

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 6030**

55th Legislature  
1997 Regular Session

Passed by the Senate April 22, 1997  
YEAS 41 NAYS 0

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**President of the Senate**

Passed by the House April 10, 1997  
YEAS 98 NAYS 0

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**Speaker of the  
House of Representatives**

Approved

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6030** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 6030**

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AS AMENDED BY THE HOUSE

Passed Legislature - 1997 Regular Session

**State of Washington                      55th Legislature                      1997 Regular Session**

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

Read first time 03/05/97.

1            AN ACT Relating to establishing a performance audit and operations  
2 review of the state workers' compensation system; and creating new  
3 sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** The legislature recognizes the importance of  
6 the state workers' compensation program in providing medical and  
7 financial services and benefits to workers who are injured on the job,  
8 and to their families, and in facilitating the injured workers' return  
9 to employment and a productive life. In addition, the legislature  
10 considers periodic performance audits to be of assistance in  
11 determining the impact of state programs and in developing findings and  
12 recommendations that ensure the most effective use of worker, employer,  
13 state agency, and public time and resources.

14            NEW SECTION.    **Sec. 2.** The joint legislative audit and review  
15 committee, in consultation with members of the senate and house of  
16 representatives commerce and labor committees and the workers'  
17 compensation advisory committee established under RCW 51.04.110, shall  
18 conduct a performance audit of the state workers' compensation system.

1 The performance audit shall review the following issues:

2 (1)(a) The organizational structure of the workers' compensation  
3 system and its effectiveness;

4 (b) The management principles, program process, and ongoing  
5 practices of the workers' compensation system;

6 (2)(a) The program's taxation system, including the method of  
7 collection and the manner in which funds are prioritized and  
8 distributed;

9 (b) The use of all revenues generated from reserve surpluses and  
10 all other fund sources;

11 (3) The types of services and programs within the system;

12 (4) The level of cooperation and continuity between program and  
13 services;

14 (5)(a) The effectiveness of the system in providing sure and  
15 certain relief to injured workers as mandated by Title 51 RCW;

16 (b) The effectiveness of the workers' compensation system in  
17 returning injured workers to work and meeting other system goals;

18 (6) The level of customer satisfaction of workers and employers  
19 participating in the system;

20 (7) The current method by which the department internally reviews  
21 and determines the workers' compensation program effectiveness and  
22 performance and its process for responding to its findings or  
23 recommendations;

24 (8) The manner in which the workers' compensation system  
25 coordinates its activities with other programs or activities within the  
26 department or other state agencies, including: the WISHA program, the  
27 board of industrial insurance appeals, the employment security  
28 department, the department of revenue, the department of health, and  
29 the work force training and education coordinating board;

30 (9) The cost-effectiveness and efficiency of the state workers'  
31 compensation system as compared with other private and public sector  
32 delivery systems;

33 (10) Claims administration practices of the state fund, self-  
34 insured employers, and third-party administrators, and the  
35 effectiveness of department sanctions in promoting best practices in  
36 claims administration; and

37 (11) Any other item considered necessary by the joint legislative  
38 audit and review committee.

1        NEW SECTION.    **Sec. 3.**    The joint legislative audit and review  
2 committee is directed to contract with a private entity that is not  
3 affiliated with an insurance company, brokerage, or agency, consistent  
4 with the provisions of chapter 39.29 RCW. The committee shall consult  
5 with the workers' compensation advisory committee in the design of the  
6 request for proposals from potential contractors and in the choice of  
7 a performance audit contractor. The committee shall provide an interim  
8 report on its findings and recommendations to the appropriate house of  
9 representatives and senate standing committees by December 31, 1997,  
10 and a final report by August 1, 1998.

11        NEW SECTION.    **Sec. 4.**    The department of labor and industries shall  
12 actively cooperate with the joint legislative audit and review  
13 committee in the course of the performance audit and provide  
14 information and assistance as necessary. Funding for the performance  
15 audit in the amount, as determined by the joint legislative audit and  
16 review committee, is provided from the nonappropriated medical aid fund  
17 within the department of labor and industries. The department will  
18 transfer the funds necessary to implement this act to the joint  
19 legislative audit and review committee through an interagency  
20 agreement.

21        NEW SECTION.    **Sec. 5.**    If any provision of this act or its  
22 application to any person or circumstance is held invalid, the  
23 remainder of the act or the application of the provision to other  
24 persons or circumstances is not affected.

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