H-0912.2		

HOUSE BILL 1927

State of Washington 56th Legislature 1999 Regular Session

By Representatives Conway, Wood, Cooper, Campbell, Hurst, McIntire, Keiser, Santos, Kenney, Cody and Kessler

Read first time 02/10/1999. Referred to Committee on Commerce & Labor.

- 1 AN ACT Relating to an injured worker bill of rights; amending RCW
- 2 51.28.070, 51.32.110, 51.32.160, 51.32.240, 51.36.060, 51.36.070, and
- 3 51.52.050; reenacting and amending RCW 51.52.060; creating a new
- 4 section; and declaring an emergency.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 51.28.070 and 1990 c 209 s 2 are each amended to read 7 as follows:
- 8 (1) Information contained in the claim files and records of injured
- 9 workers, under the provisions of this title, shall be deemed
- 10 confidential and shall not be open to public inspection (other than to
- 11 public employees in the performance of their official duties), but
- 12 representatives of a claimant, be it an individual or an organization,
- 13 may review a claim file or receive specific information therefrom upon
- 14 the presentation of the signed authorization of the claimant. A
- 15 claimant may review his or her claim file if the director determines,
- 16 pursuant to criteria adopted by rule, that the review is in the
- 17 claimant's interest.
- 18 (2) An employer((s)) or ((their)) its duly authorized
- 19 representatives may review any files of ((their)) its own injured

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- 1 workers only in connection with any pending claims under this title.
- 2 The employer or representatives may collect, use, or disclose only as
- 3 <u>much personal health information from the files as is reasonably</u>
- 4 necessary for purposes directly related to proceedings on the claim.
- 5 An employer may not use any personal health information collected about
- 6 <u>a worker under this title in making decisions concerning the hiring,</u>
- 7 termination, or promotion of the worker.
- 8 (3) Physicians treating or examining workers claiming benefits
- 9 under this title, or physicians giving medical advice to the department
- 10 regarding any claim may, at the discretion of the department, inspect
- 11 the claim files and records of injured workers, and other persons may
- 12 make such inspection, at the department's discretion, when such persons
- 13 are rendering assistance to the department at any stage of the
- 14 proceedings on any matter pertaining to the administration of this
- 15 title.
- 16 **Sec. 2.** RCW 51.32.110 and 1997 c 325 s 3 are each amended to read 17 as follows:
- 18 (1)(a) Any worker entitled to receive any benefits or claiming such
- 19 under this title shall, if requested by the department or self-insurer
- 20 <u>as authorized under this title</u>, submit himself or herself for medical
- 21 examination, at a time and from time to time, at a place reasonably
- 22 convenient for the worker and as may be provided by the rules of the
- 23 department. An injured worker, whether an alien or other injured
- 24 worker, who is not residing in the United States at the time that a
- 25 medical examination is requested may be required to submit to an
- 26 examination at any location in the United States determined by the
- 27 department or self-insurer.
- 28 (b) The worker may, at his or her own expense, have a
- 29 representative present at the medical examination. The representative
- 30 may observe the examination but not interfere with or obstruct the
- 31 <u>examination</u>. The worker or worker's representative may, at his or her
- 32 own expense, make an audio or video recording of the examination, if
- 33 the recording is made in an unobtrusive manner.
- 34 (2) If the worker refuses to submit to medical examination, or
- 35 obstructs the same, or, if any injured worker shall persist in
- 36 unsanitary or injurious practices which tend to imperil or retard his
- 37 or her recovery, or shall refuse to submit to such medical or surgical
- 38 treatment as is reasonably essential to his or her recovery or refuse

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or obstruct evaluation or examination for the purpose of vocational 1 rehabilitation or does not cooperate in reasonable efforts at such 2 rehabilitation, the department or the self-insurer upon approval by the 3 4 department, with notice to the worker may suspend any further action on any claim of such worker so long as such refusal, obstruction, 5 noncooperation, or practice continues and reduce, suspend, or deny any 6 7 compensation for such period: PROVIDED, That the department or the 8 self-insurer shall not suspend any further action on any claim of a 9 worker or reduce, suspend, or deny any compensation if a worker has 10 good cause for refusing to submit to or to obstruct any examination, evaluation, treatment or practice requested by the department or 11 required under this section. 12

(3) If the worker necessarily incurs traveling expenses in attending the examination pursuant to the request of the department, such traveling expenses shall be repaid to him or her out of the accident fund upon proper voucher and audit or shall be repaid by the self-insurer, as the case may be.

