

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 2647
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2647 entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION,"

begs leave to report as follows:

The purpose of this bill is to improve the health and safety of public employees by establishing a coordinated care system option to provide medical and rehabilitative services for workers' compensation cases involving public employees.

The Department of Human Resources Development and Kaiser Permanente testified in support of the intent of this bill. The Hawaii Chapter, American Physical Therapy Association opposed this measure. The Department of Labor and Industrial Relations and ILWU Local 142 offered comments.

A coordinated system of care adopts a cooperative approach in the provision of medical and rehabilitative benefits through a workers' compensation insurance plan agreed upon by management and labor. This type of approach often provides timely and comprehensive high-quality health care, and open and direct communications between labor and management, furnishes return-to-work programs and vocational rehabilitation services, and provides an internal dispute resolution mechanism.

However, your Committee has some concerns regarding the ability of employees to "opt out" of a coordinated care system

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plan once an agreement has been reached between the employees' bargaining unit and the employer, which may negatively impact the coordinated care system. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that once a selection of coordinated care organizations has been made by an employer to provide coordinated care services to its employees, the employee must select one of the coordinated care organizations to provide their services; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2647, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


KIRK CALDWELL, Chair



