

STAND. COM. REP. NO. 450

Honolulu, Hawaii

FEB 15 2013

RE: S.B. No. 876
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committees on Health and Judiciary and Labor, to which
was referred S.B. No. 876 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:

- (1) Authorize an employer and provider of services to notify the Director of Labor and Industrial Relations in the event of a reasonable disagreement relating to specific medical services charges relating to workers' compensation claims;
- (2) Require that the notice of dispute is made in writing and that the parties negotiate during the thirty-one calendar days following the date of the notice of dispute to the Director;
- (3) Authorize the Director of Labor and Industrial Relations to render an administrative decision without a hearing in the event the parties fail to reach an agreement within the thirty-one-day negotiation period; and
- (4) Provide that the administrative decision rendered by the Director of Labor and Industrial Relations is final and nonappealable.



Your Committees received testimony in support of this measure from the Hawaii Government Employees Association. Your Committees received testimony in opposition to this measure from Solera Integrated Medical Solutions and Property Casualty Insurers Association of America.

Your Committees find that this measure offers a necessary informal dispute resolution process for disputes between an employer and service provider relating to workers' compensation claims. Your Committees have concerns, however, regarding this measure's service fee and the inability of an employer or service provider to appeal the Director's decision. Accordingly, your Committees have amended this measure by:

- (1) Lowering the service fee assessed to either or both parties who fail to negotiate in good faith from \$500 to \$250;
- (2) Mandating that the administrative decision rendered by the Director of Labor and Industrial Relations shall be appealable to the Appellate Board for ninety days after the administrative decision is issued and thereafter to the Intermediate Appellate Court, subject to chapter 602, Hawaii Revised Statutes; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

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 S.B. No. 876, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 876, 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

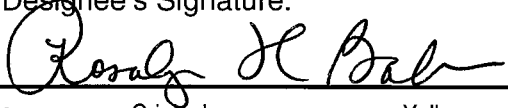


JOSH GREEN, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

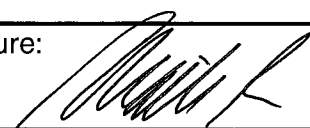
Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB 876	Committee Referral: HTH/JDL, WAM	Date: 02/11/2013		
<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, Josh (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam			✓	
TOTAL	4	—	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

The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 876	HTH/JDL/WAM	02-12-2013		
<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 S.L. (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les		✓		
SLOM, Sam				✓
TOTAL	3	1		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				

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