

under shall be served on the distributor within three years from the date upon which such additional taxes became due.

Passed the House March 26, 1965.

Passed the Senate March 23, 1965.

Approved by the Governor April 6, 1965.

CHAPTER 80.

[House Bill No. 318.]

INDUSTRIAL INSURANCE—PAYROLL REPORTS—
MEDICAL AID CONTRACTS.

AN ACT relating to industrial insurance; amending section 51.16.060, chapter 23, Laws of 1961 and RCW 51.16.060; and amending section 51.40.020, chapter 23, Laws of 1961, as amended by section 1, chapter 36, Laws of 1965, and RCW 51.40.020.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Section 51.16.060, chapter 23, Laws of 1961 and RCW 51.16.060 are each amended to read as follows:

RCW 51.16.060 amended.

Every employer shall, on or before the last day of January, April, July and October of each year hereafter, furnish the department with a true and accurate payroll and the aggregate number of workmen hours, during which workmen were employed by him during the preceding calendar quarter, the total amount paid to such workmen during such preceding calendar quarter, and a segregation of employment in the different classes provided in this title, and shall pay his premium thereon to the accident fund and medical aid fund. The sufficiency of such statement shall be subject to the approval of the director: *Provided*, That the director may in his discretion and for the effective administration of this title require an em-

Industrial insurance. Quarterly reports—As basis for closing account.

ployer in individual instances to furnish a supplementary report containing the name of each individual workman, his hours worked, his rate of pay and the class or classes in which such work was performed: *Provided, further,* That in the event an employer shall furnish the department with four consecutive quarterly reports wherein each such quarterly report indicates that no premium is due the department may close the account.

RCW 51.40.020 amended.

SEC. 2. Section 51.40.020, chapter 23, Laws of 1961 as amended by section 1, chapter 36, Laws of 1965, and RCW 51.40.020 are each amended to read as follows:

Industrial insurance. Medical aid contracts. Contract approval.

Before any medical aid contract shall go into effect it shall be submitted to the supervisor of industrial insurance and may be disapproved by him when found not to provide for such care of injured workmen as is contemplated by the provisions of RCW 51.04.030 and, if a contract so submitted is with the owners of a hospital operating the same, or with a hospital association, the supervisor of industrial insurance shall have power to disapprove the same if in his judgment the ownership or management of such hospital or hospital association is not such as to produce satisfactory service. Any such contract with physician, surgeon, or owner and operator of a hospital, or with a hospital association, so disapproved shall not be valid. If approved the contract shall be in effect for any period of time specified therein, not exceeding three years from the date of approval: *Provided,* That the director, through the division of industrial insurance, may, before approving any such contract, require the giving by any physician, surgeon, hospital or hospital association, of a bond in such sum and in such form, as the director may determine, conditioned that the obligor will faithfully perform such contract. Every such contract to be

valid must provide the injured workman the same services and a standard of service equal to that provided by the department for noncontract cases: *Provided*, That the contract shall provide for the payment of fees to licensed practitioners of the healing arts that are not members of the medical contracting group but who render services to a contract-covered employee. Such fees shall not exceed the agreed fee schedule of the medical contracting group and said fees shall be subject to the proration of payments on the same basis as the medical aid contracting group and any such practitioner participating in the agreement of any contract-covered employee shall agree to render similar services in the event of a catastrophe and to accept a proration of payments on the same basis as the medical contracting group. Every such contract to be valid must provide that the expenses incident to it shall be borne one-half by the employer and one-half by the employees, and that it shall be administered by the two interests jointly and equally.

No contract entered into prior to the time chapter 36, Laws of 1965 goes into effect shall be invalidated during its term by anything contained in the amendatory provisions of said chapter 36, Laws of 1965.

Passed the House March 26, 1965.

Passed the Senate March 25, 1965.

Approved by the Governor April 6, 1965.