

SENATE BILL REPORT

SB 5418

As Reported by Senate Committee On:
Commerce & Labor, February 13, 2015

Title: An act relating to creating a pilot program to improve care for catastrophically injured workers.

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

Sponsors: Senators Keiser, Braun, Parlette, McAuliffe, Benton and Conway.

Brief History:

Committee Activity: Commerce & Labor: 1/30/15, 2/13/15 [DPS].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5418 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Hasegawa, Ranking Minority Member; Conway, Keiser, King and Warnick.

Staff: Mac Nicholson (786-7445)

Background: The state Industrial Insurance Program provides medical and other benefits to workers who suffer a work-related injury or develop an occupational disease. Under the state's industrial insurance laws, employers must insure through the State Fund administered by the Department of Labor and Industries (L&I) or, if qualified, may self-insure. An injured worker can receive treatment for a work place injury from any qualified medical professional who is part of L&I's medical provider network.

L&I developed a catastrophic injury coordination plan to respond to catastrophically injured workers. Catastrophic injuries include burns, spinal cord injuries, amputations, brain injuries, and multiple trauma injuries. L&I conducted a gap analysis of catastrophic claims and released a report in September 2014, that included a discussion of the current health care delivery system for catastrophic injuries, a review of gaps identified or perceived by staff and health care providers, and a set of potential countermeasures for consideration.

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.

Summary of Bill (Recommended Substitute): L&I must create a pilot program under which the department partners with a medical management firm for the treatment and medical management of catastrophically injured workers.

The medical firm selected by L&I must have substantial experience in handling catastrophic workers' compensation cases. The firm must develop a treatment plan and contract for each injured worker which identifies and guarantees an outcome for a guaranteed price. If L&I agrees to the contract, the firm assumes responsibility for medical management and the payment of all medical costs until the outcome has been achieved. The firm should accommodate standard billing processes currently used, and after payment of bills from medical providers, the firm must provide a record of the payment to L&I. The firm must make regular status reports and work with L&I to develop and report on criteria to evaluate the pilot program.

L&I must contract with the firm for at least ten cases in 2016, and an additional ten cases per year in 2017 and 2018, unless L&I demonstrates that doing so would be harmful to the injured worker. L&I retains the authority to approve or deny any particular treatment; may establish minimum qualifications for the firm and case managers supporting the firm; and must ensure the firm has adequate providers and a network of facilities.

Injured workers, in consultation with their attending physician and L&I, may participate in the pilot program and retain the right to receive care from providers of their choice within L&I's medical provider network.

A report on the pilot program is due each December through 2018.

**EFFECT OF CHANGES MADE BY COMMERCE & LABOR COMMITTEE
(Recommended Substitute):**

- Adds language in the intent section regarding the medical management firm deploying collaborative care and utilizing centers of excellence and/or the state's center of occupational health and education. The goal of the pilot is to improve health outcomes, and additional goals include increased activities of daily living, potential for volunteer activities, and full or part-time work.
- Instead of ten years of experience, the medical management firm must have substantial experience.
- The pilot starts September 2015, rather than July 2015, and the dates by which L&I must contract for services in the bill are pushed back one year.
- Injured workers may elect to participate, in consultation with their attending physician and L&I, and can receive treatment from providers in the medical provider network.
- The medical management firm should accommodate standard provider billing processes. Medical providers will transmit bills to the firm, who must after payment provide record of payment to L&I.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill is about improving care and outcomes for catastrophically injured workers. This will also lower costs in the system. The bill is about thoughtful innovation that has worked in a number of other states. The bill is about appropriate partnerships in the worker compensation system and accountability. This is a low-risk approach with a high probability of success.

CON: There is a general concern about the approach of the legislation. L&I currently has the flexibility to get input and other experts to provide these types of services. This bill may undercut some of the 2011 reforms with respect to Centers for Occupational Health and Medicine (COHEs), particularly the Harborview COHE. This may take some opportunity away from that organization to develop and demonstrate lessons that can be applied throughout the system.

OTHER: Improved care for catastrophically injured workers is a shared concern and goal. L&I is implementing solutions to issues identified in a gap analysis. The pilot approach needs to be transparent and should have a robust evaluation process. The bill shouldn't get in the way of what's going on at Harborview, which is a national model. There should be more clarity and definition in the bill.

Persons Testifying: PRO: Senator Keiser, prime sponsor: Jonathan Seib, Scott Goll, Bill Baker, Paradigm Outcomes, SVP.

CON: Joe Kendo, WA State Labor Council, AFL-CIO.

OTHER: Vickie Kennedy, L&I; Michael Temple, WA State Assn. for Justice.