

STAND. COM. REP. NO.

2419

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2538  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 2538 entitled:

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

begs leave to report as follows:

The purpose of this measure is to increase the workers' compensation fee schedule from one hundred ten to one hundred twenty per cent of the Medicare Resource Based Relative Value Scale applicable to Hawaii, effective January 1, 2009.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs Insurance Division, Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii State Chiropractic Association, the Hawaii Chapter of the American Physical Therapy Association, ILWU, and Hawaii Medical Association. The American Insurance Association and Hawaii Insurers Council submitted testimony in opposition.

Your Committee finds that the increase in the workers' compensation fee schedule is necessary to ensure that employees and motor vehicle insurance claimants receive the necessary medical care and services for their injuries.

Your Committee notes that many important issues were raised during the discussion on the measure, including the issue of whether the workers' compensation fee schedule should be separate from the Medicare fee schedule and whether the state workers'

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compensation reimbursement rates should be modeled after the federal workers' compensation rates.

Your Committee also notes that several of the testifiers indicated that the increase provided for in this measure should be amended to be somewhere between one hundred thirty per cent to one hundred forty per cent.

Your Committee has amended this measure by amending the effective date in order to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2538, S.D. 1, and be referred to the Committee on Ways and Means.

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



BRIAN T. TANIGUCHI, Chair



