## HOUSE BILL 1887

State of Washington 63rd Legislature 2013 Regular Session

By Representatives Sawyer, Ryu, Green, and Freeman

Read first time 02/14/13. Referred to Committee on Labor & Workforce Development.

AN ACT Relating to increasing educational options under vocational rehabilitation plans; amending RCW 51.32.095 and 51.32.099; amending 2011 c 291 s 3 (uncodified); amending 2009 c 353 s 7 (uncodified); amending 2007 c 72 s 6 (uncodified); adding a new section to chapter 51.32 RCW; providing expiration dates; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. A new section is added to chapter 51.32 RCW to read as follows:

- (1) In the sole discretion of the supervisor or the supervisor's designee, a priority for the worker's vocational rehabilitation may include the worker obtaining his or her baccalaureate degree if:
  - (a) The degree would make the worker employable;

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- 13 (b) The priority is consistent with the worker's occupational goals 14 before the worker was injured; and
- 15 (c) The worker was in a baccalaureate degree program before being 16 injured.
- 17 (2) Subject to the limits on costs and plan duration established in 18 RCW 51.32.095 and 51.32.099, a vocational rehabilitation plan may 19 include provisions allowing the worker to apply vocational costs

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- towards tuition at a baccalaureate institution if the vocational 1 2 professional determines that the worker has the mental, physical, and financial capability to attend the baccalaureate institution of the 3 4 worker's choice. If the vocational costs allowed under RCW 51.32.095 are insufficient to pay for the full cost of tuition, books, and other 5 expenses required for the worker to attend the institution, the worker 6 7 must provide documentation showing that he or she has the financial 8 ability to pay for the remaining costs of tuition, books, and other 9 expenses.
  - (3) This section applies retroactively to plans approved after January 1, 2008. Subject to rules adopted by the department, a worker who has chosen to participate under a plan approved after January 1, 2008, may request a modification to his or her plan based on the priority established in this section. Nothing in this subsection allows for a plan to extend beyond the allowable time period established under RCW 51.32.095 or 51.32.099.
- 17 (4) The department must adopt rules to implement this section. The 18 rules must include provisions for workers to modify their plans under 19 appropriate circumstances.
- 20 **Sec. 2.** RCW 51.32.095 and 2011 c 291 s 1 are each amended to read 21 as follows:
  - (1) One of the primary purposes of this title is to enable the injured worker to become employable at gainful employment. end, the department or self-insurers shall utilize the services of individuals and organizations, public or private, whose experience, training, and interests in vocational rehabilitation and retraining qualify them to lend expert assistance to the supervisor of industrial insurance in such programs of vocational rehabilitation as may be reasonable to make the worker employable consistent with his or her physical and mental status. Where, after evaluation and recommendation by such individuals or organizations and prior to final evaluation of the worker's permanent disability and in the sole opinion of the supervisor or supervisor's designee, whether or not medical treatment has been concluded, vocational rehabilitation is both necessary and likely to enable the injured worker to become employable at gainful employment, the supervisor or supervisor's designee may, in his or her sole discretion, pay or, if the employer is a self-insurer, direct the

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- self-insurer to pay the cost as provided in subsection (4) of this section or RCW 51.32.099, as appropriate. An injured worker may not participate in vocational rehabilitation under this section or RCW 51.32.099 if such participation would result in a payment of benefits as described in RCW 51.32.240(5), and any benefits so paid shall be recovered according to the terms of that section.
  - (2) When in the sole discretion of the supervisor or the supervisor's designee vocational rehabilitation is both necessary and likely to make the worker employable at gainful employment, then the following order of priorities shall be used, unless there has been a determination that the alternative priority in section 1 of this act is appropriate:
    - (a) Return to the previous job with the same employer;

