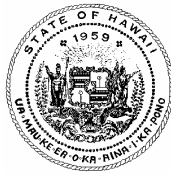


NEIL ABERCROMBIE
GOVERNOR



BARBARA A. KRIEG
INTERIM DIRECTOR

LEILA A. KAGAWA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

April 2, 2012

**COMMENTS TO THE
SENATE COMMITTEE ON WAYS AND MEANS**

For Hearing on Wednesday, April 4, 2012
9:10 a.m., Conference Room 211

BY

BARBARA A. KRIEG
INTERIM DIRECTOR

House Bill No. 2152, S.D. 1
Relating to Workers' Compensation

TO CHAIRPERSON DAVID IGE AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to provide comments on H.B. 2152, S.D. 1.

The purpose of H.B. 2152, S.D. 1, is to increase 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.

The Department of Human Resources Development (DHRD) has a fiduciary duty to administer the State's self-insured workers' compensation program and its expenditure of public funds. **In that regard, DHRD appreciates the intent of this bill, but is concerned about its significant cost implications on State funds appropriated for workers' compensation.**

We are aware that more physicians and medical providers are opting not to accept workers' compensation patients due to a variety of factors, including the limits on payments allowed under the statute and the administrative burdens of providing

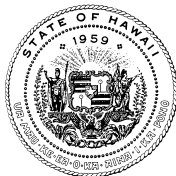
treatment to a claimant. This bill would provide a financial incentive for more providers to accept claimants as patients. We believe that having more physicians and medical providers participating in workers' compensation would lead to more choices, better quality, and more timely provision of services to our injured workers.

However, the fiscal impact of the proposed 18% increase in the reimbursement for medical care, services, and supplies that fall under the Medicare fee schedule will be significant. Over the years, medical care has by far been the most expensive cost item in our workers' compensation program, consistently averaging at least 40% of our total costs. An across-the-board increase for services that fall under the Medicare fee schedule will drive our medical costs higher and will likely require an increase in our appropriation to pay claims under Chapter 386.

We note that Section 386-21, HRS, authorizes the Director of the Department of Labor and Industrial Relations to issue a supplemental fee schedule if the director determines that an allowance for a specific service under Medicare is not reasonable. As an alternative to this bill, we suggest that the Department of Labor and Industrial Relations be given the time and latitude to continue its ongoing and commendable efforts to gather the input of all workers' compensation stakeholders to address the many issues facing our current system--including the number of participating physicians. Should the DLIR believe any allowances need to be adjusted, all stakeholders would have the opportunity to provide their input.

We are also in accord with the DLIR's testimony before the House Committee on Labor and Public Employment which suggested the Legislature provide some relief attached to a comprehensive study of the long-term fiscal impact H.B. 2152 would have on the overall medical costs of the workers' compensation system as an alternative to an across-the-board increase in the Medicare reimbursement rates.

Thank you for the opportunity to provide comments on this measure.



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

April 4, 2012

To: The Honorable David Y. Ige, Chair, Michelle N. Kidani, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Wednesday, April 4, 2012

Time: 9:10 a.m.

Place: Conference Room 211, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 2152 HD2SD1 Relating to Workers' Compensation

I. OVERVIEW OF PROPOSED LEGISLATION

HB2152 HD2SD1 proposes to amend section 386-21, Hawaii Revised Statutes (HRS), by increasing the charges for medical care, services and supplies to not exceed one hundred thirty (130%) percent of fees prescribed in the Medicare Resources Based Relative Value Scale System applicable to Hawaii. It also amends the definition of Medical Fee Schedule in section 431:10C-103, HRS to avoid an unintentional raise in motor vehicle premiums.

The department notes that there have been times when the department has undertaken the required surveys with the intention to go through the administrative process to increase the fees in the Workers' Compensation Medical Schedule, but was not able to move forward on those proposals. For example, in 2008, DLIR requested permission to update the Schedule through the administrative rules process, but the Governor failed to act on that request.

The department supports immediate relief in the form of a percentage increase over the Medicare Resource Based Relative Value Scale system and recommends a study of that relief to:

- Analyze the long-term fiscal impact this relief would have on the overall medical costs of the workers' compensation system.

II. CURRENT LAW

Section 386-21, Hawaii Revised Statutes (HRS), allows for charges for medical care, services and supplies to not exceed one hundred ten percent (110%) of fees prescribed in the Medicare Resource Based Relative Value Scale system

applicable to Hawaii.

