

HOUSE BILL ANALYSIS

HB 2238

Brief Description: Implementing recommendations for industrial insurance.

Sponsors: Representatives Clements and Conway

Hearing: March 1, 1999

Brief Summary of Bill

- Requires the Department of Labor and Industries to develop a plan for implementing the recommendations of the Joint Legislative Audit Review Committee Workers' Compensation Performance Audit by September 15, 1999, and to report this plan to the Legislature by December 1, 1999.
- Requires a report on implementing Recommendation 2 of the audit (employer reporting) by September 15, 1999.

BACKGROUND:

Substitute Senate Bill 6030, enacted in 1997, required the Joint Legislative Audit and Review Committee to contract for a performance audit of the Washington workers' compensation system. The report was delivered in December 1998, and made 32 recommendations for modifying the system, including recommendations for:

- management of industrial insurance claims;
- regulation and oversight of self-insured employers and outside parties involved in claims procedures;
- dispute resolution;
- vocational rehabilitation services;
- workplace safety; and
- rate setting practices and the retrospective rating plan.

Recommendation 2 of the report addressed reporting of workplace injuries by the employer:
"The department should adopt an alternative system for the reporting of injuries under which the worker would report to the employer and the employer would report to the

department. An educational effort should be launched to promote this method of reporting."

SUMMARY OF BILL:

By September 15, 1999, the Department of Labor and Industries must develop a plan for implementing the recommendations reported in the Joint Legislative Audit and Review Committee's Workers' Compensation System Performance Audit, No. 98-9. The department must report the plan to the appropriate committees of the Legislature by December 1, 1999, including:

- recommendations that have been or will be implemented;
- recommendations that are not planned for implementation, with reasons for the decision; and
- recommendations for legislation that may be required.

The department's plan for implementing Recommendation 2 must be reported to the Legislature by September 15, 1999.

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

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.