

# FINAL BILL REPORT

## SHB 1496

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Synopsis as Enacted

**Brief Description:** Addressing vocational rehabilitation by making certain recommendations from the vocational rehabilitation subcommittee permanent and creating certain incentives for employers to employ injured workers with permanent disabilities.

**Sponsors:** House Committee on Labor (originally sponsored by Representatives Sells, Gregerson and Ormsby; by request of Department of Labor & Industries).

**House Committee on Labor**  
**House Committee on Appropriations**  
**Senate Committee on Commerce & Labor**

### **Background:**

#### Vocational Rehabilitation.

One of the primary purposes of the Industrial Insurance Act is to enable injured workers to become employable at gainful employment. The Department of Labor and Industries (Department) pays, or directs self-insurers to pay, the costs of vocational rehabilitation services when these services are necessary and likely to enable the injured worker to become employable at gainful employment.

In 2007 a pilot program was created for improving vocational rehabilitation. Some of the significant provisions of the pilot program include:

- establishing timeframes for the Department to approve vocational rehabilitation plans and establishing accountability requirements for injured workers;
- increasing benefits for training and other costs, such as books, tuition, and tools (originally starting at \$12,000, the benefits are adjusted based on changes in tuition at the state community colleges, and is currently \$17,599);
- allowing a vocational rehabilitation plan to last up to two years;
- giving eligible workers an option to receive funds equal to six months of time-loss benefits to pursue self-directed training (called Option 2);
- placing vocational professionals at pilot WorkSource locations for job placement services.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The pilot program also created a vocational rehabilitation subcommittee to provide recommendations to the Department and the Legislature. The pilot program expires on June 30, 2016.

#### Preferred Worker Program.

The Preferred Worker Program (PWP) provides financial incentives to employers who hire workers that have been injured in previous employment. The worker must first be certified by the Department as a "preferred worker." An employer hiring a preferred worker does not pay Accident Fund or Medical Aid premiums on the preferred worker for as long as the worker is a certified "preferred worker" (which may not be more than 36 months). If the worker is injured on the job during the worker's certification period, the employer is not liable for the costs of the new claim and it will not affect the employer's experience rating.

#### Stay at Work.

While the PWP provides benefits for subsequent employers of injured workers, the Stay at Work program provides financial incentives for employers to keep an injured worker on the job with the same employer. The Stay at Work program includes benefits, such as:

- reimbursement to an the employer for 50 percent of the employee's base wages up to 66 days, not to exceed \$10,000 per claim within a 24-month period;
- funds for training, instruction, or materials, such as books, up to \$1,000 per claim;
- funds for tools, up to \$2,500 per claim; and
- funds for clothing, up to \$400 per claim.

#### **Summary:**

The vocational rehabilitation pilot program is modified and made permanent. Workers choosing Option 2 are provided an amount equal to nine months of temporary total disability compensation, rather than six months. Up to 10 percent of the worker's Option 2 funds may be used for vocational counseling and job placement services.

The total amount allowed for an individual worker's vocational plan may not exceed \$17,500, and the annual adjustment based on the average percentage change in community college tuition may not exceed 2 percent per year, with certain exceptions.

To encourage the employment of workers who have suffered permanent disability financial benefits similar to those in the Preferred Worker Program and Stay at Work Program are available to employers, including the employer of injury, who employ injured workers receiving vocational services. In addition, a one-time payment equal to 10 percent of the worker's wages or \$10,000, whichever is less, is available if the employer provides continuous employment to the worker without a reduction in the worker's base wages for at least 12 months. The financial benefits are available at the sole discretion of the Department.

The benefits are available to state fund employers and available to a self-insured employer only in cases where the worker was employed by a state fund employer at the time of injury.

Other changes are made to the vocational rehabilitation program. For example, the Department must partner with the private vocational rehabilitation community, as well as

with WorkSource, in a program to refer workers to vocational professionals. In addition, consequences of a worker failing to abide by an accountability agreement, include suspending the worker's opportunity to demonstrate good cause for refusing to submit to an examination, evaluation, treatment, or practice.

A vocational rehabilitation advisory committee is created. The Department must conduct a study to determine the impact on return-to-work outcomes, long-term disability, and claim costs. The Department must report back to the appropriate committees of the Legislature by December 1, 2018.

The Department may adopt rules governing the eligibility for and admission of benefits available under the vocational rehabilitation program.

**Votes on Final Passage:**

House	98	0
Senate	46	0

**Effective:** July 24, 2015