
SUBSTITUTE SENATE BILL 5418

State of Washington

64th Legislature

2015 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators Keiser, Braun, Parlette, McAuliffe, Benton, and Conway)

READ FIRST TIME 02/16/15.

1 AN ACT Relating to creating a pilot program to improve care for
2 catastrophically injured workers; adding a new section to chapter
3 51.36 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds:

6 (1) Each year, only a small percentage of industrial insurance
7 cases in Washington involve catastrophic workplace injuries, yet they
8 exact a tremendous toll on affected individuals and their families,
9 and impose disproportionately high costs on the industrial insurance
10 system.

11 (2) The state has nothing in place specifically to address the
12 unique nature and demands of cases involving catastrophic workplace
13 injury. A recent analysis by the department of labor and industries
14 identified numerous significant gaps in the care received by these
15 injured workers under the state's current industrial insurance
16 system.

17 (3) To remedy these gaps with the appropriate urgency will
18 require innovative approaches, including new partnerships by the
19 state with those having expertise, experience, and demonstrated
20 success in meeting the needs of catastrophically injured workers.

1 The legislature therefore intends to create a pilot program
2 whereby an experienced medical management firm deploying
3 collaborative care and utilizing centers of excellence and/or the
4 state's center of occupational health and education, partner with the
5 department of labor and industries. The goal of the pilot program is
6 to substantially improve the health outcomes of catastrophically
7 injured workers. Additional goals include achieving increased
8 activities of daily living, a better quality of life, potential for
9 volunteer activities or a full or part time return-to-work position,
10 and reduced costs to the industrial insurance program.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.36
12 RCW to read as follows:

13 (1) The department will undertake to implement a pilot program
14 under which:

15 (a) The department partners with a medical management firm with
16 substantial experience in handling catastrophic workers compensation
17 cases and refers catastrophically injured workers to the firm
18 beginning September 1, 2015.

19 (b) The partner firm must develop a treatment plan and contract
20 for each injured worker referred by the department which identifies
21 and guarantees an outcome, the steps needed to achieve the outcome,
22 and a guaranteed price to achieve the outcome.

23 (c) If the department agrees to the contract, the partner firm
24 will assume responsibility at the guaranteed price for the medical
25 management and the payment of all medical costs until the guaranteed
26 outcome has been achieved.

27 (d) The department must contract with the partner firm prior to
28 December 31, 2016, to provide services for at least ten
29 catastrophically injured workers. The department must contract for
30 services for at least an additional ten catastrophically injured
31 workers in each of 2017 and 2018 unless the department demonstrates
32 based on the information reported under subsection (3) of this
33 section that doing so would be harmful to the injured workers.

34 (e) Injured workers, in consultation with their attending
35 physician and the department, may elect to participate in the pilot
36 program and retain the right to receive care from providers of his or
37 her choice within the medical provider network.

38 (f) The department retains the exclusive authority to approve or
39 deny particular treatment. The department may establish minimum

1 qualifications for the medical management firm and case managers
2 supporting the firm. When evaluating potential partner firms, the
3 department must ensure the firm has in place adequate medical,
4 professional, and pharmacy providers and a network of health care
5 facilities, suppliers, and services.

6 (g) The medical management firm should accommodate standard
7 provider billing processes currently used by the department. Medical
8 providers shall transmit all bills for treatment of pilot program
9 participants to the partner firm, who must after payment provide
10 record of payment to the department.

11 (2) For the purposes of the pilot program, catastrophic injuries
12 include acute brain injuries; major extremity or multiple extremity
13 amputations, fractures, or crush injuries; multiple trauma injuries;
14 severe burns; paraplegia, quadriplegia, hemiplegia, and diplegia; and
15 any other medical diagnosis determined by the department to be
16 catastrophic.

17 (3) The partner firm must make regular status reports to the
18 department throughout treatment, and work with the department to
19 develop and report on criteria to evaluate the pilot program. The
20 criteria must address, but are not limited to:

21 (a) Whether the partner firm follows appropriate procedures in a
22 timely fashion;

23 (b) The quality of the communication and other factors affecting
24 the working relationship between the partner firm, the injured
25 worker, the department, and those involved in the care and treatment
26 of the injured worker;

27 (c) Whether working with the partner firm helps address the gaps
28 in care and treatment identified by the department in its September
29 2014 catastrophic claims gap analysis;

30 (d) Whether working with the partner firm on cases involving
31 catastrophic injury complements, informs, and improves the
32 department's handling of other industrial insurance cases; and

33 (e) Whether working with the partner firm results in improved
34 medical outcomes, increased return-to-work rates and/or better
35 quality of life for catastrophically injured workers, and reduced
36 industrial insurance costs.

37 (4) If at any point the department determines, based on the
38 information reported under subsection (3) of this section, that
39 working with the partner firm on an ongoing basis will benefit
40 catastrophically injured workers and reduce industrial insurance

1 costs, the department may contract with the partner firm to provide
2 services to all catastrophically injured workers.

3 (5) The department must provide a written report on the pilot
4 program to the legislature each December through 2018.

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