

# SENATE BILL REPORT

## SSB 5362

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As Passed Senate, March 11, 2013

**Title:** An act relating to recommendations of the vocational rehabilitation subcommittee for workers' compensation.

**Brief Description:** Addressing the recommendations of the vocational rehabilitation subcommittee for workers' compensation.

**Sponsors:** Senate Committee on Commerce & Labor (originally sponsored by Senators Conway, Holmquist Newbry, Keiser and Kohl-Welles; by request of Department of Labor & Industries).

**Brief History:**

**Committee Activity:** Commerce & Labor: 2/04/13, 2/15/13 [DPS].

Passed Senate: 3/11/13, 47-0.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** That Substitute Senate Bill No. 5362 be substituted therefor, and the substitute bill do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hasegawa, Hewitt, Keiser and King.

**Staff:** Mac Nicholson (786-7445)

**Background:** Injured workers are eligible for vocational rehabilitation benefits when they cannot return to their old job due to the effects of their injury, and they lack the training or skills for a different job to become employable. Vocational benefits are discretionary, and the Department of Labor and Industry (L&I) will notify the worker and the employer of benefit eligibility.

Legislation was enacted in 2007 that established a five year vocational training pilot program, known as the Vocational Improvement Project (VIP). Under the VIP, injured workers eligible for vocational benefits have 90 days to develop and submit a training plan to L&I, and employers have 15 days to offer the injured worker a job. Time-loss benefits and vocational plan development services will stop if the employer makes a valid job offer during the 15 day period. Vocational training benefit caps are increased under the VIP, and

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vocational plans are required to contain an accountability agreement detailing expectations and progress measures, among other requirements.

A vocational retraining plan includes a job goal based on the workers skills, interests, and medically documented limitations. L&I must approve or reject a submitted vocational plan, and if approved, the worker has must decide one of two options:

- The injured worker continues ahead with the approved vocational plan. The worker will continue to receive time-loss and medical benefits during vocational training as long as the worker actively participates in the plan and meets plan requirements.
- The injured worker receives a vocational award in an amount equal to six months of time-loss, and the claim is closed. The injured worker may pursue a retraining goal or program different than the one approved by L&I. Vocational funds will be available to the worker with some limitation for up to five years. Vocational funds can be used for tuition or training at L&I approved institutions or programs.

The VIP also established a vocational rehabilitation subcommittee to provide input and oversight of the program.

A final report on the VIP was submitted to the Legislature in December, 2012. The VIP will expire on June 30, 2013.

**Summary of Substitute Bill:** The sunset date for the vocational rehabilitation pilot project is extended three years to June 30, 2016.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony on Original Bill:** PRO: The bill asks to extend a sunset clause. There are a lot of positive outcomes associated with the results of the vocational rehabilitation program; however it is difficult to analyze because the program occurred during the recession, making it hard to get definite answers about the program. A three-year extension would give L&I more time to really study the program. L&I and the employer community work well together to develop effective policy in the vocational rehabilitation system, and there have been good outcomes, but some of the data collected so far has been impacted by the recession.

**Persons Testifying:** PRO: Joel Sacks, Vickie Kennedy, L&I; Terry Peterson, Comprehensive Risk Management, Workers' Compensation Vocational Rehabilitation Subcommittee; Rebecca Johnson, WA State Labor Council, Workers' Compensation Vocational Rehabilitation Subcommittee.