Section 386-21, HRS, also allows the director to increase fees for specific services if the fees provided under Medicare are not reasonable. The department may adjust reimbursement rates through Exhibit A of the Workers' Compensation Medical Fee Schedule Administrative Rules when surveys indicate that Medicare plus 10% is not sufficient reimbursement for healthcare treatment.

III. COMMENTS ON THE HOUSE BILL

- The department supports immediate relief in the form of a percentage increase over the Medicare Resource Based Relative Value Scale system and recommends that a study be inserted into the measure to analyze the long-term fiscal impact this relief would have on the overall medical costs of the workers' compensation system.

The Department offers these additional comments pertaining to the proposal:

1. ACT 234, effective June 29, 1995 amended Section 386-21 to provide that charges for services shall not exceed 110% of Medicare Resource Based Relative Value Scale system. Act 234 was implemented in response to concerns that reimbursement rates for workers' compensation medical services were too high. Over time, the reimbursement rates of providers have failed to keep pace with the higher costs of medical care, leading some physicians to opt out of providing treatment to injured workers in the workers' compensation system.

Hawaii Medicare Physician Fee Schedule Average¹ & Change in CPT² 1995-2012

CPT Sections	1995 Medicare Average	2012 Medicare Average	Percentage Change	CPI-U ³ Change 1995-2011	CPI-U Medical Costs ⁴ 1995-2011
Surgery	\$522.38	\$548.17	5%	45%	55%
Radiology	\$208.60	\$171.00	-18%		
Medicine	\$178.89	\$133.62	-25%		
Eval & Mgmt	\$50.07	\$51.92	4%		
All CPT	\$355.25	\$347.36	-2%		

¹ Based on CPT codes found in the current Medical Fee Supplemental Schedule (Exhibit A).

² Current Procedural Terminology (CPT).

³ Consumer Price Index, Bureau of Labor Statistics (BLS), U.S. Department of Labor (USDOL).

⁴ Consumer Price Index, Medical Care Costs Only, BLS, USDOL.

2. The Office of Workers' Compensation Program Medical Fee Schedule (OWCP) conversion factor (CF) for Hawaii was 143% of Medicare in 2011.

Comparison of Medicare and OWCP Conversion Factors
2002-2011

Year	Medicare CF	OWCP ¹ CF	OWCP CF % over Medicare CF
2002	\$36.20	\$48.32	133.5%
2003	\$36.79	\$49.10	133.5%
2004	\$37.34	\$49.84	133.5%
2005	\$37.90	\$50.58	133.5%
2006	\$37.90	\$50.58	133.5%
2007	\$37.90	\$51.60	136.2%
2008	\$38.09	\$51.86	136.2%
2009	\$36.07	\$53.10	147.2%
2010	\$36.87	\$53.10	144.0%
2011	\$33.98	\$48.52	142.8%

¹ U.S. Department of Labor, Office of Workers' Compensation Programs (OWCP) Medical Fee Schedule conversion factor used for only those medical services with a Relative Value Unit (RVU).

Conversion Factor (CF) – The conversion factor converts the relative value units into an actual dollar amount. The dollar multiplier (CF) is updated on an annual basis. For Medicare this factor is according to a formula specified by statute. The OWCP devises its own conversion factors (CF) based on program-specific data, and national billing data from other federal programs, state workers' compensation programs and the U. S. Department of Labor's Bureau of Labor Statistics consumer price index (CPI) data.

3. The department is aware that any increase in reimbursement to medical providers may result in additional cost and higher insurance fee premiums for employers. The department notes that from 2005 - 2010, Workers' Compensation premium levels have cumulatively **decreased by 63%**. This trend of decreasing premiums may be reversing, however, as evidenced by the slight rise (3.5%) in premium costs last year.
4. The department believes a reimbursement of 110% of Medicare to medical providers who treat injured workers is inadequate. The department, however, has some concerns healthcare providers who are already adequately compensated for their services would receive an increase in allowable charges

if the ceiling for charges were raised to 130% of Medicare. Thus, the department suggests that some relief be provided, but studying the impact of that relief.

5. The department can and has adjusted reimbursement rates based upon surveys of prevalent charges when the surveys indicated reimbursement rates were higher than Medicare. Changes to reimbursement rates are made to the Department's Supplemental Fee Schedule known as Exhibit A of the Medical Fee Schedule Administrative rules.



