

SENATE BILL REPORT

SB 6775

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, February 4, 2010

Title: An act relating to creating a task force to study and report on the state's workers' compensation system.

Brief Description: Creating a task force to study and report on the state's workers' compensation system.

Sponsors: Senators Kohl-Welles and Keiser.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 2/01/10, 2/04/10 [DPS, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: That Substitute Senate Bill No. 6775 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Franklin, King and Kline.

Minority Report: Do not pass.

Signed by Senator Honeyford.

Staff: Mac Nicholson (786-7445)

Background: Workers compensation provides no-fault industrial insurance coverage for employers and employees in Washington. The workers compensation system is administered by the Department of Labor and Industries (L&I), and provides sure and certain relief for workers injured in their work. All employees in the state must be covered by either the state industrial insurance program (Washington State Fund) or be covered by a certified self-insured employer. Employers who provide industrial insurance coverage generally cannot be sued for damages when employees sustain work-related injuries. The Washington State Fund is financed by premiums collected from employers and employees.

The Workers' Compensation Advisory Committee (WCAC) was created by the Legislature in 1971 to conduct a continuing study of the workers' compensation system and advise L&I on

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matters pertaining to workers compensation. The WCAC meets quarterly and is composed of representatives of employers, employees, and the Board of Industrial Insurance Appeals.

Summary of Bill (Recommended Substitute): L&I must convene a task force to evaluate and recommend methods to:

- improve the coordination and provision of quality, timely medical treatment;
- improve outcomes for, and shorten the duration of, long-term disability claims; and
- refine and resolve systemic liabilities and long-term pension trends.

The task force consists of eight members appointed by the Director of L&I upon consultation with the WCAC and the Governor. Three members must be labor representatives, and three members must be business representatives. One labor and one business member must be members of the WCAC. The remaining members are a representative of L&I and a representative of the Governor's Office. The Director is encouraged to appoint individuals with practical experience or expertise in workers' compensation who are willing to maintain focus on the goals of the task force. Non-legislative members that do not represent an employer or organization are entitled to reimbursement for travel expenses.

The task force must select a chair or co-chairs from among members, and L&I may contract for a task force facilitator if funding is provided by the Legislature.

The task force must periodically report to the Director of L&I, the WCAC, and the appropriate standing committees of the Legislature. A final report including recommendations must be submitted to the Legislature in December 2010.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Substitute): The substitute added a representative of the Governor's Office to the task force, allows the task force to select a chair or chairs, and gives L&I the authority to contract for a task force facilitator if funding is provided.

Appropriation: None.

Fiscal Note: Available on Original Bill.

Committee/Commission/Task Force Created: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: There have been a number of task forces over the years that have had positive results. The workers compensation system is good, but it can be made better.

CON: Businesses have different perspectives about the concept and composition of this task force. The business community is frustrated with this approach and believe they have put forth a moderate proposition. Workers compensation task forces have been created many times, and the issues haven't changed. There is a lack of common ground, so there's a concern about whether the task force could progress in a positive manner. The charges of the

task force are too vague, and there are no legislators on the task force. L&I isn't a neutral, objective party, and shouldn't be the chair of the task force.

OTHER: The WCAC already exists, which has addressed many issues in the workers' compensation system. All parties are represented in the WCAC, and it is a forum that already exists and can produce results.

Persons Testifying: PRO: Michael Temple, Washington State Association for Justice.

CON: Kris Tefft, Association of Washington Business.

OTHER: David Johnson, Washington State Building Trades Council.