

# SENATE BILL REPORT

## SB 6149

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As of January 30, 2014

**Title:** An act relating to contractor liability for industrial insurance premiums for not-for-profit nonemergency medicaid transportation brokers.

**Brief Description:** Addressing contractor liability for industrial insurance premiums for not-for-profit nonemergency medicaid transportation brokers.

**Sponsors:** Senators Angel, Rolfes and Sheldon.

**Brief History:**

**Committee Activity:** Commerce & Labor: 1/22/14.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Staff:** Mac Nicholson (786-7445)

**Background:** Under state industrial insurance statutes, a contractor is liable for the unpaid workers' compensation premiums of any subcontractor. In the construction industry, a contractor can shield themselves from liability for a subcontractor's unpaid premiums by ensuring that the subcontractor meets certain requirements, including having an industrial insurance account in good standing with the Department of Labor and Industries (L&I) or being a self-insurer.

Medicaid clients in Washington are provided nonemergency medical transportation to and from covered services, such as doctor's appointments. Transportation brokers contract with the state to arrange, coordinate, and manage nonemergency medical transportation for Medicaid clients.

**Summary of Bill:** Nonemergency transportation brokers that operate as nonprofits are not liable for subcontractor premiums if the subcontractors have an industrial insurance account in good standing with L&I or are self-insurers.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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*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.*

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

**Staff Summary of Public Testimony:** PRO: Nonprofit transportation entities are okay with doing their due diligence when hiring a subcontractor, but they should not be held responsible when a subcontractor is fined as a result of an L&I audit and the subcontractor is not around anymore. A prime contractor who already conducts a quarterly check on its subcontractors' L&I accounts should be able to rely on that information.

**Persons Testifying:** PRO: Ann Kennedy, Paratransit Services.