HOUSE OF REPRESENTATIVES
TWENTY-THIRD LEGISLATURE, 2006
STATE OF HAWAII

H.B. NO. 2629 H.D. 1

A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 386-21, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§386-21 Medical care, services, and supplies.** (a)
4 Immediately after a work injury sustained by an employee and so
5 long as reasonably needed, the employer shall furnish to the
6 employee all medical care, services, and supplies as the nature
7 of the injury requires. The liability for the medical care,
8 services, and supplies shall be subject to the deductible under
9 section 386-100.
10 (b) Whenever medical care is needed, the injured employee
11 may select any physician or surgeon who is practicing on the
12 island where the injury was incurred to render such care. If
13 the services of a specialist are indicated, the employee may
14 select any such physician or surgeon practicing in the State.
15 The director may authorize the selection of a specialist
16 practicing outside the State where no comparable medical
17 attendance within the State is available. Upon procuring the
18 services of such physician or surgeon, the injured employee

1 shall give proper notice of the employee's selection to the
2 employer within a reasonable time after the beginning of the
3 treatment. If for any reason during the period when medical
4 care is needed, the employee wishes to change to another
5 physician or surgeon, the employee may do so in accordance with
6 rules prescribed by the director. If the employee is unable to
7 select a physician or surgeon and the emergency nature of the
8 injury requires immediate medical attendance, or if the employee
9 does not desire to select a physician or surgeon and so advises
10 the employer, the employer shall select the physician or
11 surgeon. Such selection, however, shall not deprive the
12 employee of the employee's right of subsequently selecting a
13 physician or surgeon for continuance of needed medical care.
14 (c) The liability of the employer for medical care,
15 services, and supplies shall be limited to the charges computed
16 as set forth in this section. The director shall make
17 determinations of the charges and adopt fee schedules based upon
18 those determinations. Effective January 1, 1997, and for each
19 succeeding calendar year thereafter, the charges shall not
20 exceed one hundred ten per cent of fees prescribed in the
21 Medicare Resource Based Relative Value Scale system applicable
22 to Hawaii as prepared by the United States Department of Health

1 and Human Services, except as provided in this subsection. The
2 rates or fees provided for in this section shall be adequate to
3 ensure at all times the standard of services and care intended
4 by this chapter to injured employees.

5 If the director determines that an allowance under the
6 medicare program is not reasonable, or if a medical treatment,
7 accommodation, product, or service existing as of June 29, 1995,
8 is not covered under the medicare program, the director [~~may,~~],
9 at any time, may establish an additional fee schedule or
10 schedules not exceeding the prevalent charge for fees for
11 services actually received by providers of health care services
12 to cover charges for that treatment, accommodation, product, or
13 service. If no prevalent charge for a fee for service has been
14 established for a given service or procedure, the director shall
15 adopt a reasonable rate that shall be the same for all providers
16 of health care services to be paid for that service or
17 procedure.

18 The director shall update the schedules required by this
19 section every three years or annually, as required. The updates
20 shall be based upon:

21 (1) Future charges or additions prescribed in the Medicare
22 Resource Based Relative Value Scale system applicable

1 to Hawaii as prepared by the United States Department
2 of Health and Human Services; or
3 (2) A statistically valid survey by the director of
4 prevalent charges for fees for services actually
5 received by providers of health care services or based
6 upon the information provided to the director by the
7 appropriate state agency having access to prevalent
8 charges for medical fee information.
9 When a dispute exists between an insurer or self-insured
10 employer and a medical service provider regarding the amount of
11 a fee for medical services, the director may resolve the dispute
12 in a summary manner as the director may prescribe; provided that
13 a provider shall not charge more than the provider's private
14 patient charge for the service rendered.
15 (d) If it appears to the director that the injured
16 employee has wilfully refused to accept the services of a
17 competent physician or surgeon selected as provided in this
18 section, or has wilfully obstructed the physician or surgeon, or
19 medical, surgical, or hospital services or supplies, the
20 director may consider such refusal or obstruction on the part of
21 the injured employee to be a waiver, in whole or in part, of the
22 right to medical care, services, and supplies[,] and may suspend

1 the weekly benefit payments, if any, to which the employee is
2 entitled so long as such refusal or obstruction continues.
3 (e) Such funds as are periodically necessary to the
4 department to implement the foregoing provisions may be charged
5 to and paid from the special compensation fund provided by
6 section 386-151.
7 (f) In cases where the compensability of the claim is not
8 contested by the employer, the medical services provider shall
9 notify or bill the employer, insurer, or the special
10 compensation fund for services rendered relating to the
11 compensable injury within two years of the date services were
12 rendered. Failure to bill the employer, insurer, or the special
13 compensation fund within the two-year period shall result in the
14 forfeiture of the medical service provider's right to payment.
15 The medical service provider shall not directly charge the
16 injured employee for treatments relating to the compensable
17 injury.
18 (g) To ensure efficiency through uniformity, the director
19 shall prepare standardized forms for:
20 (1) Medical excuse forms; and
21 (2) Workers' compensation routing forms that shall include
22 all relevant employer and insurance carrier

1 information that is required to process injured worker
2 claims under this chapter.
3 (h) Payment of all claims from a health care provider to
4 an insurance carrier subject to this chapter and a self-insured
5 group subject to part VI of this chapter shall be made within
6 calendar days from the date the claim for payment is
7 received by the insurance carrier or self-insured group.
8 Beginning July 1, 2008, an insurance carrier subject to this
9 chapter and a self-insured group subject to part VI of this
10 chapter shall take not longer than calendar days to approve
11 health care provider claims for payment. Notwithstanding any
12 law to the contrary, a request for payment for medical services,
13 goods, or supplies rendered, along with the injured worker's
14 claim progress notes and any necessary authorization submitted
15 by a health care provider to an insurance carrier subject to
16 this chapter, or self-insured group subject to part VI of this
17 chapter, shall be sufficient proof for payment to be made to the
18 health care provider."
19 SECTION 2. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.
21 SECTION 3. This Act shall take effect on July 1, 2050.

HB 2629 HD1

Report Title:
Workers' Compensation; Administration; Forms; Payment

Description:
Requires the department of labor and industrial relations to establish standardized medical excuse and routing forms for workers' compensation claims. Requires the timely processing and payment of claims of medical service providers. Establishes that only claim progress notes and provider authorization be required for payment to medical service providers. (HB2629 HD1)