

STAND. COM. REP. NO.

988

Honolulu, Hawaii

March 13, 2009

RE: S.B. No. 62
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 62, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to bring impartiality to the independent medical examination (IME) and permanent impairment rating examination (PIRE) process in the workers' compensation system by:

- (1) Requiring that mutually agreed-upon physicians be used to conduct IMEs or a PIRE; and
- (2) Establishing a process for the appointment of a physician to conduct an IME or PIRE if the parties cannot mutually agree on a physician to conduct the IME.

The Hawaii Government Employees Association, ILWU Local 142, Hawaii State AFL-CIO, Hawaii Injured Workers Alliance, Vocational Management Consultants, Hawaii State Chiropractic Association, Hawaii Chapter-American Physical Therapy Association, and several concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Retail Merchants of Hawaii, American Insurance Association, Hawaii Insurers Council, Chamber of

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Commerce of Hawaii, Hawaii Independent Insurance Agents Association, Maui Chamber of Commerce, Kaua'i Chamber of Commerce, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., State Farm Insurance Companies, ABC Stores, Kona Community Hospital, Archinoetics, LLC, Highway Inn, and numerous concerned individuals testified in opposition to this bill. One concerned individual commented on this measure.

The workers' compensation law was established as a "no-fault" law to provide an injured worker medical treatment necessary to allow the worker to return to work. In return, the injured worker gives up the right to sue the employer. This system appeared to be a "win-win" situation for both the employer and employee. However, over the years, this process has become more adversarial in nature, to the detriment of both employers and employees.

Unfortunately, these disputes often carry over into the medical examination process. IMEs, which were intended to provide a fair and impartial assessment of the medical care being given to a patient and the future medical needs of that patient, are often points of contention with both employers and employees making accusations regarding the fairness of the IME. This measure is an attempt to bring balance to the system by providing that mutually agreed-upon physicians be used to conduct IMEs and establishing a process for appointing a physician should the parties not be able to agree upon a physician.

Your Committee recognizes that the 30-day timeframe currently provided by this bill for conducting an IME or PIRE may not be adequate for the doctors providing these services. Accordingly, your Committee has amended this bill by changing the timeframe to 45 days.

Technical, nonsubstantive amendments were also made 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 S.B. No. 62, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 62, S.D. 1, 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,



KARL RHOADS, Chair



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State of Hawaii
House of Representatives
The Twenty-fifth Legislature

Record of Votes of the Committee on Labor & Public Employment

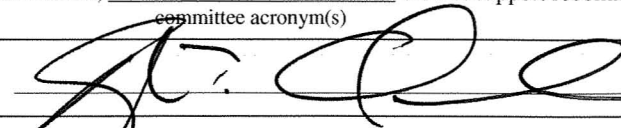
Bill/Resolution No.: SB62, SDI	Committee Referral: LAB, FIN	Date: 3.3.09
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. AWANA, Karen Leinani	/			
5. HANOHANO, Faye P.	/			
6. KEITH-AGARAN, Gilbert S.C.	/			
7. LEE, Marilyn B.				/
8. NAKASHIMA, Mark M.	/			
9. SAIKI, Scott K.				/
10. SOUKI, Joseph M.				/
11. TAKUMI, Roy M.	/			
12. PINE, Kymberly Marcos				/
TOTAL (12)	8	-	-	4

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
_____ committee acronym(s)

Vice Chair's or designee's signature: 

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