

LINDA LINGLE
GOVERNOR



MARIE C. LADERTA
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813

March 25, 2008

TESTIMONY TO THE
SENATE COMMITTEE ON WAYS AND MEANS
For Decision Making on Thursday, March 27, 2008
9:45 a.m., Conference Room 211

BY
MARIE C. LADERTA, DIRECTOR

**House Bill No. 2388, H.D. 1, S.D. 1
Relating to Workers' Compensation**

TO CHAIR ROSALYN H. BAKER AND MEMBERS OF THE COMMITTEE:

The purpose of H.B. No. 2388, H.D. 1, S.D. 1, amending Section 386-21(c), Hawaii Revised Statutes, is to require the employer to continue medical services to an injured employee despite disputes over whether treatment should be continued, until the director of labor and industrial relations decides whether treatment should be continued.

The Department of Human Resources Development supports the intent of Section 386-21, Hawaii Revised Statutes, which ensures that an injured employee receives appropriate medical care promptly as it will assist the injured worker to achieve a speedy recovery and return to gainful employment when able to do so. **However, the Department of Human Resources Development opposes this bill as there are, we believe, adequate safeguards within the statute, administrative rules, and current practices to insure that an individual receives appropriate medical care for as long as the nature of the injury requires.** If the treatment being provided is no longer related to the industrial injury, then those services should be billed to the private medical carrier and not be a burden on the workers' compensation system.

Respectfully submitted,

A handwritten signature in black ink that reads "Marie C. Laderta".

MARIE C. LADERTA



Hawaii State Chiropractic Association

P.O. Box 22668 Honolulu, HI 96823-2668

ph: (808) 926-8883 fx: (808) 926-8884

March 25, 2008

THE SENATE
COMMITTEE ON WAYS AND MEANS

For Hearing on
Date: Thursday, March 27
Time: 9:45 am
Place: Conference Room 211

Dear Chair Baker, Vice Chair Tsutsui, and members of the committee:

My name is Gary Saito. I am the President and Executive Director of the Hawaii State Chiropractic Association. Our organization **supports the intent of HB 2388 HD1, SD1.**

Time and time again, injured workers are denied their workers' compensation benefits because of denials of medical treatments by the employer and insurance carrier. Insurance carriers often do not give a valid reason for denying care. They do not have a valid medical reason to question the worker's claim of injury.

What happens when injured workers are denied benefits?

1. Weeks and months go by without reasonable and appropriate medical care. Conventional medical wisdom says that the longer an injury is allow to persist, the more difficult it may be to treat and the more complex it could become.
2. Injured workers do not get the proper tests performed that will lead to a proper diagnosis and treatment protocol.
3. Even though they request a DCD hearing to determine compensability, they do not get hearings scheduled in a timely manner (usually 6 months to a year). Even though the DCD professes that hearings are schedule within 80 days, I have yet to see it happen. Many legitimately injured employees face financial ruin because of a lack of caring by the employer/carrier and a lack of responsiveness to their dilemma from the DCD.

For years, carriers have denied benefits "pending investigation". They do not have to say:

1. what is being investigated
2. how the investigation is being conducted
3. when it will be concluded
4. or what the basis of the investigation is.

The system right now fails miserably to protect the injured worker's right to reasonable and appropriate medical treatment. Denials and delays often have nothing to do with the employee's injury. They have everything to do with denying benefits as a way to limit expenses and liability and to boost profits.

Every employer in the state should insist that their premium dollars go toward the treatment of their injured workers. Unfortunately, many employers subscribe to and encourage the existing pattern of denying their employees their rights under current workers' compensation law.

We ask for legislators to uphold the statutes by requiring the proper treatment of injured workers. This bill is one attempt to protect and preserve injured workers' rights to benefits.

We urge your support of HB 2388 HD1, SD1. Thank you for your consideration of our position on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Saito". The signature is stylized with a large loop at the beginning and a long, sweeping tail.

Gary Saito, DC



Pauahi Tower, Suite 2010
1003 Bishop Street
Honolulu, Hawaii 96813
Telephone (808) 525-5877
Facsimile (808) 525-5879

Alison Powers
Executive Director

TESTIMONY OF ALISON POWERS

SENATE COMMITTEE ON WAYS AND MEANS
Senator Rosalyn H. Baker, Chair
Senator Shan S. Tsutsui, Vice Chair

Thursday, March 27, 2008
9:45 a.m.

