

Honolulu, Hawaii
Feb 6, 2012

RE: H.B. No. 2583
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2583 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL BENEFITS UNDER THE WORKERS' COMPENSATION LAW,"

begs leave to report as follows:

The purpose of this measure is to improve the efficiency of the workers' compensation system by requiring the Director of Labor and Industrial Relations to make a decision on disputes regarding treatment plans and continued medical services without a hearing within thirty days of the filing of a dispute.

The Department of Labor and Industrial Relations and two concerned individuals testified in support of this measure. The Hawaii Government Employees Association testified in support of the intent of this measure. The Chamber of Commerce of Hawaii testified in opposition to this measure. ILWU Local 142 provided comments.

Under Hawaii's Workers' Compensation Law, when a dispute is filed regarding a proposed treatment plan or whether medical services should be continued, the Director of the Department of Labor and Industrial Relations is required to render a decision within thirty days of the filing of a dispute. However, Hawaii's recent economic downturn has resulted in budget cuts and staff shortages within the Department of Labor and Industrial relations and it currently takes three to four months to schedule a hearing,

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notice the parties, conduct the hearing, and render a decision. This measure attempts to simplify this process and allow injured workers, insurance carriers, and employers to receive more prompt decisions as to whether medical services will continue or whether a treatment plan will be approved or denied.

However, your Committee understands concerns raised that not all medical disputes may be able to be resolved without a hearing and requiring the Director of the Department of Labor and Industrial Relations to render a decision in thirty days without a hearing may not be practical.

As such, your Committee has amended this measure by allowing, rather than requiring, the Director of the Department of Labor and Industrial Relations to render a decision without a hearing while maintaining the requirement that the decision be rendered within thirty days of the filing of the dispute.

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 H.B. No. 2583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2583, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

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



KARL RHOADS, Chair



