

TESTIMONY

SB 64

LINDA LINGLE
GOVERNOR



DARWIN L.D. CHING
DIRECTOR

COLLEEN Y. LaCLAIR
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.hawaii.gov/labor
Phone: (808) 586-8842 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

February 4, 2009

To: The Honorable Dwight Takamine, Chair
and Members of the Senate Committee on Labor

Date: Thursday, February 5, 2009

Time: 2:45 p.m.

Place: Conference Room 224
State Capitol

From: Darwin L.D. Ching, Director
Department of Labor and Industrial Relations

Re: S.B. 64 - Relating to Labor and Industrial Relations Appeals Board

I. OVERVIEW OF PROPOSED LEGISLATION

S.B. 64 authorizes the Labor and Industrial Relations Appeal Board to utilize a hearings officer.

II. CURRENT LAW

The current law does not expressly authorize the utilization of a hearings officer.

III. SENATE BILL

The Department supports the S.B. 64 for the following reasons:

1. The Department recognizes that this is a difficult fiscal year and we must strive to do more with limited resources. The Labor and Industrial Relations Appeals Board would be able to utilize current staff and resources more effectively if this legislation took effect.
2. The hearings officer would help cut down on response times and create greater productivity and efficiency in the Labor and Industrial Relations Appeals Board.

TESTIMONY OF THE
LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD

BEFORE THE

SENATE COMMITTEE ON LABOR

Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

Thursday, February 5, 2009, 2:45 p.m.
Conference Room 224
State Capitol

IN SUPPORT OF

Senate Bill 64 - Relating to the Labor and Industrial Relations Appeals Board

Chair Takamine, Vice Chair Taniguchi, and Members of this Honorable Committee:

My name is Roland Thom. As Chairman of the Labor and Industrial Relations Appeals Board, I thank you for scheduling this measure for hearing. I offer testimony in support of this measure and urge the Committee to pass it.

The purpose of this bill is to authorize the Labor and Industrial Relations Appeals Board to utilize a hearings officer. Utilizing a hearings officer would allow the Board to expedite hearings on certain workers' compensation matters, including treatment plan issues, vocational rehabilitation issues, and temporary total disability issues. The hearings officer could hear these types of issues and propose a decision and order for review and approval by the full appeals board. This would afford expedited resolution of time-sensitive matters on appeal from decisions of the Director of Labor and Industrial Relations.

The bill achieves this goal by expressly adding the words "hearings officer" to the statute, § 371-4, *HRS*. The hearings officer would conduct a hearing and prepare a proposed Decision and Order for review and approval by the Board. The bill also adds these words to § 371-6, *HRS*, a section concerning the powers respecting oaths, subpoenas, etc. This measure has also been introduced as House Bill 442 by Representative Lee, Vice Chair of the House Finance Committee.

Utilizing one of the Board's existing staff attorneys as a hearings officer will not reduce the workload or shorten the workday of the Board. The Board will continue to schedule trials every day as usual, but the time needed to determine certain types of issues in specific cases would be shortened. The specific issues would be fast-tracked, as it were, by the hearings officer. The hearing itself would not be rushed; it would just occur

sooner in the appeal hearing process.

The Board is established by § 371-4, *HRS*. It is comprised of three members appointed by the Governor and confirmed by the State Senate. By statute, the Board decides appeals from Decisions and Orders of the Director of Labor and Industrial Relations issued under the workers' compensation law (Chapter 386, *HRS*).

Annually, parties appeal several hundred Decisions and Orders of the Director to the Labor Appeals Board. For example:

- July 1, 2005 through June 30, 2006: 709 appeals
- July 1, 2006 through June 30, 2007: 614 appeals
- July 1, 2007 through June 30, 2008: 597 appeals

While a decrease in the number of appeals is a welcome one, the number of appeals is still somewhat elevated compared to historic levels. Each appeal can require from four to eight hours of trial or hearing time, not to mention the hours of time spent conducting initial conferences, settlement conferences, and hearings on motions relating to each matter. The Board schedules these appeals for trial in the order in which they are received.