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- 14 (b) Modification of the previous job with the same employer 15 including transitional return to work;
- 16 (c) A new job with the same employer in keeping with any limitations or restrictions;
  - (d) Modification of a new job with the same employer including transitional return to work;
    - (e) Modification of the previous job with a new employer;
- 21 (f) A new job with a new employer or self-employment based upon 22 transferable skills;
  - (g) Modification of a new job with a new employer;
- (h) A new job with a new employer or self-employment involving onthe-job training;
  - (i) Short-term retraining and job placement.
  - (3) Notwithstanding subsection (2) of this section, vocational services may be provided to an injured worker who has suffered the loss or complete use of both legs, or arms, or one leg and one arm, or total eyesight when, in the sole discretion of the supervisor or the supervisor's designee, these services will either substantially improve the worker's quality of life or substantially improve the worker's ability to function in an employment setting, regardless of whether or not these services are either necessary or reasonably likely to make the worker employable at any gainful employment. Vocational services must be completed prior to the commencement of the worker's entitlement to benefits under RCW 51.32.060. However, workers who are eligible for

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vocational services under this subsection are not eligible for option 2 benefits, as provided in RCW 51.32.099(4).

- (4)(a) For vocational plans approved prior to July 1, 1999, costs for vocational rehabilitation benefits allowed by the supervisor or supervisor's designee under subsection (1) of this section may include the cost of books, tuition, fees, supplies, equipment, transportation, child or dependent care, and other necessary expenses for any such worker in an amount not to exceed three thousand dollars in any fifty-two week period, and the cost of continuing the temporary total disability compensation under RCW 51.32.090 while the worker is actively and successfully undergoing a formal program of vocational rehabilitation.
- (b) When the department has approved a vocational plan for a worker between July 1, 1999, through December 31, 2007, costs for vocational rehabilitation benefits allowed by the supervisor or supervisor's designee under subsection (1) of this section may include the cost of books, tuition, fees, supplies, equipment, child or dependent care, and other necessary expenses for any such worker in an amount not to exceed four thousand dollars in any fifty-two week period, and the cost of transportation and continuing the temporary total disability compensation under RCW 51.32.090 while the worker is actively and successfully undergoing a formal program of vocational rehabilitation.
- (c) The expenses allowed under (a) or (b) of this subsection may include training fees for on-the-job training and the cost of furnishing tools and other equipment necessary for self-employment or reemployment. However, compensation or payment of retraining with job placement expenses under (a) or (b) of this subsection may not be authorized for a period of more than fifty-two weeks, except that such period may, in the sole discretion of the supervisor after his or her review, be extended for an additional fifty-two weeks or portion thereof by written order of the supervisor.
- (d) In cases where the worker is required to reside away from his or her customary residence, the reasonable cost of board and lodging shall also be paid.
- 35 (e) Costs paid under this subsection shall be chargeable to the 36 employer's cost experience or shall be paid by the self-insurer as the 37 case may be.

(5) In addition to the vocational rehabilitation expenditures provided for under subsection (4) of this section and RCW 51.32.099, an additional five thousand dollars may, upon authorization of the supervisor or the supervisor's designee, be expended for: (a) Accommodations for an injured worker that are medically necessary for the worker to participate in an approved retraining plan; and (b) accommodations necessary to perform the essential functions of an occupation in which an injured worker is seeking employment, consistent with the retraining plan or the recommendations of a vocational evaluation. The injured worker's attending physician or licensed advanced registered nurse practitioner must verify the necessity of the modifications or accommodations. The total expenditures authorized in this subsection and the expenditures authorized under RCW 51.32.250 shall not exceed five thousand dollars.

(6) When the department has approved a vocational plan for a worker prior to January 1, 2008, regardless of whether the worker has begun participating in the approved plan, costs for vocational rehabilitation benefits allowed by the supervisor or supervisor's designee under subsection (1) of this section are limited to those provided under subsections (4) and (5) of this section.

