

HOUSE BILL REPORT

EHB 1845

As Passed Legislature

Title: An act relating to the maximum expenditure allowed for vocational rehabilitation benefits under industrial insurance.

Brief Description: Providing for vocational rehabilitation benefits under industrial insurance.

Sponsors: Representatives B. Chandler, Clements, McMorris, Lisk, Conway and Wood.

Brief History:

Committee Activity:

Commerce & Labor: 2/15/99, 2/23/99 [DP].

Floor Activity:

Passed House: 3/10/99, 98-0.

Passed Senate: 4/8/99, 47-0.

Passed Legislature.

Brief Summary of Bill

- Increases from \$3,000 to \$4,000 the maximum amount that may be paid in a year for vocational rehabilitation benefits for workers with vocational rehabilitation plans approved on or after July 1, 1999.
- Excludes an injured worker's transportation costs from being subject to the new limit.
- Requires a cost-benefit analysis of the new limit.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 8 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hurst; Lisk; McIntire and McMorris.

Staff: Chris Cordes (786-7103).

Background:

The Department of Labor and Industries is authorized to pay, and may direct self-insured employers to pay, the costs of vocational rehabilitation services for injured workers when these services are necessary and likely to enable the injured worker to become employable at gainful employment. These costs are limited to \$3,000 in a 52-week period and include the cost of books, tuition, fees, supplies, equipment, transportation, child or dependent care, and other necessary expenses. The department may extend the period of benefits for an additional 52 weeks.

Summary of Bill:

Beginning with vocational rehabilitation plans approved on or after July 1, 1999, the maximum amount that the Department of Labor and Industries may pay, or order a self-insurer to pay, for an injured worker's vocational rehabilitation benefits in a 52-week period is increased from \$3,000 to \$4,000. (The new limit also applies if a second year of benefits is authorized.)

The expenditure limit does not apply to the injured worker's transportation costs.

The department is required to conduct a cost-benefit analysis of the benefit increase, including an examination of benefit utilization and vocational results. The analysis must be reported to the Workers' Compensation Advisory Committee and the Legislature by November 1, 2001.

Appropriation: None.

Fiscal Note: Requested on February 9, 1999.

Effective Date: The bill contains an emergency clause and takes effect July 1, 1999.

Testimony For: The statutory cap on vocational rehabilitation services has not been raised since 1982. It is important to remove the transportation costs from the statutory cap so that injured workers in rural areas are treated fairly. This bill includes a review to ensure that the benefits are used effectively. The Joint Legislative Audit and Review Committee audit on workers' compensation also made recommendations to improve the benefits. Although business and labor are working on comprehensive changes to the system, interim steps are badly needed. It will take comprehensive changes to curb over-utilization, but workers should not have to wait for the full package before improvements are made. There are other important issues that need to be addressed, such as the "employability" standard, but this bill is a first step. It would improve the bill if it applied to all injured workers, not just those who

become injured after July 1, 1999. As the bill is drafted, the benefits will not begin to be used until 2000.

Testimony Against: None.

Testified: Representative Bruce Chandler, prime sponsor; Robby Stern, Washington State Labor Council; Douglas Connell, Department of Labor and Industries; Dwight Thompson, National Association of Rehabilitation Professionals in the Private Sector; Clif Finch, Association of Washington Business; and Michael Temple, Washington State Trial Lawyers Association.