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

TO THE SENATE COMMITTEE ON WAYS AND MEANS

TWENTY-SIXTH LEGISLATURE
Regular Session of 2012

Wednesday, April 4, 2012
9:10 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON HOUSE BILL NO. 2152, H.D. 2, S.D. 1 – RELATING TO WORKERS' COMPENSATION.

TO THE HONORABLE DAVID Y. IGE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner ("Commissioner"), testifying on behalf of the Department of Commerce and Consumer Affairs ("Department").

The Department takes no position on this version of the bill and submits the following comments.

The purpose of this bill is to: (1) amend Hawaii Revised Statutes ("HRS") § 386-21(c) by increasing the fee schedule of compensation for medical care, services, and supplies in workers' compensation cases from 110 to 130 percent of the Medicare Resource Based Relative Value Scale applicable to Hawaii, as prepared by the U.S. Department of Health and Human Services ("Medicare fee schedule"); and (2) amend the definition of "medical fee schedule" in HRS § 431:10C-103 to cap the fees in motor vehicle insurance cases at 110 percent of the Medicare fee schedule.

The intent of section 1 of this bill is to improve access and availability of medical providers to treat workers' compensation claimants. The Department notes that this bill will also likely result in an increase in workers compensation insurance premiums.

The intent of section 2 of this bill is to avoid negative impact in motor vehicle insurance premiums by capping medical fees. As currently drafted, the definition in section 2 is flawed, because it conflicts with the definition of "workers' compensation supplemental fee schedule" in HRS § 431:10C-308.5.

HRS § 431:10C-308.5(a) currently defines "workers' compensation supplemental medical fee schedule" as "the schedule adopted and as may be amended by the director of labor and industrial relations for workers' compensation cases under chapter 386, establishing fees and frequency of treatment guidelines." HRS § 431:10C-304(6) also refers to the term "workers' compensation supplemental medical fee schedule". The term "medical fee schedule" is not used elsewhere in Article 10C and poses a potential statutory conflict with the term "workers' compensation supplemental fee schedule" used in HRS §§ 431:10C-308.5 and 431:10C-304. For these reasons, the Department suggests deleting the term "medical fee schedule" in HRS § 431:10C-103.

Under current law, the fee schedule for motor vehicle insurance cases are tied to the workers' compensation supplemental fee schedule, per HRS § 431:10C-308.5. This was intended to reduce motor vehicle insurance premiums and to provide administrative efficiency. If the Committee wishes to create different reimbursement rates for workers' compensation insurance and for motor vehicle insurance by maintaining medical fee schedules for motor vehicle insurance at 110 percent, the Department recommends amending HRS § 431:10C-308.5(a) as follows:

SECTION 2. Section 431:10C-308.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) As used in this article, the term "workers' compensation supplemental medical fee schedule" means the schedule adopted and as may be amended by the director of labor and industrial relations for workers' compensation cases under chapter 386, establishing fees and frequency of treatment guidelines[-]; provided that the charges shall not

exceed one hundred ten per cent of fees prescribed in the Medicare Resource Based Relative Value Scale applicable to Hawaii as prepared by the United States Department of Health and Human Services.

References in the workers' compensation supplemental medical fee schedule to "the employer", "the director", and "the industrial injury", shall be respectively construed as references to "the insurer", "the commissioner", and "the injury covered by personal injury protection benefits" for purposes of this article."

The Department notes that creating a different reimbursement rate for motor vehicle insurance cases may have a negative impact on availability of medical providers.

We thank this Committee for the opportunity to present testimony on this matter.

dige1 - Brandt

From: mailinglist@capitol.hawaii.gov
Sent: Monday, April 02, 2012 10:20 AM
To: WAM Testimony
Cc: jbstak@prodigy.net
Subject: Testimony for HB2152 on 4/4/2012 9:10:00 AM

Categories: Green Category

Testimony for WAM 4/4/2012 9:10:00 AM HB2152

Conference room: 211
Testifier position: Support
Testifier will be present: No
Submitted by: Betty Sestak
Organization: Hawaii Rehabilitation Counseling Assoc.
E-mail: jbsestak@prodigy.net
Submitted on: 4/2/2012

Comments:
May make it easier for injured workers to receive good care.