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- 18 (4)(a) If the medical examination required by this section causes 19 the worker to be absent from his or her work without pay:
- (i) In the case of a worker insured by the department, the worker shall be paid compensation out of the accident fund in an amount equal to his or her usual wages for the time lost from work while attending the medical examination; or
- (ii) In the case of a worker of a self-insurer, the self-insurer shall pay the worker an amount equal to his or her usual wages for the time lost from work while attending the medical examination.
- (b) This subsection (4) shall apply prospectively to all claims regardless of the date of injury.
- 29 **Sec. 3.** RCW 51.32.160 and 1995 c 253 s 2 are each amended to read 30 as follows:
- (1)(a) If aggravation, diminution, or termination of disability 31 32 takes place, the director may at any time, upon the application of the 33 beneficiary((, made within seven years from the date the first closing 34 order becomes final, or at any time)) or upon ((his or her)) the <u>director's</u> own motion, readjust the rate of compensation in accordance 35 36 with the rules in this section provided for the same, or in a proper case terminate the payment((: PROVIDED, That the director may, upon 37 38 application of the worker made at any time,)) or provide proper and

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- necessary medical and surgical services as authorized under RCW 51.36.010. The department shall promptly mail a copy of the application to the employer at the employer's last known address as shown by the records of the department.
- 5 (b) (("Closing order" as used in this section means an order based 6 on factors which include medical recommendation, advice, or 7 examination.

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- (c) Applications for benefits where the claim has been closed without medical recommendation, advice, or examination are not subject to the seven year limitation of this section. The preceding sentence shall not apply to any closing order issued prior to July 1, 1981. First closing orders issued between July 1, 1981, and July 1, 1985, shall, for the purposes of this section only, be deemed issued on July 1, 1985. The time limitation of this section shall be ten years in claims involving loss of vision or function of the eyes.
- (d)) If an order denying an application to reopen filed on or after July 1, 1988, is not issued within ninety days of receipt of such application by the self-insured employer or the department, such application shall be deemed granted. However, for good cause, the department may extend the time for making the final determination on the application for an additional sixty days.
- (2) If a worker receiving a pension for total disability returns to gainful employment for wages, the director may suspend or terminate the rate of compensation established for the disability without producing medical evidence that shows that a diminution of the disability has occurred.
- 27 (3) No act done or ordered to be done by the director, or the 28 department prior to the signing and filing in the matter of a written 29 order for such readjustment shall be grounds for such readjustment.
- 30 **Sec. 4.** RCW 51.32.240 and 1991 c 88 s 1 are each amended to read 31 as follows:
- (1) Whenever any payment of benefits under this title is made or withheld because of clerical error, mistake of identity, innocent misrepresentation by or on behalf of the recipient thereof mistakenly acted upon, or any other circumstance of a similar nature, all not induced by fraud, the recipient thereof shall be entitled to the benefits underpaid, or shall repay ((it)) the benefits overpaid and recoupment may be made from any future payments due to the recipient on

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any claim with the state fund or self-insurer, as the case may be. The recipient, department, or self-insurer, as the case may be, must make claim for such <u>underpayment</u>, repayment, or recoupment within one year of the making of any such payment or underpayment or it will be deemed any claim therefor has been waived. The director, pursuant to rules accordance with the adopted in procedures provided the administrative procedure act, chapter 34.05 RCW, may exercise his discretion to waive, in whole or in part, the amount of any such timely claim where the recovery would be against equity and good conscience.

