

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 3035
S.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 S.B. No. 3035, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONTINUED TEMPORARY TOTAL
DISABILITY BENEFITS TO INJURED EMPLOYEES,"

begs leave to report as follows:

The purpose of this bill is to ensure that employees receive fair compensation for the entire length of disability by requiring that injured employees who have not actually resumed work continue to receive temporary total disability (TTD) benefits until the Director of Labor and Industrial Relations (Director) decides to terminate benefits.

ILWU Local 142, Hawaii Government Employees Association, Hawaii State Teachers Association, Hawaii Chapter of the American Physical Therapy Association, Hawaii State AFL-CIO, International Association of Rehabilitation Professionals-Hawaii Chapter, International Brotherhood of Electrical Workers, Hawaii Injured Workers Alliance, and numerous concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, and Hawaii Insurers Council opposed this measure. Hawaii Employers' Mutual Insurance Company, Inc., offered comments.

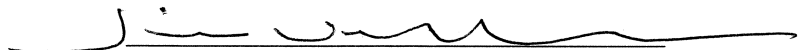


Your Committee finds that injured workers may be left without medical care while waiting for a decision on disability benefits to be rendered, causing further pain and injury. Interruptions of TTD benefits can negatively impact the financial and psychological state of injured employees.

However, your Committee is concerned that this bill does not specify whether the employee must reimburse the employer in cases where the Director's decision on TTD benefits is ultimately rendered against the employee. This raises the issue of liability should the Director deny TTD benefits for the employee, thus creating an unintended consequence. Nevertheless, your Committee finds that further discussion is necessary to determine fair and appropriate changes to existing policies and procedures for TTD benefits.

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 S.B. No. 3035, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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


KIRK CALDWELL, Chair



