

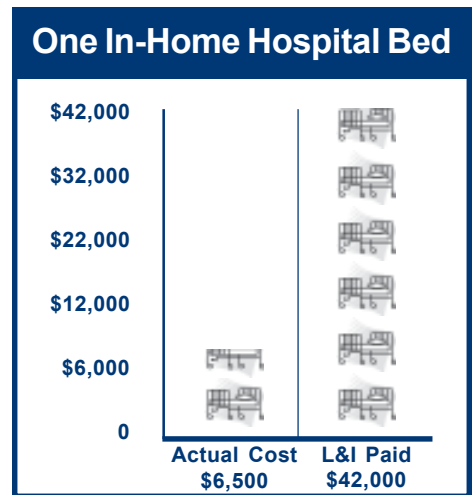
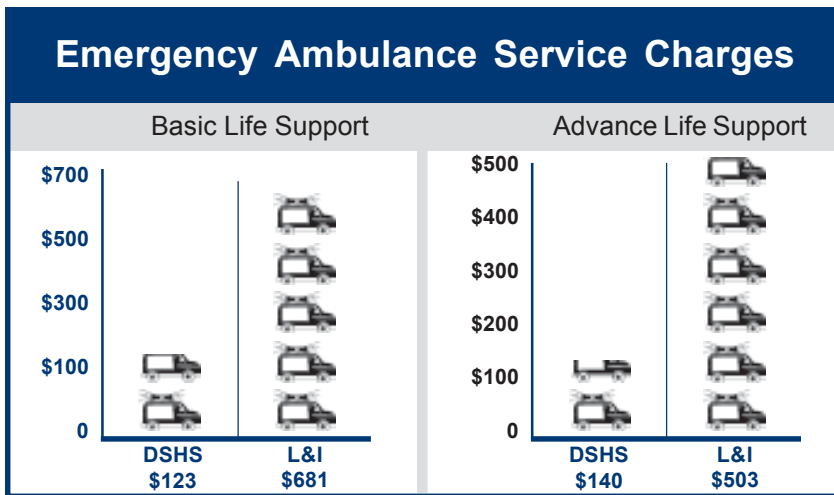
Why L&I is the state's most inefficient agency

While most state agencies, such as the Department of Health and Human Services, have fee schedule policies to provide reasonable compensation to medical providers for all services, the Department of Labor & Industries has no such schedule for many services.

L&I has no established maximum for certain services. For instance, L&I will pay whatever is billed by an ambulance service. The graphs below illustrate the staggering bills

L&I routinely pays for medical services, compared to what DSHS will pay.

Based on a comparison with DSHS fees, L&I paid \$624,000 more to just one ambulance company in 1999 than the agency would have paid had L&I implemented a fee schedule policy. Experts estimate L&I could have saved \$2.4 million just in unnecessary ambulance fees over a four year period with a fee schedule similar to that used by DSHS.



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2002. So far, claims costs are in excess of \$47,000 with an additional \$80,000 in expected costs. In another case, where the accident itself is in question, an illegal worker has received \$93,000 in benefits with another \$53,000 set aside in reserve.

The good news is that in both cases, the employers involved followed the advice of their BIAW Claims Specialist and offered light duty jobs to the workers contingent upon the workers providing legal documentation. When no such documentation was produced, the job offers were considered to be declined by the workers and L&I claim managers stopped the payment of time-loss benefits to the workers.

The bad news is that L&I supervisors overturned both decisions because simply being an illegal worker is not grounds for disallowing a claim.

Twist of Fate

But it didn't end there. In a twist of bureaucratic fate, the employers were prohibited from hiring the workers back to perform light duty since they were now known to be illegal—the employer would be in violation of immigration and labor laws. With the employers barred from providing light duty jobs, these illegal workers have remained on time-loss, collecting benefits longer than legal workers could.

What message does this send to legal and illegal workers? 🏠

"L&I (The Dept. of Labor and Industries) is another agency that is my poster child for poor organization and poor thought process.

The biggest frustration for business and for individuals dealing with L&I is that you can't get a straight answer out of the people that have to decide something."

—Democrat gubernatorial candidate Phil Talmadge, addressing a candidate's forum sponsored by the Association of Washington Business, expressing his belief that L&I is in desperate need of restructuring, AWB meeting, February 2004