- (2) Whenever the department issues an order rejecting a claim for benefits paid pursuant to RCW 51.32.190 or 51.32.210, after payment for temporary disability benefits has been paid by a self-insurer pursuant to RCW 51.32.190(3) or by the department pursuant to RCW 51.32.210, the recipient thereof shall repay such benefits and recoupment may be made from any future payments due to the recipient on any claim with the state fund or self-insurer, as the case may be. The director, under rules adopted in accordance with the procedures provided in the administrative procedure act, chapter 34.05 RCW, may exercise discretion to waive, in whole or in part, the amount of any such payments where the recovery would be against equity and good conscience.
- (3) Whenever any payment of benefits under this title has been made pursuant to an adjudication by the department or by order of the board or any court and timely appeal therefrom has been made where the final decision is that any such payment was made pursuant to an erroneous adjudication, the recipient thereof shall repay it and recoupment may be made from any future payments due to the recipient on any claim with the state fund or self-insurer, as the case may be. The director, pursuant to rules adopted in accordance with the procedures provided in the administrative procedure act, chapter 34.05 RCW, may exercise his discretion to waive, in whole or in part, the amount of any such payments where the recovery would be against equity and good conscience.
- (4) Whenever any payment of benefits under this title has been induced by fraud the recipient thereof shall repay any such payment together with a penalty of fifty percent of the total of any such payments and the amount of such total sum may be recouped from any future payments due to the recipient on any claim with the state fund or self-insurer against whom the fraud was committed, as the case may

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be, and the amount of such penalty shall be placed in the supplemental pension fund. Such repayment or recoupment must be demanded or ordered within one year of the discovery of the fraud.

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4 (5) The worker, beneficiary, or other person affected thereby shall 5 have the right to contest an order assessing an overpayment pursuant to this section in the same manner and to the same extent as provided 6 7 under RCW 51.52.050 and 51.52.060. In the event such an order becomes 8 final under chapter 51.52 RCW and notwithstanding the provisions of 9 subsections (1) through (4) of this section, the director, director's 10 designee, or self-insurer may file with the clerk in any county within the state a warrant in the amount of the sum representing the unpaid 11 overpayment and/or penalty plus interest accruing from the date the 12 13 order became final. The clerk of the county in which the warrant is filed shall immediately designate a superior court cause number for 14 15 such warrant and the clerk shall cause to be entered in the judgment 16 docket under the superior court cause number assigned to the warrant, 17 the name of the worker, beneficiary, or other person mentioned in the warrant, the amount of the unpaid overpayment and/or penalty plus 18 19 interest accrued, and the date the warrant was filed. The amount of 20 the warrant as docketed shall become a lien upon the title to and interest in all real and personal property of the worker, beneficiary, 21 22 or other person against whom the warrant is issued, the same as a judgment in a civil case docketed in the office of such clerk. 23 24 sheriff shall then proceed in the same manner and with like effect as 25 prescribed by law with respect to execution or other process issued 26 against rights or property upon judgment in the superior court. warrant so docketed shall be sufficient to support the issuance of 27 writs of garnishment in favor of the department or self-insurer in the 28 29 manner provided by law in the case of judgment, wholly or partially 30 unsatisfied. The clerk of the court shall be entitled to a filing fee of five dollars, which shall be added to the amount of the warrant. A 31 copy of such warrant shall be mailed to the worker, beneficiary, or 32 other person within three days of filing with the clerk. 33

The director, director's designee, or self-insurer may issue to any person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state, a notice to withhold and deliver property of any kind if there is reason to believe that there is in the possession of such person, firm, corporation, municipal corporation, political subdivision of the state, public

