

# HOUSE BILL REPORT

## SSB 6428

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### As Reported by House Committee On:

Commerce & Labor

**Title:** An act relating to the role of the department of labor and industries in regards to health care providers.

**Brief Description:** Concerning industrial insurance health care providers.

**Sponsors:** Senate Committee on Commerce & Trade (originally sponsored by Senator Honeyford).

### Brief History:

#### Committee Activity:

Commerce & Labor: 2/26/04 [DPA].

#### Brief Summary of Substitute Bill (As Amended by House Committee)

- Allows the Department of Labor and Industries (Department) to petition for immediate suspension of a provider's eligibility to provide services to injured workers if the provider appeals a Department order terminating the provider's eligibility.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass as amended. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; McMorris, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse, Holmquist, Kenney and McCoy.

**Staff:** Chris Cordes (786-7103).

### Background:

The Director of the Department of Labor and Industries (Department) is responsible for supervising the prompt and efficient care and treatment provided to injured workers by health services providers. "Health services provider" or "provider" means any person or firm that provides any kind of services related to the treatment of injured workers.

To provide oversight of the health services provided to injured workers and to assure that workers receive the services for which the state fund pays, the Department is authorized to conduct audits and investigations of providers. The Department may also approve or deny applications from providers to participate as a provider of services to injured workers or may terminate or suspend the provider's eligibility to participate as a provider.

If the Department suspends a provider's eligibility to provide services to injured workers and the provider appeals that suspension to the Board of Industrial Insurance Appeals (BIIA), the Department's order generally will be stayed pending the outcome of the appeal.

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**Summary of Amended Bill:**

When a provider files an appeal with the BIIA from a Department order terminating the provider's authority to provide services to injured workers, the Department may request the BIIA for an expedited hearing on a petition to immediately suspend the provider's eligibility to provide services under the industrial insurance system pending the outcome of the appeal. The BIIA must grant the petition if it finds good cause to believe that injured workers may suffer serious physical or mental harm if the petition is not granted.

**Amended Bill Compared to Substitute Bill:**

The amendment deletes the provisions of the substitute bill that specified purposes for Department of Labor and Industries' audits of health services providers and established penalties for improper billing, overutilization, and failing to comply with agency rules.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** This bill provides the Department with additional authority to deal with providers who warrant discipline or who engage in overutilization. There has long been a significant concern about those providers who are actually harming injured workers. The Department needs to have a quick remedy in these cases. The business community would support a stronger version, but this compromise language will at least address those situations where there is a threat of harm to the workers. The bill's provisions will not affect the providers' appeal rights, but would remove a disincentive for the Department to pursue these cases. Even though the business community would like the

bill intact, it is prepared to support the amendment because progress is being made on these issues.

**Testimony Against:** None.

**Persons Testifying:** (In support) Senator Honeyford, prime sponsor; Clif Finch, Washington Food Industry; and Amber Balch Carter, Association of Washington Business.

**Persons Signed In To Testify But Not Testifying:** None.