
Labor Committee

SSB 5418

Brief Description: Creating a pilot program to improve care for catastrophically injured workers.

Sponsors: Senate Committee on Commerce & Labor (originally sponsored by Senators Keiser, Braun, Parlette, McAuliffe, Benton and Conway).

Brief Summary of Substitute Bill

- Requires the Department of Labor and Industries (Department) to create a pilot program under which the Department contracts with a medical management firm for the medical management of and payment of costs for catastrophically injured workers.

Hearing Date: 3/26/15

Staff: Joan Elgee (786-7106).

Background:

Under the state's industrial insurance laws, workers who, in the course of employment, are injured or disabled from an occupational disease are entitled to benefits. Employers insure with the State Fund administered by the Department of Labor and Industries (Department) or, if qualified, may self-insure.

An injured worker may receive care from any provider who is a member of the Department's medical provider network. For the first visit or emergency room visit, however, a worker may also receive care from a non-network provider. The Department or self-insurer, as appropriate, pays providers according to a fee schedule established by the Department.

The Department recently conducted a gap analysis of catastrophic claims. In September, 2014, the Department released a report on the gap analysis that included a discussion of: (1) The current health care delivery system for catastrophic injuries, including key strengths; (2) a review

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of catastrophic claims data; (3) a review of gaps identified or perceived by staff and health care providers; and (4) a set of potential countermeasures for consideration. Gaps were identified in three areas: communication and coordination, data systems, and access to care. The Department has identified next steps to address the gaps. Catastrophic injuries include head trauma, paralysis, and amputation.

Summary of Bill:

The Department must create a pilot program under which the Department partners with a medical management firm (firm) for the medical management of catastrophically injured workers. The firm must have substantial experience in handling catastrophic workers' compensation cases, and have adequate medical, professional, and pharmacy providers and a network of health care facilities, suppliers, and services. The Department may establish minimum qualifications for the firm and case managers supporting the firm.

The firm must develop a treatment plan and contract which identifies and guarantees an outcome at a guaranteed price for each worker referred by the Department. If the Department agrees to the contract, the firm assumes responsibility for the medical management of the claim and the payment of all medical costs until the outcome is achieved. The firm should accommodate standard billing processes used by the Department. Providers transmit bills to the firm, who after payment provide a record of payment to the Department.

The Department must contract with the firm for services for at least 10 workers by December 31, 2016, and for at least an additional 10 workers in each of 2017 and 2018. The Department retains the authority to approve or deny any particular treatment.

Injured workers may elect to participate in the pilot program and retain the right to receive care from providers of their choice within the medical provider network.

The firm must make regular status reports to the Department and work with the Department to develop and report on criteria to evaluate the pilot program. Criteria include:

- whether the firm follows appropriate procedures in a timely fashion;
- quality of the communications and other factors affecting the relationship between the firm, worker, the Department, and those involved in the care and treatment of the worker;
- whether working with the firm helps address the gaps identified in the Department's 2014 gap analysis;
- whether working with the firm on catastrophic cases complements, informs, and improves the Department's handling of other cases; and
- whether working with the firm results in improved medical outcomes, increased return-to-work rates and/or better quality of life, and reduced costs.

If the Department demonstrates based on the firm's reporting that contracting for additional workers would be harmful to workers, the requirement to enter contracts in 2017 and 2018 does not apply. If the Department determines, based on the firm's reporting, that working with the firm on an ongoing basis will benefit workers and reduce costs, the Department may contract with the firm to provide services to all catastrophically injured workers.

The Department must provide a report to the Legislature each December through 2018.

For purposes of the pilot program, catastrophic injuries include acute brain injuries; major extremity or multiple extremity amputations, fractures, or crush injuries; multiple trauma injuries; severe burns; certain types of paralysis, and any other diagnosis determined by the Department to be catastrophic.

Appropriation: None.

Fiscal Note: Available.

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