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corporation, or agency of the state, property that is due, owing, or 1 belonging to any worker, beneficiary, or other person upon whom a 2 warrant has been served for payments due the department or self-3 4 insurer. The notice and order to withhold and deliver shall be served by certified mail accompanied by an affidavit of service by mailing or 5 served by the sheriff of the county, or by the sheriff's deputy, or by 6 7 any authorized representative of the director, director's designee, or 8 self-insurer. Any person, firm, corporation, municipal corporation, 9 political subdivision of the state, public corporation, or agency of 10 the state upon whom service has been made shall answer the notice within twenty days exclusive of the day of service, under oath and in 11 writing, and shall make true answers to the matters inquired or in the 12 notice and order to withhold and deliver. In the event there is in the 13 possession of the party named and served with such notice and order, 14 15 any property that may be subject to the claim of the department or 16 self-insurer, such property shall be delivered forthwith to the 17 director, the director's authorized representative, or self-insurer upon demand. If the party served and named in the notice and order 18 19 fails to answer the notice and order within the time prescribed in this 20 section, the court may, after the time to answer such order has expired, render judgment by default against the party named in the 21 notice for the full amount, plus costs, claimed by the director, 22 23 director's designee, or self-insurer in the notice. In the event that 24 a notice to withhold and deliver is served upon an employer and the 25 property found to be subject thereto is wages, the employer may assert 26 in the answer all exemptions provided for by chapter 6.27 RCW to which 27 the wage earner may be entitled.

This subsection shall only apply to orders assessing an overpayment which are issued on or after July 28, 1991: PROVIDED, That this subsection shall apply retroactively to all orders assessing an overpayment resulting from fraud, civil or criminal.

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- 32 (6) Orders assessing an overpayment which are issued on or after 33 July 28, 1991, shall include a conspicuous notice of the collection 34 methods available to the department or self-insurer.
- 35 **Sec. 5.** RCW 51.36.060 and 1991 c 89 s 3 are each amended to read 36 as follows:
- 37 <u>(1)</u> Physicians examining or attending injured workers under this 38 title shall comply with rules ((and regulations)) adopted by the

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- 1 director, and shall make such reports as may be requested by the
- 2 department or self-insurer upon the condition or treatment of any such
- 3 worker, or upon any other matters concerning such workers in their
- 4 care. Except for information collected under RCW 49.17.210 and
- 5 49.17.250, and subject to RCW 51.28.070, all medical information in the
- 6 possession or control of any person and relevant to the particular
- 7 injury in the opinion of the department pertaining to any worker whose
- 8 injury or occupational disease is the basis of a claim under this title
- 9 shall be made available at any stage of the proceedings to the
- 10 employer, the claimant's representative, and the department upon
- 11 request((, and)) to be used only for purposes directly related to the
- 12 proceedings on the claim under this title.
- 13 (2) No person shall incur any legal liability by reason of
- 14 releasing ((such)) information as required by this section.
- 15 **Sec. 6.** RCW 51.36.070 and 1977 ex.s. c 350 s 60 are each amended
- 16 to read as follows:
- 17 (1) Subject to the requirements of this title, whenever the
- 18 director or the self-insurer deems it necessary ((in order to resolve
- 19 any medical issue, a)) to order a medical examination of a worker, the
- 20 worker shall submit to examination by a ((physician or physicians))
- 21 provider or providers selected by the director, with the rendition of
- 22 a report to the person ordering the examination and to the worker's
- 23 treating provider or providers, who must be given a reasonable
- 24 opportunity to respond to the report. The director, in his or her
- 25 discretion, may charge the cost of such examination or examinations to
- 26 the self-insurer or to the medical aid fund as the case may be. The
- 27 cost of said examination shall include payment to the worker of
- 28 reasonable expenses connected therewith.
- 29 (2) Examinations by the worker's treating provider or providers may
- 30 be ordered whenever necessary to resolve a medical issue. Examinations
- 31 by independent examiners may be ordered no more than twice in a
- 32 calendar year, except by agreement between the worker and the
- 33 <u>department or self-insurer</u>, and only in the following circumstances:
- 34 (a) To resolve a disagreement among the treating providers
- 35 concerning the best course of treatment or the need for continuing
- 36 <u>treatment;</u>
- 37 (b) To determine whether the worker's condition is fixed and stable
- 38 after completion of a course of treatment, if the treating provider

