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SENATE BILL 5418

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State of Washington                      64th Legislature                      2015 Regular Session

By Senators Keiser, Braun, Parlette, McAuliffe, Benton, and Conway

Read first time 01/21/15. Referred to Committee on Commerce & Labor.

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 partners with the  
3 department of labor and industries in being responsible for the  
4 medical management and treatment of catastrophically injured workers,  
5 with the goal of improved medical outcomes, increased return-to-work  
6 rates and/or better quality of life, and reduced industrial insurance  
7 costs.

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

10       (1) The department must implement a pilot program under which:

11       (a) The department partners with a medical management firm with  
12 at least ten years' experience in handling catastrophic workers  
13 compensation cases and refers catastrophically injured workers to the  
14 firm beginning July 1, 2015.

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

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

23       (d) The department must contract with the partner firm prior to  
24 December 31, 2015, to provide services for at least ten  
25 catastrophically injured workers. The department must contract for  
26 services for at least an additional ten catastrophically injured  
27 workers in each of 2016 and 2017 unless the department demonstrates  
28 based on the information reported under subsection (3) of this  
29 section that doing so would be harmful to the injured workers.

30       (e) Injured workers participating in the pilot program retain the  
31 right to receive care from providers of his or her choice within the  
32 medical provider network, and may choose to receive care from medical  
33 providers and specialists outside the network based on  
34 recommendations of the partner firm.

35       (f) The department retains the exclusive authority to approve or  
36 deny particular treatment. The department may establish minimum  
37 qualifications for the medical management firm and case managers  
38 supporting the firm. When evaluating potential partner firms, the  
39 department must ensure the firm has in place adequate medical,

1 professional, and pharmacy providers and a network of health care  
2 facilities, suppliers, and services.

3 (2) For the purposes of the pilot program, catastrophic injuries  
4 include acute brain injuries; major extremity or multiple extremity  
5 amputations, fractures, or crush injuries; multiple trauma injuries;  
6 severe burns; paraplegia, quadriplegia, hemiplegia, and diplegia; and  
7 any other medical diagnosis determined by the department to be  
8 catastrophic.

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

13 (a) Whether the partner firm follows appropriate procedures in a  
14 timely fashion;

15 (b) The quality of the communication and other factors affecting  
16 the working relationship between the partner firm, the injured  
17 worker, the department, and those involved in the care and treatment  
18 of the injured worker;

19 (c) Whether working with the partner firm helps address the gaps  
20 in care and treatment identified by the department in its September  
21 2014 catastrophic claims gap analysis;

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

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

29 (4) If at any point the department determines, based on the  
30 information reported under subsection (3) of this section, that  
31 working with the partner firm on an ongoing basis will benefit  
32 catastrophically injured workers and reduce industrial insurance  
33 costs, the department may contract with the partner firm to provide  
34 services to all catastrophically injured workers.

35 (5) The department must provide a written report on the pilot  
36 program to the legislature each December through 2017.

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