HB 2388, HD1, SD1

Chair Baker, Vice Chair Tsutsui, and members of the committee, my name is Alison Powers, Executive Director of Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately 60% of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes** HB 2388, HD1, SD1. This bill is in essence Section 2 of HB 855 CD1, 2007 Regular Session, which ultimately was vetoed by the Governor and not overridden.

This bill would require the continuation of medical benefits until the Director renders a decision. This bill creates tremendous potential for abuse and will add unnecessary costs. For example, a medical provider could request treatment for numerous modalities and the employer/insurer would be forced to pay regardless of any other circumstance. The employer/insurer may be required to pay for treatment that is not even related to the work injury. If the director determines that the medical services pursuant to the treatment plan should be or should have been discontinued, the employer should have the right to reimbursement from the provider of service or reimbursement under Section 386-52 (a) (3) in absence of any personal health insurance. If the employer/insurer has to subrogate from the health insurer for

payments, it adds more adversity to the system, which will increase costs. What if the health insurer does not pay because treatment is excluded under their coverage or if they deem the treatment to be unnecessary? It appears then that the employer/insurer would not be able to subrogate and would have to pay for unnecessary treatment regardless of the Director's decision.

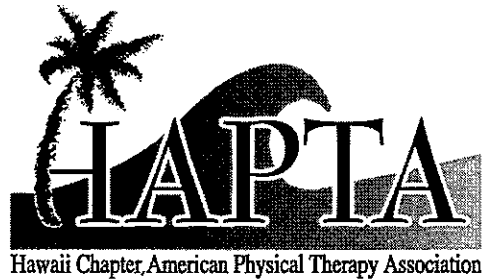
The bill mandates that the Director make a decision within 30 days of the filing of the dispute, but does not have any provision in the event the decision is not made within the 30 days. If he does not make a decision within the timeframe, it appears that the employer/insurer still must continue to pay medical benefits.

We respectfully request that HB 2388, HD1, SD1 be held.

Thank you for the opportunity to submit testimony.

**Testimony by:
Derrick Ishihara, PT**

**HB 2388sd1, Relating to Workers'
Compensation
Senate WAM, March 27, 2008
Room 211, 9:30 am**



Position: Support Intent, With Recommendation

Dear Senator Baker and Members of the Senate WAM Committee:

I am Derrick Ishihara, P.T., a small business owner/physical therapist and member of HAPTA's Legislative Committee. The Hawaii Chapter – American Physical Therapy Association (HAPTA) is comprised of 300 member physical therapists and physical therapist assistants employed in hospitals and health care facilities, the Department of Education school system, and private practice. We are part of the spectrum of care for Hawaii, and provide rehabilitative services for infants and children, youth, adults and the elderly. Rehabilitative services are a vital part of restoring optimum functioning from neuromusculoskeletal injuries and impairments.

HAPTA agrees with the intent of this proposal to "ensure that the injured employee shall continue to receive essential medical services by the treating physician necessary to prevent deterioration of the injured employee's condition or further injury...."

As written however, this bill will not achieve that objective. If the Director can retroactively deny care that has already been delivered, and an insurer can recover from the health care provider "...all the sums paid for medical services from that treatment plan rendered after the date designated by the director..." it would effectively terminate the medical care. No provider of service, medical or otherwise, would perform services without assurances that those services would be reimbursed. As written, HB 2388 does not even give guidelines to providers as to how the director will evaluate these utilization issues.

Recommendation:

To achieve the purposes of this bill, HAPTA recommends the bill be amended to ensure payment for medical services rendered in good faith at least until the date of the Director's decision.

I may be reached at 593-2610 if there are any questions. Thank you for the opportunity to present testimony.



Before the Senate Committee on Ways and Means

DATE: March 27, 2008

TIME: 9:45 a.m.

PLACE: Conference Room 211

Re: HB 2388, HD1, SD1 Relating to Workers' Compensation Testimony of Melissa Pavlicek for NFIB Hawaii

Thank you for the opportunity to testify. On behalf of the thousands of business owners who make up the membership of the National Federation of Independent Businesses in Hawaii, we ask that you defer **HB 2388, HD1, SD1**. NFIB opposes this measure in its current form.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.

We oppose measures that may tend to increase workers' compensation costs and have unintended negative consequences for employers, employees and the economy. Thank you for the opportunity to testify.



Senator Rosalyn Baker, Chair
Senator Shan Tsutsui, Vice Chair
Committee on Ways & Means
State Capitol, Honolulu, Hawaii 96813

HEARING Thursday, March 27, 2008
 9:45 am
 Conference Room 211

RE: HB2388, HD1, SD1, Relating to Workers' Compensation

Chair Baker, Chair Tsutsui, and Members of the Committee:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing about 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii. The retail industry is the one of the largest single employer in the state, employing 20% of the labor force.

RMH opposes HB2388, HD1, SD1, which provides uninterrupted medical care to an injured employee despite disputes over whether treatment, should be continued, until the director of labor and industrial relations renders a final decision.

We do not dispute that an injured worker should receive quality and appropriate medical care as long as required. However, this measure does not provide any recourse to the employer to recover the costs of the disputed medical treatment from the employee should the director of labor and industrial relations render a ruling in the employer's favor. Whether these additional costs are covered by an employer's workers' compensation insurer or by his personal health care provider, the resulting increased premium costs will be borne by the employer.

The members of the Retail Merchants of Hawaii respectfully request that you hold HB2388, HD1, SD1. Thank you for your consideration and for the opportunity to comment on this measure.

A handwritten signature in cursive script, appearing to read 'Carol Prejile'.

President

RETAIL MERCHANTS OF HAWAII
1240 Ala Moana Boulevard, Suite 215
Honolulu, HI 96814
ph: 808-592-4200 / fax: 808-592-4202



**Property Casualty Insurers
Association of America**

Shaping the Future of American Insurance

1415 L Street, Suite 670, Sacramento, CA 95814-3972

To: The Honorable Rosalyn H. Baker, Chair
Senate Committee on Ways and Means

From: Samuel Sorich, Vice President

RE: **HB 2388 HD1 SD1– Relating to Workers’ Compensation**
PCI Position: Oppose

Date: Thursday, March 27, 2008
9:45 a.m.; Conference Room 211

The Property Casualty Insurers Association of America (PCI) is an association of property/casualty insurers. There are more than 100 PCI member companies doing business in Hawaii. PCI members are responsible for approximately 45 percent of the property/casualty insurance premiums written in Hawaii.

PCI is opposed to HB 2388 HD1 SD1 because the bill is unnecessary, costly and impractical.

HB 2388 HD1 SD1 would require an employer who disputes an employee’s medical treatment to continue to pay for the treatment until the director of the department of labor and industrial relations makes a decision that the treatment should be discontinued. The bill would displace the existing system which gives the employee’s attending physician the right to administrative review of an employer’s dispute of medical treatment. In place of the existing system, HB 2388 HD1 SD1 would establish a system that would require an employer to continue to pay for disputed treatment and seek an administrative ruling in order to terminate payments. There is no evidence to justify the bill’s radical change.

HB 2388 HD1 SD1 would increase workers compensation costs for Hawaii employers. The bill would require an employer to pay for treatments that may not be related to workplace injuries and may not be effective in helping an employee to return to work. The reimbursement rights that the bill provides to employers are inadequate and costly to effectuate. The resulting unreimbursed costs would unjustly burden employers.

HB 2388 HD1 SD1 calls for the director to make decisions within 30 days. However, based on testimony from the department of labor and industrial relations, the 30-day time frame appears to be completely impractical, and the bill provides no consequences for missing the 30-day deadline. The reality is that HB 2388 HD1 SD1 would require the payment for disputed medical treatment for extended periods of time.

PCI requests that the Committee vote No on the bill.



KAUAI
Chamber
of
Commerce

FAX: 586-6719

**Testimony to the Senate Committee on Ways and Means
Thursday, March 27, 2008; 9:45 a.m.
Conference Room 211**

RE: HOUSE BILL NO. 2388 HD1 SD1 RELATING TO WORKERS' COMPENSATION

Chair Baker, Vice Chair Tsutsui and Members of the Committee:

My name is Randall Francisco and I am President of the Kauai Chamber of Commerce. The Chamber opposes House Bill No. 2388 HD1 SD1, Relating to Workers' Compensation.

The Chamber is Kauai's largest business organization, representing over 450 member businesses and organizations. Approximately 87% of our members are small businesses with less than 50 employees. The Chamber works on behalf of the members and the entire business community to strengthen Kauai's economic climate and to foster positive action on issues of common concern.

This measure requires the employer to continue medical services to an injured Employee despite disputes over whether treatment should be continued, until the director of Labor and industrial relations decides whether treatment should be continued.