For vocational plans approved for a worker between January 1, 2008, through June 30, ((2013)) 2016, total vocational costs allowed by the supervisor or supervisor's designee under subsection (1) of this section shall be limited to those provided under the pilot program established in RCW 51.32.099, and vocational rehabilitation services shall conform to the requirements in RCW 51.32.099.

- (7) The department shall establish criteria to monitor the quality and effectiveness of rehabilitation services provided by the individuals and organizations used under subsection (1) of this section and under RCW 51.32.099. The state fund shall make referrals for vocational rehabilitation services based on these performance criteria.
- (8) The department shall engage in, where feasible and cost-effective, a cooperative program with the state employment security department to provide job placement services under this section and RCW 51.32.099.
- (9) The benefits in this section and RCW 51.32.099 shall be provided for the injured workers of self-insured employers. Self-insurers shall report both benefits provided and benefits denied under

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this section and RCW 51.32.099 in the manner prescribed by the department by rule adopted under chapter 34.05 RCW. The director may, in his or her sole discretion and upon his or her own initiative or at any time that a dispute arises under this section or RCW 51.32.099, promptly make such inquiries as circumstances require and take such other action as he or she considers will properly determine the matter and protect the rights of the parties.

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- (10) Except as otherwise provided in this section or RCW 51.32.099, the benefits provided for in this section and RCW 51.32.099 are available to any otherwise eligible worker regardless of the date of industrial injury. However, claims shall not be reopened solely for vocational rehabilitation purposes.
- 13 **Sec. 3.** RCW 51.32.099 and 2011 c 291 s 2 are each amended to read 14 as follows:
  - (1)(a) The legislature intends to create improved vocational outcomes for Washington state injured workers and employers through legislative and regulatory change under a pilot program for the period of January 1, 2008, through June 30,  $((\frac{2013}{}))$  2016. This pilot vocational system is intended to allow opportunities for eligible workers to participate in meaningful retraining in high-demand occupations, improve successful return to work and achieve positive outcomes for workers, reduce the incidence of repeat vocational services, increase accountability and responsibility, and improve cost predictability. To facilitate the study and evaluation of the results of the proposed changes, the department shall establish the temporary funding of certain state fund vocational costs through the medical aid account to ensure the appropriate assessments to employers for the costs of their claims for vocational services in accordance with RCW 51.32.0991.
  - (b) An independent review and study of the effects of the pilot program shall be conducted to determine whether it has achieved the appropriate outcomes at reasonable cost to the system. The review shall include, at a minimum, a report on the department's performance with regard to the provision of vocational services, the skills acquired by workers who receive retraining services, the types of training programs approved, whether the workers are employed, at what jobs and wages after completion of the training program and at various

times subsequent to their claim closure, the number and demographics of workers who choose the option provided in subsection (4)(b) of this section, and their employment and earnings status at various times subsequent to claim closure. The department may adopt rules, in collaboration with the subcommittee created under (c)(iii) of this subsection, to further define the scope and elements of the required study. Reports of the independent researcher are due on December 1, 2010, December 1, 2011, and December 1, 2012.

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- (c) In implementing the pilot program, the department shall:
- Establish a vocational initiative project that includes participation by the department as a partner with WorkSource, the established state system that administers the federal workforce investment act of 1998. As a partner, the department shall place vocational professional full-time employees at pilot WorkSource locations; refer some workers for vocational services to these vocational professionals; and work with employers in work source pilot areas to market the benefits of on-the-job training programs and with community colleges to reserve slots in high employer demand programs of study as defined in RCW 28B.50.030. These on-the-job training programs and community college slots may be considered by both department and sector vocational professionals for vocational private The department will also assist stakeholders development. additional vocational training developing programs in various industries, including but not limited to agriculture and construction. These programs will expand the choices available to injured workers in developing their vocational training plans with the assistance of vocational professionals.
  - (ii) Develop and maintain a register of state fund and self-insured workers who have been retrained or have selected any of the vocational options described in this section for at least the duration of the pilot program.
  - (iii) Create a vocational rehabilitation subcommittee made up of members appointed by the director for at least the duration of the pilot program. This subcommittee shall provide the business and labor partnership needed to maintain focus on the intent of the pilot program, as described in this section, and provide consistency and transparency to the development of rules and policies. The subcommittee shall report to the director at least annually and

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recommend to the director and the legislature any additional statutory changes needed, which may include extension of the pilot period. The subcommittee shall provide input and oversight with the department concerning the study required under (b) of this subsection. The subcommittee shall provide recommendations for additional changes or incentives for injured workers to return to work with their employer of injury.

