

JAN 25 2006

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# 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 by amending subsection (c) to read as follows:  
3           "(c) The liability of the employer for medical care,  
4 services, and supplies shall be limited to the charges computed  
5 as set forth in this section. The director shall make  
6 determinations of the charges and adopt fee schedules based upon  
7 those determinations. Effective January 1, 1997, and for each  
8 succeeding calendar year thereafter, the charges shall not  
9 exceed [~~one hundred ten~~] one hundred thirty per cent of fees  
10 prescribed in the Medicare Resource Based Relative Value Scale  
11 system applicable to Hawaii as prepared by the United States  
12 Department of Health and Human Services, except as provided in  
13 this subsection. The rates or fees provided for in this section  
14 shall be adequate to ensure at all times the standard of  
15 services and care intended by this chapter to injured employees.  
16           If the director determines that an allowance under the  
17 medicare program is not reasonable, or if a medical treatment,  
18 accommodation, product, or service existing as of June 29, 1995,



1 is not covered under the medicare program, the director may, at  
2 any time, establish an additional fee schedule or schedules not  
3 exceeding the prevalent charge for fees for services actually  
4 received by providers of health care services to cover charges  
5 for that treatment, accommodation, product, or service. If no  
6 prevalent charge for a fee for service has been established for  
7 a given service or procedure, the director shall adopt a  
8 reasonable rate that shall be the same for all providers of  
9 health care services to be paid for that service or procedure.

10 The director shall update the schedules required by this  
11 section every three years or annually, as required. The updates  
12 shall be based upon:

- 13 (1) Future charges or additions prescribed in the Medicare  
14 Resource Based Relative Value Scale system applicable  
15 to Hawaii as prepared by the United States Department  
16 of Health and Human Services; or
- 17 (2) A statistically valid survey by the director of  
18 prevalent charges for fees for services actually  
19 received by providers of health care services or based  
20 upon the information provided to the director by the  
21 appropriate state agency having access to prevalent  
22 charges for medical fee information.



1           When a dispute exists between an insurer or self-insured  
2 employer and a medical service provider regarding the amount of  
3 a fee for medical services, the director may resolve the dispute  
4 in a summary manner as the director may prescribe; provided that  
5 a provider shall not charge more than the provider's private  
6 patient charge for the service rendered."

7           SECTION 2. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9           SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

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**Report Title:**

Workers' Compensation; Medical Service Fees

**Description:**

Increases the percentage of the Medicare Resource Based Relative Value Scale system applicable to Hawaii for which medical service providers may charge for treating workers' compensation related injuries from 110% to 130% of the Medicare Resource Based Relative Value Scale system applicable to Hawaii.

