

# SENATE BILL REPORT

## SSB 6030

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As Passed Senate, March 14, 1997

**Title:** An act relating to establishing a performance audit and operations review of the state workers' compensation system.

**Brief Description:** Establishing a performance audit and operations review of the workers' compensation system.

**Sponsors:** Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Goings, Anderson, Haugen, Horn, Rasmussen, Long and Oke).

**Brief History:**

**Committee Activity:** Commerce & Labor: 3/3/97, 3/4/97 [DPS, DNPS].  
Passed Senate, 3/14/97, 48-0.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** That Substitute Senate Bill No. 6030 be substituted therefor, and the substitute bill do pass.

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

**Minority Report:** Do not pass substitute.

Signed by Senator Heavey.

**Staff:** Jack Brummel (786-7428)

**Background:** Performance audits can assist the Legislature in determining the impact of state programs and ensuring effective and efficient delivery of services.

**Summary of Bill:** The Joint Legislative Audit and Review Committee must, in consultation with the Workers' Compensation Advisory Committee and a legislative advisory committee, contract for a performance audit of the Department of Labor and Industries. The audit is to review the following elements of the state's workers' compensation system: 1) organizational structure, 2) management and practices, 3) taxation, 4) revenues, 5) types of services, 6) cooperation and continuity between programs, 7) effectiveness in meeting system goals, 8) customer satisfaction, 9) internal reviews, 10) coordination with other agencies, 11) effectiveness in providing sure and certain relief to injured workers, and 12) performance compared to other private and public systems.

The Joint Legislative Audit and Review Committee must report to the Legislature on its findings and recommendations. The Department of Labor and Industries must cooperate with the committee in the audit. The audit is funded from the medical aid fund.

**Appropriation:** None.

**Fiscal Note:** Requested on February 28, 1997.

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

**Testimony For:** This will allow an outside set of eyes to look at the operations of the department, show what is working and make recommendations on improvements to the benefit of workers and employers. This is necessary to help the department move up a notch in performance. The study may be broader than it needs to be.

**Testimony Against:** None.

**Testified:** Doug Connell, L&I (pro); Gary Smith, Independent Business Association; Clif Finch, AWB; Robby Stern, WA State Labor Council; Rick Slunaker, Associated General Contractors.

**House Amendment(s):** References to a legislative advisory committee are deleted. JLARC must consult with members of the Senate and House Commerce & Labor Committees. The review of the department's coordination with other agencies must include the Board of Industrial Insurance Appeals and the Department of Health. A review of claims administration practices and the effectiveness of department sanctions in promoting best practices is added.