
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A STUDY AND AUDIT OF THE
WORKERS' COMPENSATION SYSTEM IN HAWAII.

1 WHEREAS, the State has long held on the public policy level
2 that it is in the best interests of our citizenry to protect
3 employees when they are ill or injured; and
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5 WHEREAS, wage replacement programs such as the Workers'
6 Compensation Law and the Temporary Disability Insurance Law were
7 enacted specifically because the Legislature acknowledged the
8 importance of making employees "whole" during times of illness
9 and injury not only for the benefit of the worker, but also for
10 the stability of businesses and our economy, and for the health
11 and welfare of our people; and
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13 WHEREAS, Hawaii's workers' compensation law was established
14 to provide benefits in a prompt and accurate manner to employees
15 who sustain a work-related injury or illness; and
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17 WHEREAS, the Department of Labor and Industrial Relations
18 (DLIR), through its Disability Compensation Division, has the
19 overall responsibility of administering the workers'
20 compensation law including its effective execution and
21 supervision of prompt and accurate compensation payments; and
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23 WHEREAS, in order for injured employees to recover from
24 their work-related injuries and get back to work in a timely
25 manner, the processing of workers' compensation claims must be
26 completed as expeditiously as possible; and
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28 WHEREAS, over the years, numerous concerns have been raised
29 over the administration of workers' compensation claims by
30 employers, employees, insurers, and healthcare providers; and



1 WHEREAS, a backlog of open workers' compensation cases has
2 delayed the processing of claims and the rendering of decisions
3 by the Disability Compensation Division, prompting DLIR to try
4 to streamline its process and make the filing of claims and
5 dispensing of cases more efficient; and

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7 WHEREAS, the healthcare community has also raised concerns
8 about the difficulty in providing healthcare in workers'
9 compensation cases due to their low reimbursement rates; and

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11 BE IT RESOLVED by the House of Representatives of the
12 Twenty-fourth Legislature of the State of Hawaii, Regular
13 Session of 2007, the Senate concurring, that the Legislative
14 Auditor (Auditor) is requested to study the workers'
15 compensation system in Hawaii to determine if any problems exist
16 within the current system; and

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18 BE IT FURTHER RESOLVED that the Auditor is requested to
19 also conduct an audit of the workers' compensation claims
20 process of the Disability Compensation Division of DLIR; and

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22 BE IT FURTHER RESOLVED that the Auditor is further
23 requested to study the workers' compensation insurance market in
24 Hawaii, including the number of providers, the costs associated
25 with the provision of workers' compensation insurance, the
26 number of workers' compensation cases and types of cases filed
27 annually with insurers, the number of contested claims, and the
28 number of cases involving workers' compensation fraud; and

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30 BE IT FURTHER RESOLVED that the Auditor include any
31 remedies made to problems that have affected the workers'
32 compensation system in the past and any remedies currently being
33 attempted or contemplated to address any current or future
34 problems expected with the workers' compensation system; and









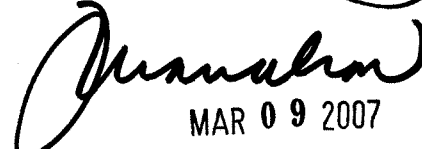
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36 BE IT FURTHER RESOLVED that the Auditor submit a report of
37 its findings and recommendations to the Legislature no later
38 than 20 days prior to the convening of the Regular Session of
39 2008; and



1 BE IT FURTHER RESOLVED that certified copies of this
2 Concurrent Resolution be transmitted to the Legislative Auditor
3 and Director of Labor and Industrial Relations.
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