- (iv) The department shall develop an annual report concerning Washington's workers' compensation vocational rehabilitation system to the legislature and to the subcommittee by December 1, 2009, and annually thereafter with the final report due by December 1, ((2012)) 2015. The annual report shall include the number of workers who have participated in more than one vocational training plan beginning with plans approved on January 1, 2008, and in which industries those workers were employed. The final report shall include the department's assessment and recommendations for further legislative action, in collaboration with the subcommittee.
- (2)(a) For the purposes of this section, the day the worker commences vocational plan development means the date the department or self-insurer notifies the worker of his or her eligibility for plan development services or of an eligibility determination in response to a dispute of a vocational decision.
- (b) When the supervisor or supervisor's designee has decided that vocational rehabilitation is both necessary and likely to make the worker employable at gainful employment, he or she shall be provided with services necessary to develop a vocational plan that, if completed, would render the worker employable or, if the vocational plan is developed based on the alternative priority in section 1 of this act, would further the worker's educational goal. The vocational professional assigned to the claim shall, at the initial meeting with the worker, fully inform the worker of the return-to-work priorities set forth in RCW 51.32.095(2), the alternative priority in section 1 of this act, and of his or her rights and responsibilities under the workers' compensation vocational system. The department shall provide tools to the vocational professional for communicating this and other information required by RCW 51.32.095 and this section to the worker.
- (c) On the date the worker commences vocational plan development, the department shall also inform the employer in writing of the

employer's right to make a valid return-to-work offer during the first 1 2 fifteen days following the commencement of vocational plan development. However, at the sole discretion of the supervisor or the supervisor's 3 4 designee, an employer may be granted an extension of time of up to ten additional days to make a valid return-to-work offer. The additional 5 6 days may be allowed by the department with or without a request from 7 the employer. The extension may only be granted if the employer made 8 a return-to-work offer to the worker within fifteen days of the date 9 the worker commenced vocational plan development that met some but not all of the requirements in this section. To be valid, the offer must 10 be for bona fide employment with the employer of injury, consistent 11 12 with the worker's documented physical and mental restrictions as 13 provided by the worker's health care provider. When the employer makes a valid return-to-work offer, the vocational plan development services 14 and temporary total disability compensation shall be terminated 15 effective on the starting date for the job without regard to whether 16 the worker accepts the return-to-work offer. 17

(d) Following the time period described in (c) of this subsection, the employer may still provide, and the worker may accept, any valid return-to-work offer. The worker's acceptance of such an offer shall result in the termination of vocational plan development or implementation services and temporary total disability compensation effective the day the employment begins.

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- (3)(a) All vocational plans must contain an accountability agreement signed by the worker detailing expectations regarding progress, attendance, and other factors influencing successful participation in the plan. Failure to abide by the agreed expectations shall result in suspension of vocational benefits pursuant to RCW 51.32.110.
- (b) Any formal education included as part of the vocational plan must be for an accredited or licensed program or other program approved by the department. The department shall develop rules that provide criteria for the approval of nonaccredited or unlicensed programs.
- (c) The vocational plan for an individual worker must be completed and submitted to the department within ninety days of the day the worker commences vocational plan development. The department may extend the ninety days for good cause. Criteria for good cause shall

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be provided in rule. The frequency and reasons for good cause extensions shall be reported to the subcommittee created under subsection (1)(c)(iii) of this section.