The Chamber understands the intent of the bill and recognizes that an employee suffering from work-related injuries deservedly warrant proper and necessary treatment. However, we believe this bill may cause unreasonable and unnecessary treatment for non-related work injuries. Passage of this measure could prolong time off the job, even if the employee is deemed able to return to his or her work. Eventually, this could impede an injured worker's recovery. It's important that these benefits be utilized as intended and not in such a way that benefits are activated because they exist.

Because of the bill's mandate to require continued medical treatment, this measure may hurt employers including small businesses, which operate on limited resources and smaller staff. Colleagues of the absent employee will unfairly shoulder additional responsibilities, which could have a ripple effect, such as creating a stressful work environment, lower morale among the employees, and lost productivity. As a result, the negative results of this measure would hinder rather than promote progress.

In summary, HB 2388 HD1 SD1, while well-intended, will have unintended consequences and possibly lead to a rise in workers' compensation insurance costs and the overall cost of doing business. The Kauai Chamber of Commerce respectfully requests this measure be held.

Aloha.

Sincerely yours,
Randall Francisco
President

testimony

From: J Toth [jtoth@netenterprise.com]
Sent: Tuesday, March 25, 2008 2:08 PM
To: testimony
Subject: Please OPPOSE HB 2388 relating to Workers' Compensation (3/27 Hearing at 9:45 a.m.)

Chair Baker:

My name is J Toth and I am with NetEnterprise Inc., a Hawaii-based network services integrator with 45 employees. I respectfully request that you do not pass HB 2388 relating to Workers' Compensation.

This measure requires the employer to continue medical services to an injured employee despite disputes over whether treatment should be continued, until the director of labor and industrial relations decides whether treatment should be continued.

This measure, if passed, may increase my workers' compensation premiums, and the overall cost of doing business. The additional burden this would place on our company will severely impact our ability to effectively compete within the technology sector, especially when considering larger IT firms with mainland backing.

If you have any questions, please do not hesitate to contact me at 808-441-5000. Thank you for the opportunity to submit written testimony.

Respectfully,

J Toth
1132 Bishop St Ste 700
Honolulu, HI 96813



**The Chamber of
Commerce of Hawaii**
Since 1850

**Testimony to the Senate Committee on Ways and Means
Thursday, March 27, 2008; 9:45 a.m.
Conference Room 211**

RE: HOUSE BILL NO. 2388 HD1 SD1 RELATING TO WORKERS' COMPENSATION

Chair Baker, Vice Chair Tsutsui and Members of the Committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). The Chamber does not support House Bill No. 2388 HD1 SD1, relating to Workers' Compensation, and respectfully requests the committee to hold this measure.

The Chamber is the largest business organization in Hawaii, representing over 1100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

This measure requires the employer to continue medical services to an injured employee despite disputes over whether treatment should be continued, until the director of labor and industrial relations decides whether treatment should be continued.

The Chamber understands the intent of the bill and businesses recognize that an employee suffering from work-related injuries deservedly warrant proper and necessary treatment. It's important that these benefits be utilized as intended and not in such a way that benefits are activated simply because they exist.

However, passage of this bill may lead to abuse and cause unreasonable and unnecessary treatment for non-related work injuries, and prolong time off the job, even if the employee is deemed able to return to his or her work.

Because of the bill's mandate to require continued medical treatment, this measure may hurt employers including small businesses, which operate on limited resources and smaller staffs. Colleagues of the absent employee will unfairly shoulder additional responsibilities, which could have a rippled effect, such as a stressful work environment, lower morale among the employees, and lost productivity. Furthermore, businesses will have to expend additional resources, money, and time to effectuate the reimbursement rights contained in this bill as well as on other issues that may result out of this situation. As a result, the negative consequences of this measure may hinder than promote progress.

In summary, HB 2388, while well-intended, will have a negative impact and may lead to a rise in workers' compensation insurance costs and the overall cost of doing business. If this occurs, the result may impose more far-reaching effects especially as the economy slows down. We believe further evaluation should be conducted first before passing legislation that could lead to significant unintended consequences.

Thus, The Chamber respectfully requests this measure be held. Thank you for the opportunity to testify.

GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

GOVERNMENT RELATIONS TEAM:

GARY M. SLOVIN, ESQ.
CHRISTOPHER G. PABLO, ESQ.
ANNE T. HORIUCHI, ESQ.
MIHOKO E. ITO, ESQ.
JOANNA J. H. MARKLE*
LISA K. KAKAZU**

* Government Relations Specialist
** Legal Assistant

ALII PLACE, SUITE 1800 • 1099 ALAKEA STREET
HONOLULU, HAWAII 96813

MAIL ADDRESS: P.O. BOX 3196
HONOLULU, HAWAII 96801

TELEPHONE (808) 547-5600 • FAX (808) 547-5880
info@goodsill.com • www.goodsill.com

INTERNET:

gslovin@goodsill.com
cpablo@goodsill.com
ahoriuchi@goodsill.com
meito@goodsill.com
jmarkle@goodsill.com
lkakazu@goodsill.com

March 26, 2008

TO: Senator Rosalyn Baker
Chair, Committee on Ways & Means
Hawaii State Capitol, Room 210
testimony@capitol.hawaii.gov

FROM: Anne T. Horiuchi
H.B. 2388, HD1, SD1 Relating to Workers' Compensation
Hearing Date: Thursday, March 27, 2008 at 9:45 a.m.

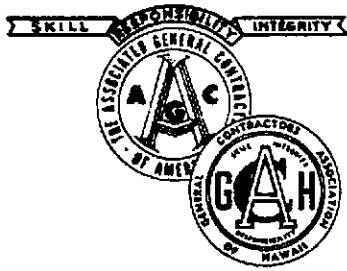
Dear Chair Baker and Members of the Committee on Ways & Means:

I am Anne Horiuchi, testifying on behalf of the American Insurance Association (AIA). AIA represents approximately 350 major insurance companies that provide all lines of property and casualty insurance and write more than \$123 billion annually in premiums. AIA members supply 23 percent of the property/casualty insurance sold in Hawaii. The association is headquartered in Washington, D.C., and has representatives in every state.

H.B. 2388, HD1, SD1 requires the employer to continue medical services to an injured employee despite disputes over whether treatment should be continued, until the Director of Labor & Industrial Relations decides whether treatment should be continued.

AIA submits that this measure creates the potential for abuse and will result in increased costs. AIA opposes H.B. 2388, HD1, SD1 and respectfully requests that it be held.

Thank you very much for this opportunity to submit testimony.



GENERAL CONTRACTORS ASSOCIATION OF HAWAII

1065 AHUA STREET • HONOLULU, HAWAII 96819-4493 • PHONE 808-833-1681 • FAX 808-839-4167

E-MAIL ADDRESS: gca@gcahawaii.org • WEBSITE: www.gcahawaii.org

March 26, 2008

TO: THE HONORABLE SENATOR ROSALYN H. BAKER, CHAIR AND
MEMBERS OF THE COMMITTEE ON WAYS AND MEANS

SUBJECT: H.B. 2388, HD1 SD1 RELATING TO WORKERS COMPENSATION

NOTICE OF DECISION MAKING

DATE: Thursday, March 27, 2008
TIME: 9:45 a.m. (or immediately following completion
of the 9:30 a.m. agenda)
PLACE: Conference Room 211

Dear Chair Baker and Members of the Committee:

The General Contractors Association (GCA), an organization comprised of over five hundred and forty (540) general contractors, subcontractors, and construction related firms, **strongly opposes** the passage of H.B.2388, HD1 SD1 Relating to Workers Compensation.

H.B. 2388, HD1 SD1 requires the employer to continue medical services to an injured employee despite disputes over whether essential medical services should be continued until the Director of the Department of Labor and Industrial Relations decides whether treatment should be continued. The Director must make his decision within thirty days of the filing of a dispute. The provisions of this bill would give undue advantage to an employee who wishes to prolong the time off the job, even if the employee was deemed able to return to work. The DLIR may not be sufficiently staffed to provide a decision in a timely fashion.

This bill also erodes employers' rights and increases their costs of conducting their businesses because they must pay for treatments that subsequently are deemed unnecessary.

For these reasons, the GCA **strongly opposed** H.B. 2388, HD1 SD1.

Thank you for considering our concerns on the above bill.



HIIA

Hawaii Independent Insurance Agents Association

March 24, 2008

To: Senator Rosalyn Baker, Chair
Senator Shan S. Tsutsui, Vice- Chair
Committee on Ways and Means

From: Sonia M. Leong, Executive Director
Hawaii Independent Insurance Agents Association

Re: HB 2388 – Relating to Workers Compensation
Hearing: Thursday, March 27, 2008 9:00 am Conference Room 211

The Hawaii Independent Insurance Agents Association (HIIA) **opposes** HB 2388 which will require employers to continue medical services to an injured employee despite disputes over whether treatment should be continued, until the director of labor and industrial relations decides whether treatment should be continued.