THE SENATE
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2012

COMMITTEE ON WAYS AND MEANS

Sen. David Y. Ige, Chair
Sen. Michelle N. Kidani, Vice Chair

Hearing: Wednesday, April 4, 2012
Time: 9:10 a.m.
Place: Conference Room 211, State Capitol

TESTIMONY OF ILWU LOCAL 142

RE: HB 2152, HD 2, SD 1, RELATING TO WORKERS' COMPENSATION

Chair Ige, Vice Chair Kidani, Members of the Ways & Means Committee:

Thank you for the opportunity to present testimony regarding HB 2152, HD 2, SD 1. We support this bill.

Access to quality medical care is perhaps the single most important factor in the successful functioning of our workers' compensation system. Effective medical care enables injured workers to resume productive lives or to make the necessary adaptations to transition to other occupations. Sound medical treatment also permits employers and insurers to minimize their expenses in paying for lengthy temporary or permanent disability.

At present, effective medical care is not available to all injured workers because the level of compensation received by those physicians willing to take workers' compensation is below that paid for regular prepaid health insurance. When the lower rate of reimbursement is coupled with administrative requirements for claims documentation and the added time this entails, many medical providers are simply refusing to accept workers' compensation patients. The result is that injured workers then can go untreated or cannot access quality medical care. Our best and busiest physicians can build successful practices without workers' compensation patients, and thus they are often the least available to care for injured workers.

HB 2152, HD 2 SD 1, would go far to correct the inadequate compensation of medical providers in the workers' compensation arena by increasing the base for compensation from 110 percent to 130 percent of the Medicare Resource Based Relative Value Scale. No significant adjustments in this compensation have been made for an extended time period, and thus, enhancement is justified merely to keep pace with inflation, if for no other reason.

By taking this action, the legislature will not only increase the availability of quality medical care, but in the long run will ensure a more stable and economical system of workers' compensation medical coverage.

We do note, however, that Section 4 of HB No. 2152, HD 2, SD 1 states that the effective date of the measure is **July 1, 2112**. However, Standing Committee Report No. 2977, which accompanied the SD 1 version of the bill, increases the fee schedule for workers' compensation medical services from 110 percent to 130 percent "effective **January 1, 2013**." This discrepancy should be addressed and the bill's effective date should be corrected to January 1, 2013. With this change, ILWU Local 142 urges that HB 2152, HD 2, SD 1 be enacted.

Testimony of
John M. Kirimitsu
Legal & Government Relations Consultant

Before:

Senate Committee on Ways and Means
The Honorable David Y. Ige, Chair
The Honorable Michelle N. Kidani, Vice Chair

April 4, 2012
9:10 am
Conference Room 211

Re: HB 2152, HD2, SD1 - Relating to Workers' Compensation

Chair, Vice Chair, and committee members thank you for this opportunity to provide testimony on the decision making on this bill.

Kaiser Permanente Hawaii supports this bill.

Basing the medical fee schedule on the Medicare RBRVS began in 1995, and to date, the payments to health care providers has remain unchanged at 110% of Medicare RBRVS. Therefore, this bill's proposed increase to 130% is long overdue.

This issue of increasing the medical services reimbursement for workers' compensation cases has a long standing history before the Hawaii legislature. In 1998, the Hawaii legislature requested a study to determine if the 110% ceiling on the workers' compensation medical fee schedule based on the Medicare-RBRVS should be adjusted. In that study, the Legislative Reference Bureau recommended an increase in the 110% medical fee schedule, and attributed the low medical fee schedule for the trend in health care providers not accepting new patients for workers' compensation cases. The complete Legislative Reference Bureau report and its findings may be viewed at <http://hawaii.gov/lrb/rpts98/fee.pdf>.

Traditionally, workers' compensation fee schedules do not properly recognize and reimburse physicians who go beyond traditional medical services and perform the extra work required to promote an employee's rapid return to work. It is well documented that workers' compensation cases require more physician time in caring for and educating the patient, increasing the cost of delivering workers' compensation services compared with routine health care. As a result, low

fee schedules can discourage the participation of qualified physicians and have a consequential negative impact on access through a reduction of available physicians. On the other hand, an appropriate fee schedule promotes the development of quality occupational health programs and services, which in turn ensures higher quality of health care and increased access to injured workers without passing on higher costs to employers and insurers.

Thank you for the opportunity to comment.



HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

TO: COMMITTEE ON WAYS AND MEANS

Senator David Y. Ige, Chair

Senator Michelle N. Kidani, Vice Chair Rep. Marilyn B. Lee, Vice Chair

DATE: Wednesday, April 4, 2012

TIME: 9:10 a.m.

PLACE: Conference Room 211

From: Hawaii Medical Association

Dr. Roger Kimura, MD, President

Linda Rasmussen, MD, Legislative Co-Chair

Dr. Joseph Zobian, MD, Legislative Co-Chair

Dr. Christopher Flanders, DO, Executive Director

Lauren Zirbel, Community and Government Relations

Re: **HB 2152 RELATING TO WORKERS' COMPENSATION.**

In Support

Chairs & Committee Members:

Hawaii Medical Association supports this measure.

In 1995, a comprehensive package of legislative proposals was made to reform workers' compensation in response to rising insurance premiums. The Legislature couldn't agree on fair and meaningful reforms, so the medical fee schedule was arbitrarily slashed by 54%, basing reimbursement on Medicare plus 10%. Hawaii's medical fee schedule fell to fifth lowest in the nation, 18% below the national median. Counter-intuitively, costs per case continued to rise and soon exceeded pre-1995 levels.

The probable reason for this is the impact that inadequate reimbursement had on restricting access to care. A critical element in treating workers' compensation cases is immediate access to comprehensive medical care and management. Any delays tend to make the injury more costly, even to the extent of permanent impairments and disabilities. This also affects the time period the employee is off work, creating greater costs to employers for temporary disability payments.

The legislature must recognize that the practice of medicine is also a business and therefore follows the same economic rules under which any business operates. In short, no business or

OFFICERS

PRESIDENT - ROGER KIMURA, MD, PRESIDENT ELECT - STEVE KEMBLE, MD

IMMEDIATE PAST PRESIDENT – MORRIS MITSUNAGA, MD, SECRETARY - THOMAS KOSASA, MD, TREASURER – WALTON SHIM, MD, EXECUTIVE DIRECTOR – CHRISTOPHER FLANDERS, DO

profession can exist if they are forced to take a loss on sales or services. In addition to taking a loss on services physicians taking workers compensation are forced to deal with an increasingly unmanageable level of administrative burdens. Predictably, there has been a steady exodus of physicians willing to treat injured workers. Because no-fault automobile injuries are reimbursed according to the workers' compensation fee schedule, these patients also have been having an increasingly difficult time receiving care for their injuries. The situation has finally reached crisis proportion as demonstrated by a Hawaii Medical Association survey indicating that over 65% of doctors that had previously taken these cases now refuse to do so. It is now extremely common that physicians refuse care of these injuries even to their established patients. Straub Hospital and Clinic is perhaps the largest example of this.

We have come to the legislature regularly to correct this problem since Act 234 was passed in 1995 asking for recognition that injured workers and their families are suffering as a result of low reimbursements impeding access to medical care. We hope that now the legislature finally understands this to be true and takes action to correct the situation.

Thank you for the opportunity to provide this testimony.

TESTIMONY BEFORE THE SENATE
COMMITTEE ON WAYS AND MEANS

Wednesday, April 4, 2012
9:10 a.m.

HB 2152, HD2, SD1
RELATING TO WORKERS' COMPENSATION

By Marleen Silva
Director, Workers' Compensation
Hawaiian Electric Company, Inc.

Chair Ige and Vice Chair Kidani, and Members of the Committee:

Hawaiian Electric Co. Inc., its subsidiaries, Maui Electric Company, LTD., and Hawaii Electric Light Company, Inc. **strongly oppose H.B. 2152, H.D. 2, S.D.1.** Our companies represent over 2,000 employees.

This bill proposes to amend Section 386-21, HRS by automatically increasing across the board the fee schedule of compensation for medical care in workers' compensation cases from 110% to 130% of the Medicare Resource Based Relative Value Scale system applicable to Hawaii. We oppose it as being unnecessary, overly broad in its approach, and will serve to drive up the costs of workers' compensation as a whole.

The existing statutes already have a process in place to allow the Director of the Department of Labor and Industrial Relations (DLIR) to amend the allowable fees at any time in the Department's Supplemental Fee Schedule, (known as Exhibit A of the Hawaii Workers' Compensation Medical Fee Schedule Administrative Rules). Health care providers can also already submit proposals, with supporting evidence, to the Director to review and determine if a change to their reimbursement rate is warranted. This process has been used by the Director of the DLIR to adjust reimbursement rates based upon surveys of prevalent charges when the surveys have indicated reimbursement rates were higher than Medicare.