- (d) Costs for the vocational plan may include books, tuition, fees, supplies, equipment, child or dependent care, training fees for on-the-job training, the cost of furnishing tools and other equipment necessary for self-employment or reemployment, and other necessary expenses in an amount not to exceed twelve thousand dollars. This amount shall be adjusted effective July 1 of each year for vocational plans or retraining benefits available under subsection (4)(b) of this section approved on or after this date but before June 30 of the next year based on the average percentage change in tuition for the next fall quarter for all Washington state community colleges.
- (e) The duration of the vocational plan shall not exceed two years from the date the plan is implemented. The worker shall receive temporary total disability compensation under RCW 51.32.090 and the cost of transportation while he or she is actively and successfully participating in a vocational plan.
- (f) If the worker is required to reside away from his or her customary residence, the reasonable cost of board and lodging shall also be paid.
- (4) Vocational plan development services shall be completed within ninety days of commencing. Except as provided in RCW 51.32.095(3), during vocational plan development the worker shall, with the assistance of a vocational professional, participate in vocational counseling and occupational exploration to include, but not be limited to, identifying possible job goals, training needs, resources, and expenses, consistent with the worker's physical and mental status. A vocational rehabilitation plan shall be developed by the worker and the vocational professional and submitted to the department or self-insurer. Following this submission, the worker shall elect one of the following options:
- (a) Option 1: The department or self-insurer implements and the worker participates in the vocational plan developed by the vocational professional and approved by the worker and the department or self-insurer. For state fund claims, the department must review and approve the vocational plan before implementation may begin. If the department takes no action within fifteen days, the plan is deemed

The worker may, within fifteen days of the department's 1 2 approval of the plan or of a determination that the plan is valid following a dispute, elect option 2. However, in the sole discretion 3 4 of the supervisor or supervisor's designee, the department may approve an election for option 2 benefits that was submitted in writing within 5 6 twenty-five days of the department's approval of the plan or of a 7 determination that the plan is valid following a dispute if the worker 8 provides a written explanation establishing that he or she was unable 9 to submit his or her election of option 2 benefits within fifteen days. 10 In no circumstance may the department approve of an election for option 11 2 benefits that was submitted more than twenty-five days after the department's approval of a retraining plan or of a determination that 12 13 a plan is valid following a dispute.

(i) Following successful completion of the vocational plan, any subsequent assessment of whether vocational rehabilitation is both necessary and likely to enable the injured worker to become employable at gainful employment under RCW 51.32.095(1) shall include consideration of transferable skills obtained in the vocational plan.

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- (ii) If a vocational plan is successfully completed on a claim which is thereafter reopened as provided in RCW 51.32.160, the cost and duration available for any subsequent vocational plan is limited to that in subsection (3)(d) and (e) of this section, less that previously expended.
- (b) Option 2: The worker declines further vocational services under the claim and receives an amount equal to six months of temporary total disability compensation under RCW 51.32.090. The award is payable in biweekly payments in accordance with the schedule of temporary total disability payments, until such award is paid in full. These payments shall not include interest on the unpaid balance. However, upon application by the worker, and at the discretion of the department, the compensation may be converted to a lump sum payment. The vocational costs defined in subsection (3)(d) of this section shall remain available to the worker, upon application to the department or self-insurer, for a period of five years. The vocational costs shall, if expended, be available for programs or courses at any accredited or licensed institution or program from a list of those approved by the department for tuition, books, fees, supplies, equipment, and tools, without department or self-insurer oversight. The department shall

