

---

**Commerce & Labor Committee**

---

**HB 3060**

**Brief Description:** Authorizing the collection of labor and industries' overpayments and penalties from health care providers.

**Sponsors:** Representatives Kenney, Wood, Conway, McCoy and Chase; by request of Department of Labor & Industries.

**Brief Summary of Bill**

- Authorizes the Department of Labor and Industries to use statutory collection procedures against health care providers who are overpaid.

**Hearing Date:** 2/3/04

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

**Background:**

The Department of Labor and Industries (Department) is authorized to conduct audits of health services providers, including medical, chiropractic, dental, vocational, and other providers of services to injured workers. In these audits, the Department may examine records relating to services rendered to an injured worker that were reimbursed by the Department.

If a provider unintentionally receives reimbursement to which he or she was not entitled, the provider is required to repay the excess amount, plus interest. If the provider knowingly receives an overpayment because of willful false statement, willful misrepresentation of a material fact, or another fraudulent scheme, the provider must repay the excess amount, plus interest, and civil penalties of up to \$1,000 or three times the amount of the overpayment, whichever is greater. The provider is also subject to a class C felony, with a fine of up to \$25,000, for certain "knowing" violations. Civil penalties are deposited in the State General Fund.

The Department may also terminate or suspend a provider's eligibility to furnish services to injured workers and may deny applications to furnish these services.

To collect overpaid benefits from workers or unpaid premiums from employers, the Department, or self-insured employer in the case of overpaid benefits, is permitted to obtain a warrant in superior court on a final Department order. The warrant is treated like a judgment and becomes a lien on the property of the person named. The warrant may be executed in the same manner as other court judgments. This statutory collection authority does not apply to providers who fail to repay overpayments or penalties.

**Summary of Bill:**

The Department or self-insured employer is authorized to pursue the collection of unpaid overpayments, penalties, and interest from health care providers using the same procedures that are used to collect overpayments from workers.

**Rules Authority:** The bill does not contain provisions addressing the rule-making powers of an agency.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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