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- agrees that the course of treatment is complete. If the treating provider does not agree that the course of treatment is complete, an examination by an independent examiner may be ordered under this subsection only if the examiner is chosen by agreement between the worker and the department or self-insurer;
- 6 (c) To provide consultation to the worker's treating provider when
 7 the care of the worker has exceeded practice parameters established by
 8 the department. The consultation is limited to reviewing diagnoses,
 9 determining the reason that care has exceeded practice parameters,
 10 and/or providing suggestions for alternate diagnoses and treatment
 11 procedures.
- 12 (3) The course of treatment or care, including emergency services,
 13 for an accepted condition may not be interrupted or delayed pending the
 14 examination report of an independent examiner unless the director or
 15 designee finds that the treatment or care is not medically necessary.
 16 This subsection does not apply to procedures, determined by department
 17 rule, that can be delayed without harm to the injured worker until a
 18 consultation opinion is obtained.
- 19 (4) If the department or self-insurer relies on the report of an 20 independent examiner to deny, limit, or terminate benefits to a worker, 21 the examiner must be currently licensed, certified, or registered to 22 practice in the same field or specialty as the claimant's treating 23 provider or providers.

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- (5) Any provider licensed to practice in medicine and surgery under chapter 18.71 RCW, osteopathic medicine and surgery under chapter 18.57 RCW, podiatric medicine and surgery under chapter 18.22 RCW, dentistry under chapter 18.30 RCW, chiropractic under chapter 18.25 RCW, and psychology under chapter 18.83 RCW may be an independent examiner, within the appropriate scope of practice for the examination to be performed and subject to department rules regarding approval as an independent examiner.
- 32 (6) For purposes of this section, "independent examiner" means a 33 provider or panel of providers, none of whom are a treating provider 34 for the worker being examined.
- 35 <u>(7) This section does not apply to special examinations for</u> 36 <u>determining permanent disabilities.</u>
- 37 **Sec. 7.** RCW 51.52.050 and 1987 c 151 s 1 are each amended to read 38 as follows:

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(1) Whenever the department has made any order, decision, or award, 1 it shall promptly serve the worker, beneficiary, employer, or other 2 person affected thereby, with a copy thereof by mail, which shall be 3 4 addressed to such person at his or her last known address as shown by 5 the records of the department. The copy, in case the same is a final order, decision, or award, shall bear on the same side of the same page 6 on which is found the amount of the award, a statement, set in black 7 faced type of at least ten point body or size, that such final order, 8 decision, or award shall become final within sixty days from the date 9 10 the order is communicated to the parties unless a written request for reconsideration is filed with the department of labor and industries, 11 12 Olympia, or an appeal is filed with the board of industrial insurance appeals, Olympia((: PROVIDED, That)). However, a department order or 13 decision making demand, whether with or without penalty, for repayment 14 15 of sums paid to a provider of medical, dental, vocational, or other health services rendered to an industrially injured worker, shall state 16 17 that such order or decision shall become final within twenty days from the date the order or decision is communicated to the parties unless a 18 19 written request for reconsideration is filed with the department of 20 labor and industries, Olympia, or an appeal is filed with the board of 21 industrial insurance appeals, Olympia.

(2) Whenever the department has taken any action or made any decision relating to any phase of the administration of this title, the worker, beneficiary, employer, or other person aggrieved thereby may request reconsideration of the department, or may appeal to the board. If an employer requests reconsideration of a department order in favor of an injured worker, temporary total disability compensation or medical aid benefits granted to the worker by the order under reconsideration shall continue while the reconsideration is pending, subject to the requirements of RCW 51.32.240(3).

(3) In an appeal before the board, the appellant shall have the burden of proceeding with the evidence to establish a prima facie case for the relief sought in such appeal((: PROVIDED, That)). However, in an appeal from an order of the department that alleges fraud, the department or self-insured employer shall initially introduce all evidence in its case in chief. ((Any such)) A person aggrieved by the decision and order of the board may thereafter appeal to the superior court, as prescribed in this chapter.

