

Honolulu, Hawaii  
March 11, 2010

RE: S.B. No. 2339  
S.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2339, 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 promote the timely rendering of decisions in workers' compensation claim hearings by:

- (1) Requiring the Director of the Department of Labor and Industrial Relations (DLIR) to further investigate the facts surrounding a claim for compensation and render a decision in writing within 60 days after the conclusion of a hearing awarding or denying compensation;
- (2) Requiring that within 30 days of an employer's denial, or indication of non-acceptance of compensability, the employer shall submit a written report to the Director of DLIR and the claimant that describes the employer's internal investigation and supporting details that substantiate the denial or indication of non-acceptance; and
- (3) Prohibiting the due date for the employer's foregoing written report to be extended.

The ILWU Local 142; Hawaii Injured Workers Alliance;  
Vocational Management Consultants, Inc.; Hawaii State Chiropractic



Association; and several concerned individuals testified in support of this bill. DLIR, the Department of Human Resources Development, and Department of Human Resources of the City and County of Honolulu testified in opposition to this measure.

Your Committee notes that this bill simply requires the Director of DLIR to investigate the facts surrounding a claim, requires a decision in writing within 60 days after the conclusion of the hearing awarding or denying compensation for a claim to be rendered by the Director, and requires an employer to submit a report describing the employer's internal investigation and supporting details that substantiate the denial or indication of non-acceptance of a workers' compensation claim. This is an administrative improvement which should encourage all parties, including DLIR, to act responsibly in moving cases toward a prompt resolution, and ultimately reducing the financial and personal costs of these claims for both the employer and the employee.

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. 2339, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



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KARL RHOADS, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 694-10

**Record of Votes of the Committee on Labor & Public Employment**

| <b>Bill/Resolution No.:</b><br>SB 2339 SDI   | <b>Committee Referral:</b><br>LAB, JUD, FIN | <b>Date:</b><br>3-9-10 |      |         |
|--|---|------------------------|------|---------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure.  |   |                        |      |         |
| <b>The recommendation is to:</b> <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold<br><input type="checkbox"/> 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  | /   |                        |      | K       |
| 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  |   |                        |      | /       |
| <b>TOTAL (12)</b>  | 10  | —                      | —    | 2       |
| <b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted<br>If joint referral, _____ did not support recommendation.<br><span style="margin-left: 150px;">committee acronym(s)</span>  |   |                        |      |         |
| <b>Vice Chair's or designee's signature:</b> _____<br>   |   |                        |      |         |
| <b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO  |   |                        |      |         |