that the worker's condition is fixed and stable and supports payment of a PPD award; and
- (2) the worker's attending or treating physician disagrees in writing within 14 days that the worker's condition is fixed and stable.

Alternatively, if the worker's physician disagrees, the self-insurer may forward the claim to the department for action.

On closing one of these claims, the self-insurer must notify the department and the worker in writing that the claim is being closed with medical benefits or time-loss compensation, or both, and an award for permanent partial disability, if applicable. The notice to the worker must include information about the worker's right to protest the closure to the department. If the department receives a protest, the self-insurer's order must be held in abeyance and the department must review the closure and enter a determinative order. If no protest is filed, the self-insurer's order becomes final and has the same effect as a department order that has become final.

The department must review self-insurers' PPD claims closure activity and the claims closure activity of the department's self-insured section and report to the Legislature by January 1, 2000.

**Votes on Final Passage:**

House 56 40  
Senate 27 21 (Senate amended)  
House 60 38 (House concurred)

**Effective:** July 27, 1997