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- Sec. 8. RCW 51.52.060 and 1995 c 253 s 1 and 1995 c 199 s 7 are each reenacted and amended to read as follows:
- 3 (1)(a) Except as otherwise specifically provided in this section, 4 a worker, beneficiary, employer, health services provider, or other person aggrieved by an order, decision, or award of the department 5 must, before he or she appeals to the courts, file with the board and 6 7 the director, by mail or personally, within sixty days from the day on 8 which a copy of the order, decision, or award was communicated to such 9 person, a notice of appeal to the board. However, a health services 10 provider or other person aggrieved by a department order or decision making demand, whether with or without penalty, solely for repayment of 11 sums paid to a provider of medical, dental, vocational, or other health 12 13 services rendered to an industrially injured worker must, before he or she appeals to the courts, file with the board and the director, by 14 15 mail or personally, within twenty days from the day on which a copy of 16 the order or decision was communicated to the health services provider 17 upon whom the department order or decision was served, a notice of appeal to the board. 18
- 19 (b) Failure to file a notice of appeal with both the board and the 20 department shall not be grounds for denying the appeal if the notice of 21 appeal is filed with either the board or the department.

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- (2) Within ten days of the date on which an appeal has been granted by the board, the board shall notify the other interested parties to the appeal of the receipt of the appeal and shall forward a copy of the notice of appeal to the other interested parties. Within twenty days of the receipt of such notice of the board, the worker or the employer may file with the board a cross-appeal from the order of the department from which the original appeal was taken.
- (3) If within the time limited for filing a notice of appeal to the board from an order, decision, or award of the department, the department directs the submission of further evidence or the investigation of any further fact, the time for filing the notice of appeal shall not commence to run until the person has been advised in writing of the final decision of the department in the matter. In the event the department directs the submission of further evidence or the investigation of any further fact, as provided in this section, the department shall render a final order, decision, or award within ninety days from the date further submission of evidence or investigation of further fact is ordered which time period may be extended by the

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- 1 department for good cause stated in writing to all interested parties 2 for an additional ninety days.
- 3 (4) The department, either within the time limited for appeal, or 4 within thirty days after receiving a notice of appeal, may:

- (a) Modify, reverse, or change any order, decision, or award; or
- 6 (b)(i) Except as provided in (b)(ii) of this subsection, hold an order, decision, or award in abeyance for a period of ninety days which time period may be extended by the department for good cause stated in writing to all interested parties for an additional ninety days pending further investigation in light of the allegations of the notice of appeal; or
- (ii) Hold an order, decision, or award issued under RCW 51.32.160 in abeyance for a period not to exceed ninety days from the date of receipt of an application under RCW 51.32.160. The department may extend the ninety-day time period for an additional sixty days for good cause.
- For purposes of this subsection, good cause includes delay that results from conduct of the claimant that is subject to sanction under RCW 51.32.110.
- The board shall deny the appeal upon the issuance of an order under (b)(i) or (ii) of this subsection holding an earlier order, decision, or award in abeyance, without prejudice to the appellant's right to appeal from any subsequent determinative order issued by the department.
- 25 This subsection (4)(b) does not apply to applications deemed 26 granted under RCW 51.32.160.
- (5) An employer shall have the right to appeal an application deemed granted under RCW 51.32.160 on the same basis as any other application adjudicated pursuant to that section.
- 30 (6) A provision of this section shall not be deemed to change, alter, or modify the practice or procedure of the department for the 31 payment of awards pending appeal. However, if an employer appeals to 32 the board a department order granting temporary total disability 33 34 compensation or medical aid benefits to a worker, the worker shall be 35 entitled to the compensation or medical aid benefits while the appeal is pending before the board, subject to the requirements of RCW 36 37 51.32.240(3).

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- NEW SECTION. Sec. 9. (1) Sections 2 and 6 of this act apply to all medical examinations, other than special examinations for determining permanent disabilities, ordered by the department of labor and industries or a self-insured employer under Title 51 RCW on or after the effective date of this act.
- 6 (2) Section 3 of this act applies to all claims filed under Title
 7 51 RCW on or after the effective date of this act and to all claims
 8 that are open, or remain subject to appeal, as of the effective date of
 9 this act, regardless of the date of injury.
- NEW SECTION. Sec. 10. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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