

STAND. COM. REP. NO. 2977

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 2152
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Health and Judiciary and Labor, to which was referred H.B. No. 2152, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to require the Office of the Auditor to conduct a study that analyzes the concerns within the healthcare community about the difficulty in providing healthcare in workers' compensation cases due to their low reimbursement rates.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Department of Labor and Industrial Relations; Hawaii Medical Association; Plumbers and Fitters Union, Local 675; and three individuals. Your Committees received testimony in opposition to this measure from the Property Casualty Insurers Association of America and one individual. Your Committees received comments on this measure from the Department of Human Resources Development, IWLU Local 142, and two individuals.

Your Committees find that quality medical care is not available to all injured workers because the level of compensation received by the physicians willing to take individuals with workers' compensation insurance is below that paid for regular prepaid health insurance. With the lower reimbursement rate and the time required for the claims documentation, many medical



providers are simply refusing to accept patients with workers' compensation. Injured workers may consequently go untreated or seek out substandard care.

Your Committees find that the study of the workers' compensation reimbursement system proposed in this measure is unnecessary and will simply delay the implementation of a real solution, as there is no dispute that low reimbursement is the problem underlying the shortage and inadequacy of medical care for injured workers.

Your Committees have amended this measure accordingly by deleting its contents and inserting the contents of the H.D. 1 version of this measure. As amended, this measure increases the fee schedule of compensation for medical care, services, and supplies in workers' compensation cases from 110 percent to 130 percent of the Medicare Resource Based Relative Value Scale applicable to Hawaii as prepared by the United States Department of Health and Human Services, effective January 1, 2013.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2152, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2152, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and
Judiciary and Labor,



CLAYTON HEE, Chair



JOSH GREEN, M.D., Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2152, HD2	HTH /JDL, WAM	3-20-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, M.D., Josh (C)	✓			
NISHIHARA, Clarence K. (VC)	✓			
BAKER, Rosalyn H.				✓
CHUN OAKLAND, Suzanne	✓			
SHIMABUKURO, Maile	✓			
WAKAI, Glenn				✓
SLOM, Sam	<i>[Signature]</i>	✓		
TOTAL	4	1	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Clarence K. Nishihara</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2152, HDZ	HTH/JDL, WAM	3/20/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam		✓		
TOTAL	3	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes