



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

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813

[www.hawaii.gov/labor](http://www.hawaii.gov/labor)

Phone: (808) 586-8842 / Fax: (808) 586-9099

Email: [dlir.director@hawaii.gov](mailto:dlir.director@hawaii.gov)

February 28, 2012

To: The Honorable Marcus R. Oshiro, Chair, Marilyn B. Lee, Vice Chair, and  
Members of the House Committee on Finance

Date: Tuesday, February 28, 2012

Time: 4:00 p.m.

Place: Conference Room 308, State Capitol

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

**Re: H.B. 2584 H.D. 1 Relating to Notice of Workers' Compensation Insurance**

**I. OVERVIEW OF PROPOSED LEGISLATION**

HB2584HD1 amends section 386-122, Hawaii Revised Statutes (HRS), by authorizing the director to accept notices of employer's insurance from approved third party agencies on a form approved by the director. The department strongly supports this measure, as it will improve the accuracy, reliability, and timeliness of workers' compensation insurance information that the department provides to the State's procurement and enforcement systems. This measure is effective July 1, 2112.

**II. CURRENT LAW**

Currently, section 386-122 requires employers to file with the director the notice of employer's insurance on a form prescribed by the director. All workers' compensation insurance coverage information is submitted on paper forms and in turn is manually inputted into the department's information system. Budget cuts and staff reductions over the past two years have reduced the department's capability to input the insurance information in a timely manner, rendering the system's data and reports unreliable to management.

With no funding or staffing relief in sight, the department plans to accept and input the insurance information electronically and eliminate the labor-intensive process it currently employs.

**III. COMMENTS ON THE HOUSE BILL**

- By electronically uploading the insurance information into the department's database, this measure if enacted into law will improve the accuracy, reliability, and timeliness of information the department provides to the State's procurement and enforcement systems. This improvement will facilitate the State's procurement process and will allow companies that do business with the State and Counties to receive approval to submit bid proposals and be compensated for their work more quickly.
- This improvement will also provide the investigator and audit staffs with current information necessary to ensure the employers' workers' compensation coverage is kept up to date and will provide the workforce with the economic and health protection the workers' compensation law was intended to provide.
- This measure will aid the department by reducing its labor-intensive requirements to manually input insurance information into its system, and in turn will enable the department to reduce/control the backlog created by the Reduction-in-Force and budget reductions.

The department strongly supports this measure but recommends that it be effective upon approval.

HOUSE OF REPRESENTATIVES  
THE TWENTY-SIXTH LEGISLATURE  
REGULAR SESSION OF 2012

COMMITTEE ON FINANCE

Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair

Hearing: Tuesday, February 28, 2012

Time: 4:00 p.m.

Conference Room: 308 State Capitol

TESTIMONY OF ILWU LOCAL 142 RE: HB 2584, H.D.1  
RELATING TO NOTICE OF WORKERS' COMPENSATION INSURANCE

HB 2584, H.D. 1 allows third party agencies rather than employers to meet the requirement of Section 386-122 HRS that employers file notice of their workers' compensation insurance. In practice, this will permit electronic filing of the notice, eliminating manual recordation of the information and allowing the Department of Labor and Industrial Relations to improve its efficiency in record keeping and enforcement. These are sensible and beneficial reforms which will assist all constituents of our workers' compensation system and we therefore support this bill.

Testimony of Glenn Ida  
Representing,  
The Plumbers and Fitters Union, Local 675  
1109 Bethel St., Lower Level  
Honolulu, Hi. 96813

**In Support of HB 2584, HD1**

Before the House:  
Committee on Finance  
Rep. Marcus Oshiro, Chair  
Rep. Marilyn Lee, Vice-Chair

Tuesday, Feb. 28, 2012  
4:00 PM, Conference Room 308

Aloha Chair Oshiro, Vice-Chair Lee and Members of the Committee,

My name is Glenn Ida; I represent the 1300 plus active members and about 600 retirees of the Plumbers and Fitters Union, Local 675.

Local 675, is in **Support of HB 2584, HD1**, which increases the fee schedule of compensation for medical care services and supplies in worker's compensation cases from 110% to 130% of the Medicare Resource Based Relative Value Scale applicable to Hawaii as prepared by the United States Department and Human Services.

The medical service providers are entitled to fair and timely compensation for the treatment of patients on workers' compensation. The availability of Doctors willing to take Workers' Comp. Patients may be adversely affected if their payments did not keep up with covering their costs of services and supplies thus making it difficult for the injured worker to get the proper treatment needed to heal and return to the work force.

Therefore, Local **675 Supports HB 2152, HD1.**

Thank you for this opportunity to testify.

Glenn Ida  
808-295-1280

George M. Waialeale  
910 Kapahulu Avenue #703  
Honolulu, Hawaii 96816  
Email: [geedubbyou@aol.com](mailto:geedubbyou@aol.com)  
Phone: (808) 383-0436

February 28, 2012

**Committee on Finance**

**HB 2584 HD 1 Relating to Workers' Compensation Insurance**

I am here to testify in support of HB 2584 HD1. This bill will improve the accuracy, reliability, and the timeliness of workers' compensation insurance information.

I ask for your passage of this legislation.

George Waialeale