

HOUSE BILL ANALYSIS

HB 1697

Brief Description: Paying industrial insurance benefits during appeal.

Sponsors: Chandler B. and Clements

Hearing: February 15, 1999

Brief Summary of Bill

- Requires continuation of time-loss and medical benefits to injured workers while a review requested by the employer is pending.
- Establishes a benefit repayment account, funded by employers and employees, to recover uncollected overpayments resulting from continuing benefits during review.

BACKGROUND:

The industrial insurance law permits the Department of Labor and Industries to adopt policies regarding the payment of benefits while an appeal is pending at the Board of Industrial Insurance Appeals. Under its policy, the department generally does not pay time-loss benefits to an injured worker while an employer's appeal is pending unless the issue under appeal does not involve the payment of time-loss benefits or the allowance or reopening of the claim, or unless the employer's appeal is unfounded. The department's policy states that it is intended to avoid unnecessary department recoupment costs when an appeal is resolved in favor of the employer. If the department pays benefits, all parties to the appeal are notified and the benefits are subject to recoupment.

Before appealing a departmental order to the Board of Industrial Insurance Appeals, aggrieved parties are permitted to request reconsideration by the department. The industrial insurance law does not address payment of benefits while an order is under reconsideration.

SUMMARY OF BILL:

Payment of benefits during review. Injured workers must continue to receive time-loss and medical benefits ordered by the Department of Labor and Industries during the time that the order, at the request of the employer, is under reconsideration by the department or under appeal at the Board of Industrial Insurance Appeals.

The benefits are subject to repayment and recoupment if determined to be erroneously granted.

Benefit repayment account. A benefit repayment account is created. Beginning July 1, 1999, the account is funded with quarterly assessments from employers and workers:

- Workers pay 0.5 percent of the worker's share of the medical aid fund premium.
- State fund employers pay 0.5 percent of the worker's share of the medical aid fund premium.
- Self-insured employers are assessed a pro rata share by the department.

If the account contains \$100,000 or more on the first day of a calendar quarter, there is no assessment for the account in the following calendar quarter.

Funds are transferred from the benefit repayment account to either the medical aid or accident fund, or to the self-insurer, as applicable, when an order under which benefits were paid during reconsideration or appeal was reversed and the director exercised his or her discretion to waive collection of the overpayment.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Requested February 9, 1999.

EFFECTIVE DATE: The bill contains an emergency clause and takes effect immediately.