

SENATE BILL REPORT

SB 5339

As of January 27, 1997

Title: An act relating to expanding claims management authority for industrial insurance retrospective rating programs.

Brief Description: Expanding claims management authority for industrial insurance rating programs.

Sponsors: Senators Schow, Rasmussen, Horn, Anderson, Newhouse and Haugen.

Brief History:

Committee Activity: Commerce & Labor: 1/28/97 .

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Jack Brummel (786-7428)

Background: The Department of Labor and Industries has adopted rules providing for retrospective adjustment of an employer's premium under a retrospective rating plan. The plan is also available to groups of employers that meet statutory requirements for group insurance. The plan is available on a voluntary basis for a one-year period, beginning in January, April, July, or October, and may be renewed at the end of that year. The plan must be consistent with recognized insurance principles and be administered under rules adopted by the department.

Summary of Bill: The Department of Labor and Industries is directed to offer a retrospective rating plan to qualified employers and groups of employers. The plan is available on a voluntary basis for one coverage period and may be renewed at the end of the year.

Retrospective rating plan employers have authority to assist in the processing of claims, beginning January 1, 1998.

The department is to adopt rules which include authorization to schedule medical exams with providers from the department's provider list, and authorization to initiate rehabilitation services and select department-approved providers.

Retrospective rating plan employers may close industrial insurance claims if: the claim involves only medical treatment and/or the payment of time loss benefits; the claim does not involve permanent disability; the department has not intervened on the claim because of a dispute; and the injured worker has returned to work at the same or comparable job with the retrospective rating plan employer or group. No later than at the time of closure, the retrospective rating plan employer or group must notify a worker of his or her rights under the industrial insurance law.

If a dispute arises from the handling of a claim by the retrospective rating plan employer or group, the worker or employer may request the department to intervene and assume responsibility for the claim.

The department must provide notice to a retrospective rating employer or group of any violations. Repeat violations or failure to take corrective action may result in penalties, including suspension of the authority to assist in handling claims for up to two years.

The department is directed to adopt rules.

Appropriation: None.

Fiscal Note: Requested on January 23, 1997.

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