We recognize that reimbursement rates may have discouraged physicians in some medical specialty areas to treat work injuries. However, the solution to this issue is not to take the broad brush approach by increasing the medical fee schedule automatically and across the board. Instead, an updated study should be conducted to identify such medical "specialty areas" impacted and the degree to which they are impacted. The Department's Supplemental Medical Fee Schedule could then be adjusted more appropriately to such area of identified need rather than raise the costs of workers' compensation as a whole unnecessarily and unfairly.

For these reasons, we respectfully oppose H.B. 2152, HD2, SD1 and request this measure be held.

Thank you for this opportunity to submit testimony.

Testimony of
American Insurance Association
1015 K Street, Suite 200
Sacramento, California 95814 - 3803

TO: Senator David Y. Ige
Chair, Committee on Ways and Means
Via Email: WAMTestimony@Capitol.hawaii.gov

DATE: April 3, 2012

RE: H.B. 2152, HD2, SD1 – Relating to Workers’ Compensation
Hearing: Wednesday, April 4, 2012 at 9:10 a.m.
Conference Room 211

The American Insurance Association (AIA) respectfully opposes H.B. 2152, H.D.2, S.D.1 Relating to Workers’ Compensation.

AIA is the leading property-casualty insurance trade organization, representing approximately 300 insurers that write more than \$100 billion in premiums each year. AIA member companies offer all types of property-casualty insurance, including personal and commercial auto insurance, commercial property and liability coverage for small businesses, workers' compensation, homeowners' insurance, medical malpractice coverage, and product liability insurance.

H.B. 2152, H.D.2, S.D.1 would increase the workers’ compensation fee schedule for medical care, services, and supplies from 110 percent to 130 percent of the United States Department of Health and Human Services Medicare Resource Based Relative Value Scale (RBRVS) applicable to Hawaii.

Our concern is based on the fact that additional costs in the workers’ compensation system ultimately must be borne by employers and other system payors. In the current economic environment, and with medical cost inflation, an additional upward pressure on medical costs should be avoided.

For the reasons stated above, we respectfully ask that you hold H.B. 2152, H.D.2, S.D.1. Thank you for the opportunity to submit testimony.

Steven Suchil
Assistant Vice President/Counsel
State Affairs
Western Region

April 3, 2012

Senator David Y. Ige
Chair, Committee on Ways and Means

Senator Michelle N. Kidani
Vice Chair, Committee on Ways and Means

RE: Testimony in Support of HB2152, HD2, SD1, Relating to Workers'
Compensation
Hearing, Wednesday, April 4, 2012
9:10 AM
Conference Room 211

FROM: James A. Pleiss, DC
2045 Main Street, Wailuku, Maui, Hawaii 96793
808-244-0312

Dear Chair Ige and Vice Chair Kidani:

Thank you for the opportunity to testify in support of HB2152, HD2, SD1.

Since the reform in workers compensation in the 1990's, the workers' compensation fee schedule has been tied to the Medicare fee schedule +110%. Since that time, because of the nature of Medicare, there has been no real increase in fees. In fact, some years the fees go down.

This has led to many healthcare providers to not accept workers' compensation insurance. It is extremely difficult to find healthcare providers, particularly on the neighbor islands who will take workers' compensation.

HB2152, HD2, SD1 which increases the fee schedule to 130% will help to draw more healthcare providers back into treating injured workers, making it easier for workers to get the care and diagnostic studies done to treat their injuries on a timely basis.

Thank you for allowing me to testify in support of HB2152, HD2, SD1.

James A. Pleiss, DC

dige1 - Brandt

From: mailinglist@capitol.hawaii.gov
Sent: Monday, April 02, 2012 9:38 AM
To: WAM Testimony
Cc: apohi21@gmail.com
Subject: Testimony for HB2152 on 4/4/2012 9:10:00 AM

Categories: Green Category

Testimony for WAM 4/4/2012 9:10:00 AM HB2152

Conference room: 211
Testifier position: Oppose
Testifier will be present: No
Submitted by: SAMSON BROWN
Organization: Individual
E-mail: apohi21@gmail.com
Submitted on: 4/2/2012

Comments:

To: The Honorable David Ige, Chair and Michelle Kidani, Vice-Chair and Members of the Senate Committee on Ways and Means

Date: Wednesday, April 3, 2012

Time: 9:10 a.m.

