

HOUSE BILL REPORT

HB 1927

As Reported by House Committee On:
Labor & Workplace Standards

Title: An act relating to reducing the number of days that a worker's temporary total disability must continue to receive industrial insurance compensation for the day of an injury and the three-day period following the injury.

Brief Description: Reducing the number of days that a worker's temporary total disability must continue to receive industrial insurance compensation for the day of an injury and the three-day period following the injury.

Sponsors: Representatives Bronoske, Berry, Ortiz-Self, Reed, Ormsby, Kloba, Doglio, Lekanoff, Fosse and Pollet.

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/10/24, 1/19/24 [DP].

Brief Summary of Bill

- Reduces the number of days—from 14 to 7—that a temporary total disability must continue to receive workers' compensation time-loss benefits for the first three days following the injury.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass. Signed by 7 members: Representatives Berry, Chair; Fosse, Vice Chair; Bronoske, Doglio, Ormsby, Ortiz-Self and Rude.

Minority Report: Without recommendation. Signed by 2 members: Representatives Schmidt, Ranking Minority Member; Ybarra.

Staff: Kelly Leonard (786-7147).

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

Background:

Workers who are injured or disabled in the course of employment are entitled to certain benefits through the workers' compensation program, which is administered by the Department of Labor and Industries (L&I). Benefits may include medical costs, temporary wage replacement, vocational rehabilitation benefits, and permanent disabilities benefits.

A worker may be entitled to a partial replacement of wages, also referred to as time-loss compensation, if the worker is temporarily unable to work as a result of an occupational injury or disease. In order to qualify for time-loss compensation, a health care provider must certify that the worker is unable to work due to a work-related injury or illness, also referred to as a temporary total disability.

Time-loss compensation is paid to a worker only if the worker is unable to work for more than three days following the date of the injury. Further, the worker does not receive time-loss compensation for those first three days unless they are still unable to work on the fourteenth day following the injury.

The amount of time-loss compensation is a percentage of the worker's typical wages, adjusted based on the worker's family status and number of dependents and subject to minimum and maximum amounts.

Summary of Bill:

The number of days that a temporary total disability must continue to receive workers' compensation time-loss benefits for the first three days following the injury is reduced to seven days.

Appropriation: None.**Fiscal Note:** Preliminary fiscal note available.**Effective Date:** The bill contains multiple effective dates. Please see the bill.**Staff Summary of Public Testimony:**

(In support) Current law does not allow for time-loss compensation for the first three days following a workplace injury unless the worker is still unable to work for at least 14 days. This is not fair. The bill would reduce this to seven days. This will help workers who do not have adequate resources to offset the loss of three days of wages, particularly in the construction industry. This type of loss has a significant impact on working families. It is

also important to avoid creating a disincentive on returning to work. Workers' compensation is designed to make workers whole for their losses while promoting workplace safety. This bill aligns with the goals of the system.

(Opposed) The bill will cause significant financial strain on employers by unnecessarily increasing rates. A single workers' compensation claim can cause an employer's rates to increase significantly. The bill will compound the problem. These payments are paid solely from the Accident Fund, which is financed by employers. It will also be difficult for L&I to administer and for workers to maneuver through, and it may increase instances of overpayments. Further, this policy change is unnecessary. Washington already provides some of the highest workers' compensation benefits in the nation.

(Other) The bill unfairly burdens small businesses. It will have a significant impact on workers' compensation rates, which are paid by the employer. Workers do not pay deductibles like in other contexts. It is important for workers to follow workplace safety rules, and the state should not reward workers who do not follow those rules.

The bill will not change L&I's process for issuing checks for time-loss payments due to a separate statute requiring payments to be made within 14 days. The bill will not change the administrative process for issuing the checks; instead, for qualifying workers, it will increase the amount of the first check by accounting for the first three days. These first payments are not based on final and binding orders, which means L&I may need to collect an overpayment in some instances.

Persons Testifying: (In support) Representative Dan Bronoske, prime sponsor; Erin Frasier, Washington State Building and Construction Trades; Raymond Dumas, Operative Plasterers' and Cement Masons' International Association Local 528; and Chad Campbell, International Union of Operating Engineers Local 612.

(Opposed) Tom Kwieciak, Building Industry Association of Washington; and Robert Battles, Association of Washington Business.

(Other) Rose Gundersen, Washington Retail Association; and Brenda Heilman, Department of Labor and Industries.

Persons Signed In To Testify But Not Testifying: None.