

Honolulu, Hawaii

March 16, 2012

RE: S.B. No. 2845
S.D. 1
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 S.B. No. 2845, S.D. 1, 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 allowing the Director of Labor and Industrial Relations to make a decision on disputes regarding treatment plans and continued medical services without a hearing within 30 days of the filing of a dispute.

The Department of Labor and Industrial Relations; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; ILWU Local 142; Hawaii Laborers' Union; United Public Workers, AFSCME, Local 646, AFL-CIO; and two concerned individuals testified in support of this measure. The Chamber of Commerce of Hawaii and Property Casualty Insurers Association of America testified in opposition to this measure.

Under Hawaii's current workers' compensation law, when a dispute is filed regarding a proposed treatment plan or whether medical services should be continued, the Director of Labor and Industrial Relations is required to hold a hearing and render a decision within 30 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, notice the parties, conduct the hearing, and render a decision. This measure attempts to simplify the dispute 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.

Your Committee has amended this measure by:

- (1) Clarifying that, although the Director of Labor and Industrial Relations is allowed to render a decision without a hearing, the Director shall render a decision within thirty days of the filing of the dispute; and
- (2) Changing its effective date to upon its approval.

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. 2845, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2845, S.D. 1, 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



