

STAND. COM. REP. NO. 627

Honolulu, Hawaii

Feb 16, 2007

RE: H.B. No. 856

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. 856 entitled:

"A BILL FOR AN ACT RELATING TO VOCATIONAL REHABILITATION,"

begs leave to report as follows:

The purpose of this bill is to encourage employees who have suffered work-related injuries to return to work by allowing an employee who has been deemed unable to return to the employee's original position due to a work injury to be referred by the Director of Labor and Public Employment (Director) for vocational rehabilitation services when an employer has made no offer of permanent suitable work.

The Hawaii State AFL-CIO and ILWU Local 142 testified in support of this bill. The Department of Human Resources Development, Department of Labor and Industrial Relations, and Hawaii Employers' Mutual Insurance Company, Inc. (HEMIC) testified in opposition to this measure.

Your Committee notes that current law allow employees who have suffered a permanent disability as a result of work injuries to be referred by the Director for vocational rehabilitation services. This bill affords the same access to vocational rehabilitation services to an employee who may not have suffered a permanent disability, but has been otherwise deemed unable to return to the employee's position as a result of a work injury even though the injury may have stabilized.

HB856 HD1 HSCR LAB HMS 2007-2248



However, your Committee recognizes the concerns raised by HEMIC that the term "stabilize" is ambiguous and may be interpreted to mean that an individual's injury is not worsening but still may improve. As such, an injured worker with an injury that has "stabilized" may not be permanently disabled. However, the term "maximum medical improvement" is a more definite term that means that an injury has healed to the point where no further improvement to that condition is expected. Accordingly, your Committee has amended this bill by:

- (1) Specifying that the Director may refer individuals for vocational rehabilitation services who have been deemed unable to return to their regular job after their injury has reached "maximum medical improvement" rather than "stabilized"; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 856, 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

