

STAND. COM. REP. NO.

1940

Honolulu, Hawaii

2007

RE: S.B. No. 1060

S.D. 1

H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1060, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to assist injured workers and enhance the workers' compensation law by, among other things:

- (1) Providing an alternative dispute resolution process for workers' compensation claims;
- (2) Establishing optional, evidence-based treatment guidelines for medical providers treating injured workers;
- (3) Requiring essential medical services to be continued for an injured employee during a dispute between the employee and the employer or the employer's insurer regarding treatment, until the Director of Labor (Director) issues a decision on whether medical treatment should be continued;

SB1060 HD2 HSCR FIN HMS 2007-3741



- (4) Allowing an employer or employer's insurer to recover medical costs from a claimant's personal health care provider or other appropriate occupational or non-occupational insurer for medical treatment the Director determines should have been discontinued;
- (5) Allowing injured employees to be referred for vocational rehabilitation services where the employee has achieved maximum medical improvement and the employer has made no offer of suitable work;
- (6) Allowing employers to request the Director to issue a credit for the amount of temporary total disability benefits that the Director determines should have been discontinued;
- (7) Establishing requirements and standards for physicians selected by mutual agreement between the claimant and the employer to perform independent medical examinations; and
- (8) Requiring employers' insurers to provide annual reports regarding the costs of their policies to the Director and the Insurance Commissioner.

The Hawaii Teamsters and Allied Workers Local 996 and Hawaii State Teachers Association testified in support of this bill. The Department of Labor and Industrial Relations supported the intent of this bill. The Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, Hawaii Medical Association, Hawaii Insurers Council, ILWU Local 142, UNITE HERE! Local 5, Hawaii Automobile Dealers' Association, Castle and Cooke Homes Hawaii, The Honolulu Advertiser, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Light Company, Limited, Nordic Construction, Ltd., Wilcox Chiropractic, Bickford Chiropractic, Hidano Construction, Inc., Society for Human Resource Management - Hawaii Chapter, Kailua Chamber of Commerce, Ocean Network LLC, ProActive Chiropractic LLC, The Limtiaco Company, Grace Pacific Corporation, Building Industry Association of Hawaii, Aloha Airlines, American Insurance Association, and numerous concerned individuals testified in opposition to this bill. The Department of the Attorney General, Hawaii Dredging Construction Company, Kauai Chamber of Commerce, Hawaii Independent Insurance Agents Association, National



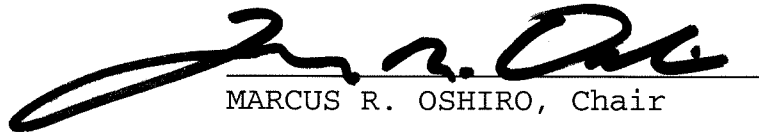
Federation of Independent Businesses in Hawaii, Hawaii State AFL-CIO, Hawaii Government Employees Association, Filipino Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, Hawaii Island Chamber of Commerce, Hawaii Chapter-American Physical Therapy Association, Hawaii State Chiropractic Association, Hawaii Bankers Association, Hawaiian Housewares, Ltd., HSI Electric, Inc., The Chamber of Commerce of Hawaii, City Mill Company, Ltd., Propulsion Controls Engineering, Pacific Transfer LLC, Cardinal Mailing Services, Ltd., Maui Chamber of Commerce, and several concerned individuals submitted comments.

Your Committee has amended his measure by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1060, S.D. 1, H.D. 2.

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

  
MARCUS R. OSHIRO, Chair



