

Honolulu, Hawaii

MAR 16 2006

RE: H.B. No. 2698  
H.D. 1  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Labor, to which was referred H.B. No. 2698,  
H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require the Director of Labor and Industrial Relations to establish standardized forms for health care providers to use when reporting on and billing for injuries compensable under the State's workers' compensation law.

Testimony in support of this measure was submitted by the Department of Human Resources Development; Department of Labor and Industrial Relations; the Hawaii Chapter of the American Physical Therapy Association; the Hawaii Employers' Mutual Insurance Company, Inc.; the Hawaii Insurers Council; the Hawaii State AFL-CIO; the Hawaii State Chiropractic Association; and the International Longshore and Warehouse Union, Local 142. Comments on the measure were also submitted by the Hawaii Medical Association.

Your Committee finds that in facilitating the filing of workers' compensation claims, more can be done to provide uniformity, greater clarity, and efficiency in the delivery of medical services to injured employees and payment to the providers. The current lack of uniformity in the filing of paperwork by providers often results in the employer's denial of payment for services without an effective method for the employee



to determine the basis for denial. Consequently, denials necessitate the filing of additional paperwork and further delay, or eliminate the receipt of payment for medical services from the employer's insurer. Your Committee believes that the use of standardized forms can help to clearly identify the necessary information for proper determination of the need for care and the type of care that satisfies medical reporting requirements.

However, your Committee believes that for standardized forms to be truly helpful in streamlining the workers' compensation system, DLIR must receive input from interested stakeholders in the workers' compensation system, including insurers, providers, employers, and employees, in order to better address the needs of all parties involved.

Accordingly, your Committee has amended this measure by:

- (1) Including language to require DLIR to prepare the standardized forms, with input from all interested stakeholders in the workers' compensation system, including health care providers, insurers, employers, and employees;
- (2) Changing the effective date of the Act to be effective upon its approval; and
- (3) Making technical, nonsubstantive changes to reflect preferred drafting style and for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2698, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2698, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor,

  
\_\_\_\_\_  
BRIAN KANNO, Chair



The Senate  
Twenty-Third Legislature  
State of Hawaii

Record of Votes of the  
Committee on Labor  
(Bills and Resolutions)

Measure:* <b>HB 2698 HD1</b>	Committee Referral: <b>LBR, WAM</b>	Date: <b>3-13-06</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
KANNO, Brian (C)	✓			
IHARA, Jr., Les (VC)				✓
TANIGUCHI, Brian T.	✓			
SLOM, Sam	✓			
TOTAL	3			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:             Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Do not list more than one measure per Record of Votes.