Place : Conference Room 211
State Capitol
415 South Beretania Street

From: Derrick Ishihara

Re: HB 2152 HD 2, SD 1 Relating to Worker's Compensation

Position: Support

Dear Chair Ige, Vice-Chair Kidani, and Committee Members,

HB 2152 HD 2, SD 1 proposes to raise the reimbursement rate to medical providers for care rendered to patient's injured at work from the current 110% to 130% of the Medicare Resource Based Relative Value Scale adjusted for Hawaii.

Act 234 which was passed in 1995 lowered the medical reimbursement rates too drastically resulting in a gradual exodus of physicians willing to participate. Over the 17 years since, limited access to medical care has reached crisis levels. Unofficial estimates are that nearly 80% of doctors no longer accept Worker's Compensation cases causing needless delays in care as injured workers have to first find a doctor willing to treat them.

Patients who over the years have built trust and familiarity with their family physicians have to look for another doctor if they are injured at work. Patients have had to wait weeks to find and schedule appointments with a physician willing to treat them. This delay in care can create complications that lead to increased medical costs, indemnity costs, and lengthen the need for care. At very least, injured workers needlessly suffer while waiting to obtain care.

A few patients, not knowing their employment rights are encouraged to file claims for injuries sustained on the job onto their pre-paid health insurance policies. Although they can receive care sooner, they are out-of-pocket for deductibles and co-pays. In cases where lost work time is incurred, they are not reimbursed for lost wages. While this practice may stem the tide of increasing Work Comp premiums, it only shifts the cost of care to the pre-paid health insurance, resulting in higher premiums there.

Please help injured workers regain a larger choice of medical providers and access to quality care sooner by passing this bill.

Respectfully submitted,

Derrick Ishihara, PT

1314 S. King Street, #1451

Honolulu, HI 96814

dige1 - Brandt

From: mailinglist@capitol.hawaii.gov
Sent: Monday, April 02, 2012 5:33 PM
To: WAM Testimony
Cc: bolger55@gmail.com
Subject: Testimony for HB2152 on 4/4/2012 9:10:00 AM

Categories: Green Category

Testimony for WAM 4/4/2012 9:10:00 AM HB2152

Conference room: 211
Testifier position: Support
Testifier will be present: Yes
Submitted by: Douglas Thomas Moore
Organization: Individual
E-mail: bolger55@gmail.com
Submitted on: 4/2/2012

Comments:

Aloha: strongly support this bill to increase reimbursement for medical providers. Hopefully an increase will also increase the number of physicians willing to practice medicine on the neighbor islands since there is a terrible shortage.

dige1 - Brandt

From: mailinglist@capitol.hawaii.gov
Sent: Monday, April 02, 2012 7:32 PM
To: WAM Testimony
Cc: tlccostas@msn.com
Subject: Testimony for HB2152 on 4/4/2012 9:10:00 AM

Categories: Green Category

Testimony for WAM 4/4/2012 9:10:00 AM HB2152

Conference room: 211
Testifier position: Support
Testifier will be present: No
Submitted by: Terry L. Costa
Organization: Individual
E-mail: tlccostas@msn.com
Submitted on: 4/2/2012

Comments:

Thanks to the Ways and Means Committee, That i Terry Costa supports this bill. As an injured worked currently on work comp for 5 years and going through a Fraudulent IME when the doctor did not mention that i was on a prescribed narcotic Vicodin during the exam. In his report under medication the IME doctor did not mention i was on Vicodins during the exam due to a rotator cuff surgery. The IME was for my back injury and i just had my sling removed after 3 weeks from the date of the rotator cuff surgery.

I have filed Fraud Complaint with the Disabilioty Compensation Division DCD and the refused to address this issue because the IME doctor is considered not a party to the claim. I ask the Ways and Means Committee to pass this Bill for a fair IME. The injured worker has no rights to ask the IME doctor questions concerning the injury, the Insurance Carrier always ask question to TERMINATE YOUR BENEFITS AND TREATMENT. I ask the Committee has any injured worker on workers compensation supporting this bill or is it Employers and Insurance Carriers with deep pocket. These Examination affects FAMILIES. All i ask for is a fair examination. aloha Terry Costa. my case # is 2-07-03217 that documents my testimony.