Passage of this bill will promote and support more timely decisions. For example, it is not reasonable for parties or physicians to wait for a determination to be made on the reasonableness and necessity of a particular treatment plan a year after the plan was recommended. A patient's condition might worsen, the physician's opinion can change, or medical advances may well affect the propriety of a treatment plan. A hearings officer could hold a hearing on treatment plans in a more efficiently-sized conference room, while the Board conducts trials in another case in the main hearings room. This would, in effect, allow the Board to conduct two hearings at once, thus expediting time sensitive portions of any appeal.

I thank this Committee for scheduling this hearing and ask this Committee to pass this measure.



OFFICERS

Gary Okamoto, MD
President

Robert Marvit, MD
President Elect

Cynthia Jean Goto, MD
Immediate Past President

Thomas Kosasa, MD
Secretary

Jonathan Cho, MD
Treasurer

April Donahue
Executive Director

February 4, 2009

To: Senate Committee on Labor
Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice-Chair

PLEASE DELIVER:

Thursday
2/5/09
2:45 pm
CR 224

From: Hawaii Medical Association
Gary A. Okamoto, MD, President
Philip Hellreich, MD, Legislative Co-Chair
Linda Rasmussen, MD, Legislative Co-Chair
April Donahue, Executive Director
Richard C. Botti, Government Affairs
Lauren Zirbel, Government Affairs

Re: SB64 RELATING TO THE LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD

(Authorizes the labor and industrial relations appeals board (appeal board) to utilize a hearings officer and allow that hearings officer to hold a hearing, in order for the appeal board to expedite hearings on certain workers' compensation matters.)

Chairs & Committee Members:

Hawaii Medical Association supports the passage of SB64.

In general, we are in favor of efforts to speed approval and appeals processes in workers' compensation. Its passage will result in improved patient care and clinical outcomes. Patients will recover and return to function and gainful employment more quickly.

This will also benefit the employer in the form of lowered medical and disability indemnity costs. Furthermore, it will decrease the need for independent medical examinations and the need for patients to consult attorneys, also decreasing overall costs

Thank you for the opportunity to provide this testimony.

Hawaii Medical Association
1360 S. Beretania St.
Suite 200
Honolulu, HI 96814
(808) 536-7702
(808) 528-2376 fax
www.hmaonline.net

THE SENATE
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2009

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Sen. Dwight Takamine, Chair
Sen. Brian T. Taniguchi, Vice Chair

Date: Thursday, February 5, 2009

Time: 2:45 p.m.

Place: Conference Room 224, State Capitol

TESTIMONY OF GUY FUJIMURA/ILWU LOCAL 142

RE: SB 64, RELATING TO LABOR AND INDUSTRIAL
RELATIONS APPEALS BOARD

Thank you for the opportunity to present testimony regarding SB 64. We support this bill.

SB 64 proposes that the Labor and Industrial Relations Appeals Board (“LIRAB”) be allowed to utilize a hearing officer to expedite the resolution appeals concerning vocational rehabilitation, medical care, and termination of temporary total disability benefits. Time is of the essence in addressing matters of this nature. At present, because of the vast number of cases the board must handle, trials are set approximately a year after appeals are taken. Delay of this magnitude in providing medical treatment or surgery, or in restoring temporary total disability that has been improperly terminated, is obviously unacceptable. Less obviously, legitimate vocational training or education, or the provision of any vocational rehabilitation assistance at all, can be frustrated and is effectively denied by the length of time necessary to adjudicate these issues.

If SB 64 is enacted, it will therefore hopefully address the maxim that “[J]ustice delayed is justice denied.” Efficient adjudication will also reduce unnecessary costs that accrue solely because of delays in making determinations on disputed issues. Thus, adoption of SB 64 should actually serve to reduce expenses and contribute overall toward employer premium reduction, while giving injured workers more timely adjudication of their claims. We therefore support this proposal as a means to enhance the efficiency of the LIRAB and its important work.