

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 2695

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. 2695 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYERS' MUTUAL INSURANCE COMPANY,"

begs leave to report as follows:

The purpose of this bill is to improve the workers' compensation system by requiring the Hawaii Employers' Mutual Insurance Company (HEMIC) to provide a workers' compensation plan that uses a coordinated system of care model to provide medical and rehabilitation services to injured employees.

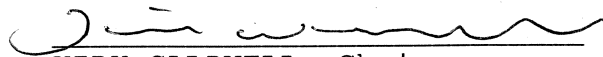
ILWU Local 142 testified in support of this bill. HEMIC supported the intent of this measure. The Hawaii Chapter, American Physical Therapy Association opposed this bill. The Department of Labor and Industrial Relations offered comments.

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, open and direct communications between labor and management, return-to-work programs and vocational rehabilitation services, and an internal dispute resolution mechanism. Your Committee finds that this type of system has been used successfully in the past by Oahu Transit Services and may have a positive impact on Hawaii's workers' compensation system.



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. 2695 and recommends that it pass Second Reading 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



