

Honolulu, Hawaii

March 11, 2010

RE: S.B. No. 2566

H.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. 2566 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL AND REHABILITATION BENEFITS,"

begs leave to report as follows:

The purpose of this bill is to ensure that injured workers have access to appropriate care by clarifying that a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendations from a board certified or licensed specialist without contest by an insurer or employer.

The Hawaii Medical Association, Hawaii Chapter-American Physical Therapy Association, ILWU Local 142, Hawaii Injured Workers Alliance, Vocational Management Consultants, Inc., and a concerned individual testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii Insurers Council, and Property Casualty Insurers Association of America testified in opposition to this measure.

The ability to diagnose an injury or illness accurately and expeditiously should be an uncontested right of all licensed physicians. However, that ability is frequently thwarted by payers who undermine a treating doctor's efforts using tactics such as "denial pending investigation," "denial pending an



independent medical exam," or simply not responding to a physician's efforts to clarify an injured worker's condition. Although done as a means of "cost control" or "utilization management," these efforts undermine treating physicians' abilities to clarify the patient's condition and efficiently focus on available treatments.

Your Committee is aware of concerns that where a surgeon or physician has a financial interest in a medical facility, referring a case for consultation to a board certified or licensed specialist working within that facility may be a conflict of interest. Thus, a physician or surgeon may seek consultation elsewhere, which ultimately will increase the costs of providing proper medical care to injured workers. Accordingly, your Committee has amended this measure by providing that a physician or surgeon may seek consultation from a board certified or licensed specialist working in the same medical facility regardless of whether the surgeon or physician has a financial interest in the facility.

Technical, nonsubstantive amendments have also been 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. 2566, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2566, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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



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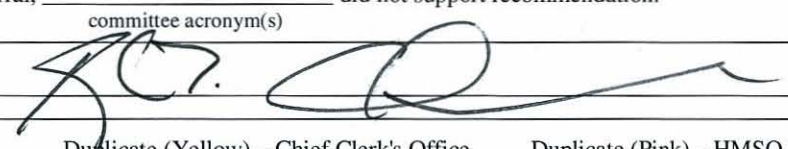
KARL RHOADS, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 695-10

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 2566	Committee Referral: LAB, CPC, FIN	Date: 3-9-10 <del>3-10-10</del> kg		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <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	/			
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)	10	-	-	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				