

STAND. COM. REP. NO. 645

Honolulu, Hawaii
Fe 4/16, 2007

RE: H.B. No. 854
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 854 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 prevent the termination of temporary total disability benefits (benefits) in the event of a dispute, until the Director of Labor and Industrial Relations (Director) makes a decision to terminate the benefits.

The Hawaii Chapter, American Physical Therapy Association, Hawaii Government Employees Association, Hawaii State AFL-CIO, Hawaii State Chiropractic Association, Hawaii State Teachers Association, ILWU Local 142, and numerous individuals testified in support of this measure. The Department of Labor and Industrial Relations, Department of Human Resources Development, The Chamber of Commerce of Hawaii, Hawaii Employers' Mutual Insurance Company, Hawaii Independent Insurance Agents Association, Hawaii Insurers Council, National Federation of Independent Businesses, Property Casualty Insurers Association of America, and the Society for Human Resource Management testified in opposition to this measure. The Department of the Attorney General offered comments.



Your Committee has amended this measure by:

- (1) Clarifying that benefits shall be terminated only upon order of the Director, or if the employee's treating physician determines that the employee is able to resume work and a bona fide offer of work within the employee's medical restriction has been made by the employer;
- (2) Deleting the provision specifying that, if the injured employee has not actually resumed work, the benefits shall continue to be paid until a decision by the Director to terminate the benefits;
- (3) Removing the condition that the injured employee is able to resume work in cases where the employer believes that benefits should be terminated and notifies the employee and the Director of the intent to terminate benefits;
- (4) Allowing employers to request credits for the amount of benefits paid by the employer after the date which the Director had determined should have been the last date of payment; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee finds that this measure is necessary because premature termination of benefits is detrimental to injured workers and their ability to return to work.

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. 854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 854, H.D. 1, and be referred to the Committee on Finance.



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



ALEX M. SONSON, Chair