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- issue an order as provided in RCW 51.52.050 confirming the option 2 1 2 election, setting a payment schedule, and terminating temporary total disability benefits effective the date of the order confirming that 3 4 The department shall thereafter close the claim. who elects option 2 benefits shall not be entitled to further temporary 5 total, or to permanent total, disability benefits except upon a showing 6 7 of a worsening in the condition or conditions accepted under the claim 8 such that claim closure is not appropriate, in which case the option 2 9 selection will be rescinded and the amount paid to the worker will be 10 assessed as an overpayment. A claim that was closed based on the 11 worker's election of option 2 benefits may be reopened as provided in 12 RCW 51.32.160, but cannot be reopened for the sole purpose of allowing 13 the worker to seek vocational assistance.
  - (i) If within five years from the date the option 2 order becomes final, the worker is subsequently injured or suffers an occupational disease or reopens the claim as provided in RCW 51.32.160, and vocational rehabilitation is found both necessary and likely to enable the injured worker to become employable at gainful employment under RCW 51.32.095(1), the duration of any vocational plan under subsection (3)(e) of this section shall not exceed eighteen months.
  - (ii) If the available vocational costs are utilized by the worker, any subsequent assessment of whether vocational rehabilitation is both necessary and likely to enable the injured worker to become employable at gainful employment under RCW 51.32.095(1) shall include consideration of the transferable skills obtained.
  - (iii) If the available vocational costs are utilized by the worker and the claim is thereafter reopened as provided in RCW 51.32.160, the cost available for any vocational plan is limited to that in subsection (3)(d) of this section less that previously expended.
    - (iv) Option 2 may only be elected once per worker.
  - (c) The director, in his or her sole discretion, may provide the worker vocational assistance not to exceed that in subsection (3) of this section, without regard to the worker's prior option selection or benefits expended, where vocational assistance would prevent permanent total disability under RCW 51.32.060.
- 36 (5)(a) As used in this section, "vocational plan interruption" 37 means an occurrence which disrupts the plan to the extent the 38 employability goal is no longer attainable. "Vocational plan

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- interruption" does not include institutionally scheduled breaks in educational programs, occasional absence due to illness, or modifications to the plan which will allow it to be completed within the cost and time provisions of subsection (3)(d) and (e) of this section.
- 6 (b) When a vocational plan interruption is beyond the control of 7 the worker, the department or self-insurer shall recommence plan 8 development. If necessary to complete vocational services, the cost 9 and duration of the plan may include credit for that expended prior to 10 the interruption. A vocational plan interruption is considered outside 11 the control of the worker when it is due to the closure of the 12 accredited institution, when it is due to a death in the worker's 13 immediate family, or when documented changes in the worker's accepted 14 medical conditions prevent further participation in the vocational 15 plan.
- 16 (c) When a vocational plan interruption is the result of the 17 worker's actions, the worker's entitlement to benefits shall be 18 suspended in accordance with RCW 51.32.110. If plan development or 19 implementation is recommenced, the cost and duration of the plan shall not include credit for that expended prior to the interruption. 20 21 vocational plan interruption is considered a result of the worker's 22 actions when it is due to the failure to meet attendance expectations 23 set by the training or educational institution, failure to achieve 24 passing grades or acceptable performance review, unaccepted 25 postinjury conditions that prevent further participation in the 26 vocational plan, or the worker's failure to abide by the accountability agreement per subsection (3)(a) of this section. 27
- 28 **Sec. 4.** 2011 c 291 s 3 (uncodified) is amended to read as follows: 29 This act expires June 30, ((2013)) 2016.
- 30 **Sec. 5.** 2009 c 353 s 7 (uncodified) is amended to read as follows: 31 Section 5 of this act expires June 30, ((2013)) 2016.
- 32 Sec. 6. 2007 c 72 s 6 (uncodified) is amended to read as follows: 33 This act expires June 30, ((2013)) 2016.
- 34 <u>NEW SECTION.</u> **Sec. 7.** Section 1 of this act expires June 30, 2016.

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- 1 NEW SECTION. Sec. 8. Section 2 of this act expires June 30, 2016.
- 2 <u>NEW SECTION.</u> **Sec. 9.** Section 3 of this act expires June 30, 2016.

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<u>NEW SECTION.</u> **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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