Points of Concern:

- Ensuring uninterrupted medical care under this bill could require payments by the insurer/employer for inappropriate & unnecessary treatments. This bill would allow provider to continue treatments under their own approved treatment plan until the Director's decision is issued.
- If the Director determines that the medical treatments were unreasonable and unnecessary, the insurer/employer will have the burden to pursue reimbursement from the personal health care provider which would cause a delay in closing the Workers Compensation claim.
- The employer's carrier may not be reimbursed fully because the personal health care provider may have a different reimbursement rate.

HIIA is a non profit trade association of independent insurance producers dedicated to assisting the insurance buying public with their insurance needs. Many of our clients are business owners who will be directly affected if this bill is passed. As you are all aware, workers compensation is a very complex issue with so many interrelated factors that one change could tip the delicate balance. The current business climate is extremely soft and this bill, if passed, will put a real burden on many of the businesses.

Thank you for this opportunity to submit testimony.

testimony

From: Dwayne Wada [dwayne_w@kamehamehagolf.com]
Sent: Wednesday, March 26, 2008 3:46 PM
To: testimony
Cc: Karl Uesugi
Subject: HOUSE BILL NO. 2388 HD1 SD1

Testimony to the Senate Committee on Ways and Means

Thursday, March 27, 2008; 9:45 a.m., Conference Room 211

RE: HOUSE BILL NO. 2388 HD1 SD1 RELATING TO WORKERS' COMPENSATION

Chair Baker, Vice Chair Tsutsui and Members of the Committee:

Aloha, my name is Dwayne Y. Wada and I am the controller for MMK Maui LP, a company that employs close to 180 employees. I oppose House Bill No. 2388 HD1 SD1, relating to Workers' Compensation.

This measure requires the employer to continue medical services to an injured employee, despite disputes over whether treatment should be continued, until the director of labor and industrial relations decides whether treatment should be continued.

While an employee suffering from work-related injuries needs proper and necessary treatment, this bill may cause unreasonable and unnecessary treatment for non-related work injuries. Thus, passage of this measure could prolong time off the job, even if the employee is deemed able to return to his or her work, and hurt my business. Eventually, it could also impede an injured worker's recovery. Please use these benefits as intended and not in such a way where the benefits are activated simply because they exist.

With prolonged absences, the resources of my operation are severely tapped, other employees are overly and unfairly burdened with shouldering the workload of absent peers, and productivity is lost.

Therefore, please recognize the negative impact of this bill on business and oppose HB 2388 HD1 SD1 as it will have unintended consequences, possibly lead to a rise in workers' compensation insurance costs, and increase the cost of doing business.

Thank you for the opportunity to testify.

Sincerely,

Dwayne Y. Wada

TESTIMONY BEFORE THE SENATE COMMITTEE ON

WAYS AND MEANS

Thursday, March 27, 2008

9:45 a.m.

HB 2388, HD1, SD1
RELATING TO WORKERS' COMPENSATION

By Marleen Silva
Director, Workers' Compensation
Hawaiian Electric Company, Inc.

Chair Baker, Vice Chair Tsutsui and Members of the Committee:

Hawaiian Electric Co. Inc., its subsidiaries, Maui Electric Company, LTD., and Hawaii Electric Light Company, Inc. **respectfully oppose H.B. 2388, HD1, SD1.** Our companies represent over 2,000 employees.

This bill requires employers to continue paying for medical treatment despite disputes over whether treatment should be continued until the Director of Labor and Industrial Relations (DLIR) can decide on the matter.

We can appreciate the intent of the bill and recognize the importance of insuring that injured employees receive prompt medical care when suffering from work related injuries. However, we feel that this bill changes the intent of the workers' compensation system by requiring employers to pay for treatment despite disputes over whether or not treatment should be continued. The passage of this bill will leave employers footing the bill then expending resources to try to collect reimbursement for treatment that may be unrelated to a work injury. Treatment unrelated to a compensable work injury should be billed to the employee's private medical insurance carrier.

Passage of this bill will significantly increase workers' compensation costs, and may impose unintended negative consequences for employers, employees, and our State's economy. We believe the existing workers' compensation statutes, administrative rules and regulations have adequate safeguards to insure that an employee receives appropriate medical care for as long as the nature of the work injury requires.

For these reasons, we respectfully oppose H.B. 2388, HD1, SD1.

Thank you for the opportunity to testify.