

SENATE BILL REPORT

SHB 2227

As Reported By Senate Committee On:
Commerce & Labor, April 1, 1997

Title: An act relating to health services providers under industrial insurance.

Brief Description: Establishing requirements for health services providers under industrial insurance.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Clements and McMorris).

Brief History:

Committee Activity: Commerce & Labor: 3/31/97, 4/1/97 [DPA].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended.

Signed by Senators Schow, Chair; Horn, Vice Chair; Anderson, Franklin, Fraser, Heavey and Newhouse.

Staff: Jack Brummel (786-7428)

Background: To treat injured workers under the industrial insurance system, a health services provider must qualify as an approved provider. The Department of Labor and Industries approves providers and issues provider numbers. The department may deny an application or terminate or suspend a provider's eligibility to participate as a provider for injured workers.

Under the Uniform Disciplinary Act, covered health services providers are subject to discipline for using advertising that is false, fraudulent, or misleading. Some professional licensing statutes also make it unethical conduct for providers to use false, misleading, or deceptive advertisements.

The industrial insurance law imposes a class C felony on any person or entity that solicits or receives, or offers or pays, a kickback, bribe, or rebate in return for referring a claimant for industrial insurance services or for purchasing or recommending goods or services covered by industrial insurance. This penalty does not apply to properly disclosed discounts. The law does not address payments that may be made to a provider for acting as the claimant's authorized representative to procure services.

Summary of Amended Bill: A health service provider who provides health care service to an injured worker while acting as the worker's representative to obtain authorization for the services and who charges a percentage of the benefits or other fee for acting as the worker's representative is guilty of a gross misdemeanor.

The Department of Labor and Industries may deny applications of health care providers to participate as a provider of services to injured workers, or terminate or suspend their eligibility to participate, if the provider uses false, misleading, or deceptive advertising regarding the industrial insurance system or benefits for injured workers.

Amended Bill Compared to Substitute Bill: The amendment changes the offense from a class C felony to a gross misdemeanor.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Misleading advertising in the field of audiology has increased the number of claims for hearing loss before L&I. Firms are taking advantage of people. Hearing aid vendors will go into nursing homes and assist in filing a claim with L&I for hearing loss in exchange for a percentage of the award and a promise to purchase a hearing aid from the vendor.

Testimony Against: None.

Testified: Representative Clements, original prime sponsor; Linda Murphy, Department of Labor and Industries.